

INTERIM CONDENSED FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT

	Note	Quarter ended 30 September			Six months ended 30 September		
		2019	2018	Change %	2019	2018	Change %
Goods transferred at a point in time		16,298,188	14,389,357	13	33,037,371	28,362,835	16
Total Revenue from contracts with customers		16,298,188	14,389,357	13	33,037,371	28,362,835	16
Cost of sales		(14,356,827)	(12,888,874)	11	(28,940,067)	(25,568,656)	13
Gross profit		1,941,361	1,500,483	29	4,097,304	2,794,179	47
Other operating income		355,786	301,353	18	705,116	668,731	5
Selling and distribution expenses		(706,746)	(623,775)	13	(1,395,268)	(1,172,869)	19
Administrative expenses		(504,924)	(444,633)	14	(994,830)	(870,790)	14
Other operating expenses		(264,441)	(282,686)	(6)	(523,222)	(510,570)	2
Results from operating activities		821,036	450,742	82	1,889,100	908,681	108
Finance cost		(444,845)	(146,873)	203	(885,609)	(210,525)	321
Finance income		16,070	11,211	43	32,030	34,594	(7)
Net Finance cost		(428,775)	(135,662)	216	(853,579)	(175,931)	385
Profit before tax		392,261	315,080	24	1,035,521	732,750	41
Tax expense	6	(114,291)	(123,659)	(8)	(345,466)	(302,402)	14
Profit for the period		277,970	191,421	45	690,055	430,348	60
Attributable to:							
Equity holders of the parent		277,970	191,421	45	690,055	430,348	60
		LKR	LKR		LKR	LKR	
Earnings per share							
Basic		2.92	2.01		7.26	4.53	
Dividend per share		-	-		8.00	8.00	

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

CEYLON COLD STORES PLC (PQ4)
 No. 117, Sir Chittampalam A Gardiner Mawatha
 Colombo 02

INTERIM CONDENSED FINANCIAL STATEMENTS
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30 September		Six months ended 30 September	
	2019	2018	2019	2018
Profit for the period	277,970	191,421	690,055	430,348
Other comprehensive income				
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Loss on equity instruments designated at fair value	(16,742)	-	(16,742)	-
Net other comprehensive income not to be reclassified to income statement in subsequent periods	(16,742)	-	(16,742)	-
Tax on other comprehensive income	1,674	-	1,674	-
Other comprehensive income for the period, net of tax	(15,068)	-	(15,068)	-
Total comprehensive income for the period, net of tax	262,902	191,421	674,987	430,348
Attributable to:				
Equity holders of the parent	262,902	191,421	674,987	430,348
	262,902	191,421	674,987	430,348

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
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	30.09.2019	31.03.2019
ASSETS		
Non-current assets		
Property, plant and equipment	18,836,337	18,121,188
Right of use asset	6,888,819	-
Lease rentals paid in advance	-	143,237
Investment property	254,034	254,034
Intangible assets	476,979	461,672
Non-current financial assets	7,277,465	7,272,653
Other non-current assets	923,167	1,233,160
	34,656,801	27,485,944
Current assets		
Inventories	4,796,180	5,087,829
Trade and other receivables	2,486,250	3,153,862
Amounts due from related parties	7,619	3,753
Other current assets	1,265,023	1,071,050
Short-term investments	-	52,010
Cash in hand and at bank	410,544	713,817
	8,965,616	10,082,321
Total assets	43,622,417	37,568,265
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	918,200	918,200
Revenue reserves	11,381,694	11,451,973
Other components of equity	3,044,301	3,029,785
Total equity	15,344,195	15,399,958
Non-current liabilities		
Interest-bearing loans and borrowings	7,305,688	1,458,333
Deferred tax liabilities	1,651,686	1,620,348
Employee benefit liabilities	612,041	534,213
Other non-current liabilities	130,061	158,612
	9,699,476	3,771,506
Current liabilities		
Trade and other payables	7,181,093	7,367,446
Amounts due to related parties	294,014	301,971
Income tax liabilities	219,599	151,240
Short-term borrowings	2,024,347	1,646,315
Interest-bearing loans and borrowings	793,439	500,000
Other current liabilities	871,819	1,006,296
Bank overdrafts	7,194,435	7,423,533
	18,578,746	18,396,801
Total equity and liabilities	43,622,417	37,568,265
	LKR	LKR
Net assets per share	161.45	162.04

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

I certify that the financial statements comply with the requirements of the Companies Act No.07 of 2007.

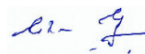


P N Fernando
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements.



D P Gamlath
Director
28 October 2019
Colombo



J G A Cooray
Director

INTERIM CONDENSED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before working capital changes	A	3,226,551	1,732,766
(Increase) / Decrease in inventories		291,649	(309,511)
(Increase) / Decrease in trade and other receivables		667,612	217,009
(Increase) / Decrease in amounts due from related parties		(3,866)	(6,003)
(Increase) / Decrease in other current assets		(106,838)	(382,164)
(Increase) / Decrease in non-current financial assets*		(21,554)	(45,021)
(Increase) / Decrease in other non-current assets		(262,657)	(189,075)
Increase / (Decrease) in trade and other payables		(186,353)	309,790
Increase / (Decrease) in amounts due to related parties		(7,957)	53,216
Increase / (Decrease) in other current liabilities		(134,477)	(351,549)
Increase / (Decrease) in other non-current liabilities		(7,527)	(7,099)
Cash generated from operations		3,454,583	1,022,359
Finance income received		32,030	34,594
Finance costs paid**		(492,236)	(210,525)
Tax paid /set off against tax credits and refunds		(379,370)	(266,468)
Employee benefit (Gratuity) paid		(22,072)	(17,595)
Net cash flow from operating activities		2,592,935	562,365
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(1,525,680)	(3,531,274)
Purchase of intangible assets		(44,789)	(122,245)
Proceeds from sale of property, plant and equipment		5,519	2,093
Net cash flow used in investing activities		(1,564,950)	(3,651,426)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Dividend paid to equity holders of parent		(760,320)	(760,320)
Dividend paid to preference shareholders		(14)	(14)
Repayment of interest-bearing loans and borrowings		(771,868)	(250,000)
Proceeds from/(repayment of) other financial liabilities (net)		378,032	-
Net cash flow used in financing activities		(1,154,170)	(1,010,334)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(126,185)	(4,099,395)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		(6,657,706)	(1,608,388)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		(6,783,891)	(5,707,783)
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Short-term investments		-	60,212
Cash in hand and at bank		410,544	600,932
Unfavourable balances			
Bank overdrafts		(7,194,435)	(6,368,927)
Total Cash and cash equivalents		(6,783,891)	(5,707,783)

*Excludes unquoted equity investment

**Excludes interest expense on lease liabilities

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
 CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September

2019

2018

	2019	2018
A. Profit before working capital changes		
Profit before tax	1,035,521	732,750
Adjustments for:		
Finance income	(32,030)	(34,594)
Finance cost	885,609	210,525
Share-based payment expense	29,584	41,391
Depreciation of property, plant and equipment	794,375	606,939
Amortisation of intangible assets	29,482	13,249
Loss on sale of property, plant and equipment	10,637	93,409
Amortisation of right of use assets/ Lease rentals paid in advance	370,563	1,513
Foreign exchange loss on lease liability	2,910	-
Employee benefit provisions and related costs	99,900	67,584
	3,226,551	1,732,766

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
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of Parent					Total Equity
	Stated capital	ESOP reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Revenue reserves	
As at 1 April 2018	918,200	365,091	831,051	-	11,568,431	13,682,773
Profit for the period	-	-	-	-	430,348	430,348
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	430,348	430,348
Share based payment transactions	-	41,391	-	-	-	41,391
Final dividend paid - 2017/18	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2017/18	-	-	-	-	(14)	(14)
As at 30 September 2018	918,200	406,482	831,051	-	11,238,445	13,394,178
As at 1 April 2019	918,200	444,375	948,136	1,637,274	11,451,973	15,399,958
Profit for the period	-	-	-	-	690,055	690,055
Other comprehensive income	-	-	-	(15,068)	-	(15,068)
Total comprehensive income	-	-	-	(15,068)	690,055	674,987
Share based payment transactions	-	29,584	-	-	-	29,584
Final dividend paid - 2018/19	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2018/19	-	-	-	-	(14)	(14)
As at 30 September 2019	918,200	473,959	948,136	1,622,206	11,381,694	15,344,195

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

CEYLON COLD STORES PLC (PQ4)
No. 117, Sir Chittampalam A Gardiner Mawatha
Colombo 02

INTERIM CONDENSED FINANCIAL STATEMENTS
COMPANY INCOME STATEMENT

	Note	Quarter ended 30 September			Six months ended 30 September		
		2019	2018	Change %	2019	2018	Change %
Goods transferred at a point in time		2,811,572	2,934,563	(4)	5,923,011	6,005,732	(1)
Total Revenue from contracts with customers		2,811,572	2,934,563		5,923,011	6,005,732	(1)
Cost of sales		(1,871,735)	(2,017,073)	(7)	(3,875,792)	(4,137,045)	(6)
Gross profit		939,837	917,490	2	2,047,219	1,868,687	10
Dividend income		-	-	-	278,088	278,088	-
Other operating income		98,625	59,101	67	174,920	84,110	108
Selling and distribution expenses		(485,618)	(401,175)	21	(944,350)	(822,598)	15
Administrative expenses		(186,189)	(157,474)	18	(365,227)	(333,856)	9
Other operating expenses		(83,240)	(71,185)	17	(169,441)	(140,169)	21
Results from operating activities		283,415	346,757	(18)	1,021,209	934,262	9
Finance cost		(189)	(3,646)	(95)	(509)	(3,843)	(87)
Finance income		13,009	9,060	44	26,219	27,486	(5)
Net finance income		12,820	5,414	137	25,710	23,643	9
Profit before tax		296,235	352,171	(16)	1,046,919	957,905	9
Tax expense	6	(87,280)	(104,972)	(17)	(221,807)	(212,058)	5
Profit for the period		208,955	247,199	(15)	825,112	745,847	11
		LKR	LKR		LKR	LKR	
Dividend per share		-	-		8.00	8.00	

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
 COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30 September		Six months ended 30 September	
	2019	2018	2019	2018
Profit for the period	208,955	247,199	825,112	745,847
Other comprehensive income				
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Loss on equity instruments designated at fair value	(16,742)	-	(16,742)	-
Net other comprehensive income not to be reclassified to income statement in subsequent periods	(16,742)	-	(16,742)	-
Tax on other comprehensive income	1,674	-	1,674	-
Other comprehensive income for the period, net of tax	(15,068)	-	(15,068)	-
Total comprehensive income for the period, net of tax	193,887	247,199	810,044	745,847

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
COMPANY STATEMENT OF FINANCIAL POSITION

As at	30.09.2019	31.03.2019
ASSETS		
Non-current assets		
Property, plant and equipment	4,106,028	4,136,237
Investment property	254,034	254,034
Intangible assets	3,199	3,700
Investments in subsidiaries	2,947,282	2,942,282
Non-current financial assets	7,154,730	7,152,805
Other non-current assets	61,804	56,896
	14,527,077	14,545,954
Current assets		
Inventories	1,159,598	1,119,560
Trade and other receivables	1,423,520	1,616,420
Amounts due from related parties	69,153	58,569
Other current assets	198,634	90,155
Short-term investments	-	52,010
Cash in hand and at bank	195,072	249,623
	3,045,977	3,186,337
Total assets	17,573,054	17,732,291
EQUITY AND LIABILITIES		
Stated capital	918,200	918,200
Revenue reserves	10,770,026	10,705,248
Other components of equity	2,768,397	2,766,013
Total equity	14,456,623	14,389,461
Non-current liabilities		
Deferred tax liabilities	820,084	867,135
Employee benefit liabilities	421,583	375,993
Other non-current liabilities	130,061	137,590
	1,371,728	1,380,718
Current liabilities		
Trade and other payables	1,053,220	1,151,572
Amounts due to related parties	13,209	5,414
Income tax liabilities	219,599	151,240
Other current liabilities	291,910	413,509
Bank overdrafts	166,765	240,377
	1,744,703	1,962,112
Total equity and liabilities	17,573,054	17,732,291
	LKR	LKR
Net assets per share	152.11	151.40

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

I certify that the financial statements comply with the requirements of the Companies Act No.07 of 2007.

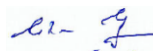


P N Fernando
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements.



D P Gamlath
Director
28 October 2019
Colombo



J G A Cooray
Director

INTERIM CONDENSED FINANCIAL STATEMENTS

COMPANY STATEMENT OF CASH FLOWS

For the six months ended 30 September

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,046,919	957,905
Adjustments for:		
Finance income	(26,219)	(27,486)
Dividend income	(278,088)	(278,088)
Finance cost	509	3,843
Depreciation of property, plant and equipment	257,489	243,076
Loss on sale of property, plant and equipment	771	2,373
Amortization of intangible assets	1,099	1,260
Share based payment expenses	17,452	30,466
Employee benefit provisions and related costs	64,974	46,410
Profit before working capital changes	1,084,906	979,759
(Increase) / Decrease in inventories	(40,038)	67,164
(Increase) / Decrease in trade and other receivables	192,900	363,014
(Increase) / Decrease in amounts due from related parties	(10,584)	(87,868)
(Increase) / Decrease in other current assets	(108,479)	(196,689)
(Increase) / Decrease in non-current financial assets *	(18,665)	(14,716)
(Increase) / Decrease in other non-current assets	(4,908)	(7,236)
Increase / (Decrease) in trade and other payables	(98,352)	(194,833)
Increase / (Decrease) in amounts due to related parties	7,795	7,613
Increase / (Decrease) in other current liabilities	(121,599)	(294,132)
Increase / (Decrease) in other non-current liabilities	(7,529)	680
Cash generated from operations	875,447	622,756
Finance income received**	21,219	21,236
Finance expenses paid	(509)	(3,843)
Tax paid /set off against tax credits and refunds	(198,827)	(168,100)
Employee benefit (Gratuity) paid	(19,384)	(10,587)
Net cash flow from operating activities	677,946	461,462
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase and construction of property, plant and equipment	(229,797)	(218,189)
Purchase of intangible assets	(598)	-
Investment in subsidiary	-	(450,000)
Dividend income received	278,088	278,088
Proceeds from sale of property, plant and equipment	1,746	192
Net cash flow from (used in) investing activities	49,439	(389,909)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Dividend paid to equity holders	(760,320)	(760,320)
Dividend paid to preference shareholders	(14)	(14)
Net cash flow used in financing activities	(760,334)	(760,334)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	(32,949)	(688,781)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	61,256	552,899
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	28,307	(135,882)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Favourable balances		
Short-term investments	-	21,833
Cash in hand and at bank	195,072	261,728
Unfavourable balances		
Bank overdrafts	(166,765)	(419,443)
Total cash and cash equivalents	28,307	(135,882)

*Excludes unquoted equity investment

**Excludes inter-company notional guarantee income

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
 COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated capital	ESOP reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Revenue reserves	Total Equity
As at 1 April 2018	918,200	228,433	780,371	-	10,440,113	12,367,117
Profit for the period	-	-	-	-	745,847	745,847
Total comprehensive income	-	-	-	-	745,847	745,847
Share based payment transactions	-	30,466	-	-	-	30,466
Final dividend paid - 2017/18	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2017/18	-	-	-	-	(14)	(14)
As at 30 September 2018	918,200	258,899	780,371	-	10,425,626	12,383,096
As at 1 April 2019	918,200	283,727	845,012	1,637,274	10,705,248	14,389,461
Profit for the period	-	-	-	-	825,112	825,112
Other comprehensive income	-	-	-	(15,068)	-	(15,068)
Total comprehensive income	-	-	-	(15,068)	825,112	810,044
Share based payment transactions	-	17,452	-	-	-	17,452
Final dividend paid - 2018/19	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2018/19	-	-	-	-	(14)	(14)
As at 30 September 2019	918,200	301,179	845,012	1,622,206	10,770,026	14,456,623

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

CEYLON COLD STORES PLC (PQ4)
No. 117, Sir Chittampalam A Gardiner Mawatha
Colombo 02

INTERIM CONDENSED FINANCIAL STATEMENTS
OPERATING SEGMENT INFORMATION

Business segments

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

For the Quarter ended 30 September	Manufacturing		Retail		Group Total	
	2019	2018	2019	2018	2019	2018
Goods transferred at a point in time						
- External revenue	3,535,167	3,530,888	12,763,021	10,858,469	16,298,188	14,389,357
- Inter segment revenue	74,342	72,243	-	-	74,342	72,243
Total revenue from contracts with customers	3,609,509	3,603,131	12,763,021	10,858,469	16,372,530	14,461,600
Eliminations of inter segment revenue					(74,342)	(72,243)
Net revenue from contracts with customers					16,298,188	14,389,357
Segment result	438,832	448,451	383,065	(7,241)	821,897	441,210
Finance cost	(55,224)	(58,355)	(389,621)	(88,518)	(444,845)	(146,873)
Finance income	10,757	6,553	5,313	4,658	16,070	11,211
Eliminations / adjustments					(861)	9,532
Profit before tax	394,365	396,649	(1,243)	(91,101)	392,261	315,080
Tax expense*	(118,626)	(141,560)	4,335	17,901	(114,291)	(123,659)
Profit for the period	275,739	255,089	3,092	(73,200)	277,970	191,421
Purchase and construction of Property, Plant and Equipment	181,659	184,615	619,060	1,373,687	800,719	1,558,302
Addition to Intangible Assets	598	-	26,104	114,972	26,702	114,972
Depreciation of Property, Plant and Equipment	176,291	159,313	222,431	172,916	398,722	332,229
Amortization of Intangible Assets	685	654	14,683	8,269	15,368	8,923
Amortisation of Right of Use Assets/Lease Rentals Paid in Advance	1,193	756	184,577	-	185,770	756
Employee benefit provisions and related costs	34,104	23,449	18,373	10,587	52,477	34,036

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

* 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.

CEYLON COLD STORES PLC (PQ4)
No. 117, Sir Chittampalam A Gardiner Mawatha
Colombo 02

INTERIM CONDENSED FINANCIAL STATEMENTS
OPERATING SEGMENT INFORMATION

Business segments

The following table presents revenue, profit information and other disclosures regarding the Group's business segments.

For the six months ended 30th September	Manufacturing		Retail		Group Total	
	2019	2018	2019	2018	2019	2018
Goods transferred at a point in time - External revenue	7,335,783	6,564,869	25,701,588	21,797,966	33,037,371	28,362,835
- Inter segment revenue	231,848	156,879	-	-	231,848	156,879
Total revenue from contracts with customers	7,567,631	6,721,748	25,701,588	21,797,966	33,269,219	28,519,714
Eliminations of inter segment revenue					(231,848)	(156,879)
Net revenue from contracts with customers					33,037,371	28,362,835
Segment result	1,292,250	965,612	872,040	224,492	2,164,290	1,190,104
Finance cost	(119,247)	(78,553)	(766,362)	(131,972)	(885,609)	(210,525)
Finance income	21,691	26,009	10,339	8,585	32,030	34,594
Eliminations / adjustments					(275,190)	(281,423)
Profit before tax	1,194,694	913,068	116,017	101,105	1,035,521	732,750
Tax expense*	(267,000)	(223,694)	(78,466)	(78,708)	(345,466)	(302,402)
Profit for the period	927,694	689,374	37,551	22,397	690,055	430,348
Reportable Segment Assets**	19,442,825	17,641,940	24,142,422	14,729,888	43,622,417	32,385,010
Purchase and construction of Property, Plant and Equipment	270,141	1,035,302	1,255,539	2,495,972	1,525,680	3,531,274
Addition to Intangible Assets	1,409	-	43,380	122,245	44,789	122,245
Reportable Segment Liabilities***	6,007,229	6,563,113	22,331,887	12,508,587	28,278,222	18,990,832
Depreciation of Property, Plant and Equipment	351,039	292,103	443,336	314,836	794,375	606,939
Amortization of Intangible Assets	1,343	1,260	28,139	11,989	29,482	13,249
Amortisation of Right of Use Assets/Lease Rentals Paid in Advance	2,320	1,513	368,243	-	370,563	1,513
Employee benefit provisions and related costs	68,528	46,789	31,372	20,795	99,900	67,584

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

* Retail segment tax expense includes tax on consolidation adjustments

**Segment Assets include Investment Property, Unquoted Equity Investments and Right of Use Assets

*** Segment Liabilities include Lease Liabilities

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 period ended 30 September 2019, 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 six months ended 30 September 2019 were authorized for issue by the Board of Directors on 28 October 2019.

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 six months ended 30 September 2019 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 2019.

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

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.

4.2 Fair value measurement and related fair value disclosures

The fair values of all the financial assets and financial liabilities recognised during the period were not materially different from the transaction prices at the date of initial recognition. There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy, during the period. The fair value changes on financial instruments in Level 3 category was properly recorded in the statement of other comprehensive income and there were no purchases and/or disposals during the period.

Fair valuation was done as of 30 September 2019 for all unquoted equity shares classified as Level 3 within the fair value hierarchy according to fair valuation methodology. Fair value would not significantly vary if one or more of the inputs were changed.

4.3 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 2019, except for the adoption of new standards effective as of 1 April 2019. The Group has not opted for early adoption of any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, SLFRS 16 Leases. As required by LKAS 34, the nature and effect of these changes are disclosed below;

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The Group has adopted SLFRS 16 using modified retrospective method from 1 April 2019, without restating comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard.

Lessor accounting under SLFRS 16 is substantially unchanged under LKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in LKAS 17. Therefore, SLFRS 16 does not have an impact for leases where the Group is the lessor.

The effect of adopting SLFRS 16 ie.the increase/(decrease) as at 1 April 2019 is as follows;

	Group
	In LKR'000s
Assets	
Right of use assets	6,341,097
Lease rentals paid in advance	(722,413)
Other current assets	(41,612)
Total assets	<u>5,577,072</u>
Liabilities	
Interest-bearing loans and borrowings	5,598,093
Other deferred liabilities	(21,021)
Total Liabilities	<u>5,577,072</u>

INTERIM CONDENSED FINANCIAL STATEMENTS
 NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

a) Nature of the effect of adoption of SLFRS 16

The Group has lease contracts for lands, offices, warehouses and retail stores. Property leases are the major asset included in the right of use assets category, typically made up of lease period in between 5 to 50 years and have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. On adoption of SLFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of LKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of the transition date.

Leases previously classified as finance leases

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The requirements of SLFRS 16 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Group recognised right of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right of use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

	Group In LKR'000s
Operating lease commitments as at 31 March 2019	976,732
Discounted operating lease commitments at 1 April 2019	636,291
Less:	
Commitments relating to short-term leases	(153,961)
Commitments relating to leases of low-value assets	(3,846)
Add:	
Payments in optional extension periods not recognised as at 31 March 2019	5,119,609
Lease liabilities as at 1 April 2019	<u>5,598,093</u>

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of SLFRS 16, which have been applied from the date of initial application:

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in-substance of the fixed lease payments or a change in the assessment to purchase the underlying asset.

CEYLON COLD STORES PLC (PQ4)
No. 117, Sir Chittampalam A Gardiner Mawatha
Colombo 02

INTERIM CONDENSED FINANCIAL STATEMENTS

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease period of 12 months or less from the commencement date. It also applies to the lease of low-value assets, with further exemption of recognition to leases of office equipment that are also considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Amounts recognised in the statement of financial position and income statement

Set out below, are the carrying amounts of the Group's right of use assets and lease liabilities and the movements for the period ended 30 September 2019.

	Group	
	Right of use assets Relating to Land and Buildings	Lease liabilities
In LKR'000s		
As at 1 April 2019	6,341,097	5,598,093
Additions	918,285	918,287
Amortisation expense	(370,563)	-
Interest expense	-	393,373
Payments	-	(521,868)
Effect of Foreign Exchange Valuation	-	2,910
As at 30 September 2019	6,888,819	6,390,795

5 OPERATING SEGMENTS

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

- Manufacturing
- Retail

6 TAX

	Group		Company	
	2019	2018	2019	2018
For the six months ended 30 September				
In LKR'000s				
Income statement				
Current income tax	312,457	261,268	267,186	215,997
Deferred tax charge / (reversal)	33,009	41,134	(45,379)	(3,939)
	345,466	302,402	221,807	212,058

INTERIM CONDENSED FINANCIAL STATEMENTS
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

7 RELATED PARTY TRANSACTIONS
For the six months ended 30 September
In LKR '000s

Group
2019 2018
Company
2019 2018

Transactions with related parties

Ultimate Parent

Sale of goods	438	453	-	-
Receiving of services	173,416	195,851	48,294	41,540

Subsidiaries

Sale of goods	-	-	239,477	179,511
Purchase of goods	-	-	74,875	10,794
Rendering of services	-	-	72,571	-
Receiving of services	-	-	19,836	13,332
Investment in equity	-	-	-	450,000
Guarantee income	-	-	5,000	6,250
Royalty income	-	-	60,449	29,518

Companies under common control

Sale of goods	3,154	2,763	583	264
Purchase of goods	477,565	421,603	778	1,035
Rendering of services	17,126	2,117	9,214	-
Receiving of Services	671,619	556,687	38,474	37,639
Franchise income received	6,702	6,149	6,702	6,149

Key Management personnel (KMP)

Sale of goods	-	-	-	-
---------------	---	---	---	---

Close family members of KMP

Sale of goods	-	-	-	-
---------------	---	---	---	---

Post employment benefit plan

Contributions to the provident fund	58,336	50,754	53,479	48,520
-------------------------------------	--------	--------	--------	--------

Transactions with related parties - equity accounted investees of Ultimate Parent

Receiving of Services	1,564	-	549	-
Interest received	963	224	101	93

8 Share information

8.1 Stated capital

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

As at	30-09-2019	30-06-2019
Ordinary shares	95,040,000	95,040,000
Preference shares	25,000	25,000

8.2 Net assets per share

Net assets per share has been calculated, for all periods, based on the number of shares in issue as at 30 September 2019.

8.3 Market price per share

For the quarter ended 30 September	2019 LKR	2018 LKR
Highest	820.00	992.00
Lowest	569.90	795.00
Last traded	782.40	848.90

8.4 Public share holdings

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

As at	30-09-2019	30-06-2019
Public share holding (%)	18.56%	18.56%
Public share holders	1,814	1,824
Compliant under option 01 - Float adjusted market capitalization (LKR Mn)	13,801	10,056

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.

INTERIM CONDENSED FINANCIAL STATEMENTS
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

8.5 Directors' share holdings

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

As at	30-09-2019	30-06-2019
Mr. K.N.J. Balendra - Chairman	81,904	81,904
Mr. J.G.A.Cooray	Nil	Nil
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

8.6 Twenty largest shareholders of the Company are as follows:

As at	30-09-2019		30-06-2019	
	Number of shares	%	Number of shares	%
1 John Keells Holdings PLC	67,155,812	70.66%	67,155,812	70.66%
2 Whittal Boustead (Pvt) Ltd	10,165,392	10.70%	10,165,392	10.70%
3 GF Capital Global Ltd	2,074,241	2.18%	2,074,241	2.18%
4 BBH Lux fidelity Funds-Pacific Fund	1,768,673	1.86%	1,768,673	1.86%
5 BBH-Matthews Emerging Asia Fund	1,376,891	1.45%	1,376,891	1.45%
6 JPMLU-T Rowe Price Funds SICAV	828,966	0.87%	883,966	0.93%
7 BBH-Fidelity Funds	720,196	0.76%	720,196	0.76%
8 Standard Chartered Bank Mauritius S/A Chambers Street Global Fund	455,819	0.48%	455,819	0.48%
9 JPMCB NA- Fidelity Asian Values PLC	285,174	0.30%	285,174	0.30%
10 Life Insurance Corporation of India	272,912	0.29%	272,912	0.29%
11 Sisira Investors Ltd	259,132	0.27%	259,132	0.27%
12 Global Sea Foods (Pvt) Ltd	242,662	0.26%	291,000	0.31%
13 SSBT-Deutsche Bank AG Singapore A/C 01	242,153	0.25%	242,153	0.25%
14 Ayenka Holdings (Pvt) Ltd	195,050	0.21%	202,034	0.21%
15 Est. of Late M. Radhakrishnan (Deceased)	169,256	0.18%	169,256	0.18%
16 Mrs. J.R. Printer (Deceased)	167,936	0.18%	167,936	0.18%
17 JPMCB-T.Rowe Price Institutional Frontier Markets Equity Fund	159,321	0.17%	136,319	0.14%
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

For the six months ended 30 September In LKR '000s	2019	2018
Final dividend for 2018/19 LKR 8.00 (2017/18 LKR 8.00)	760,320	760,320

10 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 2019.

11 Events after the reporting period

There have been no other events subsequent to the reporting date, which require disclosure in the interim condensed financial statements.