



Ceylon Cold Stores PLC

Interim Financial Statements
31st December 2019

INTERIM CONDENSED FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT

	Note	Quarter ended 31 December			Nine months ended 31 December		
		2019	2018	Change %	2019	2018	Change %
Continuing operations							
Goods transferred at a point in time		17,875,460	15,196,245	18	50,912,831	43,559,080	17
Revenue from contracts with customers		17,875,460	15,196,245	18	50,912,831	43,559,080	17
Cost of sales		(15,773,100)	(13,647,291)	16	(44,713,167)	(39,215,947)	14
Gross profit		2,102,360	1,548,954	36	6,199,664	4,343,133	43
Other operating income		512,357	384,209	33	1,217,473	1,052,940	16
Selling and distribution expenses		(688,711)	(635,602)	8	(2,083,979)	(1,808,471)	15
Administrative expenses		(490,128)	(457,384)	7	(1,484,958)	(1,328,174)	12
Other operating expenses		(175,057)	(291,237)	(40)	(698,279)	(801,807)	(13)
Results from operating activities		1,260,821	548,940	130	3,149,921	1,457,621	116
Finance cost		(480,719)	(199,940)	140	(1,366,328)	(410,465)	233
Finance income		13,696	12,142	13	45,726	46,736	(2)
Net Finance cost		(467,023)	(187,798)	149	(1,320,602)	(363,729)	263
Profit before tax		793,798	361,142	120	1,829,319	1,093,892	67
Tax expense	6	(224,641)	(9,680)	2,221	(570,107)	(312,082)	83
Profit for the period		569,157	351,462	62	1,259,212	781,810	61
Attributable to:							
Equity holders of the parent		569,157	351,462	62	1,259,212	781,810	61
		LKR	LKR		LKR	LKR	
Earnings per share							
Basic		5.99	3.70		13.25	8.23	
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 31 December		Nine months ended 31 December	
	2019	2018	2019	2018
Profit for the period	569,157	351,462	1,259,212	781,810
Other comprehensive income				
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Net loss on equity instruments at fair value through other comprehensive income	-	-	(16,742)	-
Net other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	(16,742)	-
Tax on other comprehensive income	-	-	1,674	-
Other comprehensive income for the period, net of tax	-	-	(15,068)	-
Total comprehensive income for the period, net of tax	569,157	351,462	1,244,144	781,810
Attributable to:				
Equity holders of the parent	569,157	351,462	1,244,144	781,810
	569,157	351,462	1,244,144	781,810

Note : All values are in LKR '000s, unless otherwise stated.
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INTERIM CONDENSED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	31.12.2019	31.03.2019
ASSETS		
Non-current assets		
Property, plant and equipment	19,529,424	18,121,188
Right of use asset	7,585,356	-
Lease rentals paid in advance	-	143,237
Investment property	254,034	254,034
Intangible assets	566,794	461,672
Non-current financial assets	7,275,590	7,272,653
Other non-current assets	873,716	1,233,160
	36,084,914	27,485,944
Current assets		
Inventories	5,987,426	5,087,829
Trade and other receivables	2,863,035	3,153,862
Amounts due from related parties	17,968	3,753
Other current assets	1,332,137	1,071,050
Short-term investments	291,039	52,010
Cash in hand and at bank	513,142	713,817
	11,004,747	10,082,321
Total assets	47,089,661	37,568,265
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	918,200	918,200
Revenue reserves	11,950,851	11,451,973
Other components of equity	3,057,183	3,029,785
Total equity	15,926,234	15,399,958
Non-current liabilities		
Interest-bearing loans and borrowings	7,828,373	1,458,333
Deferred tax liabilities	1,775,497	1,620,348
Employee benefit liabilities	655,766	534,213
Other non-current liabilities	118,837	158,612
	10,378,473	3,771,506
Current liabilities		
Trade and other payables	8,390,370	7,367,446
Amounts due to related parties	299,053	301,971
Income tax liabilities	171,870	151,240
Short-term borrowings	2,549,990	1,646,315
Interest-bearing loans and borrowings	793,652	500,000
Other current liabilities	781,944	1,006,296
Bank overdrafts	7,798,075	7,423,533
	20,784,954	18,396,801
Total equity and liabilities	47,089,661	37,568,265
	LKR	LKR
Net assets per share	167.57	162.04

Note : All values are in LKR '000s, unless otherwise stated.
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I certify that the financial statements comply with the requirements of the Companies Act No.07 of 2007.

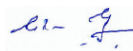


P N Fernando
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements.



D P Gamlath
Director
27 January 2020
Colombo



J G A Cooray
Director

INTERIM CONDENSED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 31 December	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before working capital changes	A	5,185,865	2,784,687
(Increase) / Decrease in inventories		(899,597)	(887,020)
(Increase) / Decrease in trade and other receivables		290,827	(71,388)
(Increase) / Decrease in amounts due from related parties		(14,215)	(8,547)
(Increase) / Decrease in other current assets		(124,556)	42,643
(Increase) / Decrease in non-current financial assets*		(19,679)	(54,367)
(Increase) / Decrease in other non-current assets		(213,206)	(257,514)
Increase / (Decrease) in trade and other payables		1,022,924	1,265,455
Increase / (Decrease) in amounts due to related parties		(2,918)	78,952
Increase / (Decrease) in other current liabilities		(224,352)	237,288
Increase / (Decrease) in other non-current liabilities		(18,751)	(44,954)
Cash generated from operations		4,982,342	3,085,235
Finance income received		45,726	46,736
Finance costs paid**		(744,062)	(410,465)
Tax paid /set off against tax credits and refunds		(577,323)	(395,443)
Employee benefit (Gratuity) paid		(26,737)	(33,973)
Net cash flow from operating activities		3,679,946	2,292,090
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(2,639,543)	(5,420,864)
Purchase of intangible assets		(154,964)	(170,734)
Proceeds from sale of property, plant and equipment		5,811	2,085
Net cash flow used in investing activities		(2,788,696)	(5,589,513)
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		(1,370,779)	(375,000)
Proceeds from/(repayment of) other financial liabilities (net)		903,675	-
Net cash flow used in financing activities		(1,227,438)	(1,135,334)
NET INCREASE DECREASE IN CASH AND CASH EQUIVALENTS		(336,188)	(4,432,757)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		(6,657,706)	(1,608,388)
CASH AND CASH EQUIVALENTS AT THE END		(6,993,894)	(6,041,145)
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Short-term investments		291,039	-
Cash in hand and at bank		513,142	521,856
Unfavourable balances			
Bank overdrafts		(7,798,075)	(6,563,001)
Total Cash and cash equivalents		(6,993,894)	(6,041,145)

*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 nine months ended 31 December

	2019	2018
A. Profit before working capital changes		
Profit before tax	1,829,319	1,093,892
Adjustments for:		
Finance income	(45,726)	(46,736)
Finance cost	1,366,328	410,465
Share-based payment expense	42,466	60,339
Depreciation of property, plant and equipment	1,212,442	971,705
Amortisation of intangible assets	49,842	26,713
Loss on sale of property, plant and equipment	13,054	156,049
Amortisation of right of use assets/ Lease rentals paid in advance	567,152	2,270
Foreign exchange loss on lease liability	2,698	-
Employee benefit provisions and related costs	148,290	109,990
	5,185,865	2,784,687

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 Figures in brackets indicate deductions.
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INTERIM CONDENSED FINANCIAL STATEMENTS
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of Parent					
	Stated capital	Revaluation reserve	Other capital reserves	Fair value reserve of financial assets at FVOCI*	Revenue reserves	Total Equity
As at 1 April 2018	918,200	831,051	365,091	-	11,568,431	13,682,773
Profit for the period	-	-	-	-	781,810	781,810
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	781,810	781,810
Share based payments	-	-	60,339	-	-	60,339
Final dividend paid - 2017/18	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2017/18	-	-	-	-	(14)	(14)
As at 31 December 2018	918,200	831,051	425,430	-	11,589,907	13,764,588
As at 1 April 2019	918,200	948,136	444,375	1,637,274	11,451,973	15,399,958
Profit for the period	-	-	-	-	1,259,212	1,259,212
Other comprehensive income	-	-	-	(15,068)	-	(15,068)
Total comprehensive income	-	-	-	(15,068)	1,259,212	1,244,144
Share based payments	-	-	42,466	-	-	42,466
Final dividend paid - 2018/19	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2018/19	-	-	-	-	(14)	(14)
As at 31 December 2019	918,200	948,136	486,841	1,622,206	11,950,851	15,926,234

* FVOCI - Fair value through Other Comprehensive Income

Note : All values are in LKR '000s, unless otherwise stated.
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CEYLON COLD STORES PLC (PQ4)
No. 117, Sir Chittampalam A Gardiner Mawatha
Colombo 02

INTERIM CONDENSED FINANCIAL STATEMENTS
COMPANY INCOME STATEMENT

	Note	Quarter ended 31 December			Nine months ended 31 December		
		2019	2018	Change %	2019	2018	Change %
Continuing operations							
Goods transferred at a point in time		2,668,798	2,552,296	5	8,591,809	8,558,028	0
Revenue from contracts with customers		2,668,798	2,552,296		8,591,809	8,558,028	0
Cost of sales		(1,817,622)	(1,809,626)	0	(5,693,414)	(5,946,671)	(4)
Gross profit		851,176	742,670	15	2,898,395	2,611,357	11
Dividend income		-	-	-	278,088	278,088	-
Other operating income		99,168	46,902	111	274,088	131,012	109
Selling and distribution expenses		(496,755)	(401,279)	24	(1,441,105)	(1,223,877)	18
Administrative expenses		(170,176)	(152,286)	12	(535,403)	(486,142)	10
Other operating expenses		(53,330)	(80,974)	(34)	(222,771)	(221,143)	1
Results from operating activities		230,083	155,033	48	1,251,292	1,089,295	15
Finance cost		(498)	(6,129)	(92)	(1,007)	(9,972)	(90)
Finance income		10,791	9,761	11	37,010	37,247	(1)
Net finance income		10,293	3,632	183	36,003	27,275	32
Profit before tax		240,376	158,665	51	1,287,295	1,116,570	15
Tax expense	6	(66,992)	(54,078)	24	(288,799)	(266,136)	9
Profit for the period		173,384	104,587	66	998,496	850,434	17
		LKR	LKR		LKR	LKR	
Dividend per share		-	-		8.00	8.00	

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INTERIM CONDENSED FINANCIAL STATEMENTS
 COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 December		Nine months ended 31 December	
	2019	2018	2019	2018
Profit for the period	173,384	104,587	998,496	850,434
Other comprehensive income				
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Net loss on equity instruments at fair value through other comprehensive income	-	-	(16,742)	-
Net other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	(16,742)	-
Tax on other comprehensive income	-	-	1,674	-
Other comprehensive income for the period, net of tax	-	-	(15,068)	-
Total comprehensive income for the period, net of tax	173,384	104,587	983,428	850,434

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INTERIM CONDENSED FINANCIAL STATEMENTS
COMPANY STATEMENT OF FINANCIAL POSITION

As at	31.12.2019	31.03.2019
ASSETS		
Non-current assets		
Property, plant and equipment	4,193,346	4,136,237
Investment property	254,034	254,034
Intangible assets	2,767	3,700
Investments in subsidiaries	2,949,782	2,942,282
Non-current financial assets	7,158,176	7,152,805
Other non-current assets	62,783	56,896
	14,620,888	14,545,954
Current assets		
Inventories	1,152,055	1,119,560
Trade and other receivables	1,461,289	1,616,420
Amounts due from related parties	102,552	58,569
Other current assets	167,784	90,155
Short-term investments	90,000	52,010
Cash in hand and at bank	149,686	249,623
	3,123,366	3,186,337
Total assets	17,744,254	17,732,291
EQUITY AND LIABILITIES		
Stated capital	918,200	918,200
Revenue reserves	10,943,410	10,705,248
Other components of equity	2,773,436	2,766,013
Total equity	14,635,046	14,389,461
Non-current liabilities		
Deferred tax liabilities	803,054	867,135
Employee benefit liabilities	454,120	375,993
Other non-current liabilities	118,837	137,590
	1,376,011	1,380,718
Current liabilities		
Trade and other payables	1,128,044	1,151,572
Amounts due to related parties	16,273	5,414
Income tax liabilities	171,870	151,240
Other current liabilities	261,888	413,509
Bank overdrafts	155,122	240,377
	1,733,197	1,962,112
Total equity and liabilities	17,744,254	17,732,291
	LKR	LKR
Net assets per share	153.99	151.40

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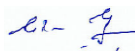


P N Fernando
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements.



D P Gamlath
Director
27 January 2020
Colombo



J G A Cooray
Director

INTERIM CONDENSED FINANCIAL STATEMENTS

COMPANY STATEMENT OF CASH FLOWS

For the nine months ended 31 December

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,287,295	1,116,570
Adjustments for:		
Finance income	(37,010)	(37,247)
Dividend income	(278,088)	(278,088)
Finance cost	1,007	9,972
Depreciation of property, plant and equipment	389,453	367,460
Loss on sale of property, plant and equipment	1,317	10,253
Amortization of intangible assets	1,531	1,825
Share based payment expenses	22,491	42,881
Employee benefit provisions and related costs	98,630	76,719
Profit before working capital changes	1,486,626	1,310,345
(Increase) / Decrease in inventories	(32,495)	27,959
(Increase) / Decrease in trade and other receivables	155,131	316,542
(Increase) / Decrease in amounts due from related parties	(43,983)	(65,388)
(Increase) / Decrease in other current assets	(77,629)	(31,154)
(Increase) / Decrease in non-current financial assets *	(22,113)	(21,804)
(Increase) / Decrease in other non-current assets	(5,887)	(5,022)
Increase / (Decrease) in trade and other payables	(23,528)	(158,704)
Increase / (Decrease) in amounts due to related parties	10,859	17,504
Increase / (Decrease) in other current liabilities	(151,621)	(415,027)
Increase / (Decrease) in other non-current liabilities	(18,753)	(33,113)
Cash generated from operations	1,276,607	942,138
Finance income received**	29,510	27,872
Finance expenses paid	(1,007)	(9,972)
Tax paid /set off against tax credits and refunds	(330,576)	(297,075)
Employee benefit (Gratuity) paid	(20,503)	(23,984)
Net cash flow from operating activities	954,031	638,979
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase and construction of property, plant and equipment	(449,908)	(320,657)
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	2,029	192
Net cash flow used in investing activities	(170,389)	(492,377)
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 / (DECEREASE) IN CASH AND CASH EQUIVALENTS	23,308	(613,732)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	61,256	552,899
CASH AND CASH EQUIVALENTS AT THE END	84,564	(60,833)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Favourable balances		
Short-term investments	90,000	-
Cash in hand and at bank	149,686	254,774
Unfavourable balances		
Bank overdrafts	(155,122)	(315,607)
Total cash and cash equivalents	84,564	(60,833)

*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	Revaluation reserve	Other capital reserves	Fair value reserve of financial assets at FVOCI*	Revenue reserves	Total Equity
As at 1 April 2018	918,200	780,371	228,433	-	10,440,113	12,367,117
Profit for the period	-	-	-	-	850,434	850,434
Total comprehensive income	-	-	-	-	850,434	850,434
Share based payment transactions	-	-	42,881	-	-	42,881
Final dividend paid - 2017/18	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2017/18	-	-	-	-	(14)	(14)
As at 31 December 2018	918,200	780,371	271,314	-	10,530,213	12,500,098
As at 1 April 2019	918,200	845,012	283,727	1,637,274	10,705,248	14,389,461
Profit for the period	-	-	-	-	998,496	998,496
Other comprehensive income	-	-	-	(15,068)	-	(15,068)
Total comprehensive income	-	-	-	(15,068)	998,496	983,428
Share based payment transactions	-	-	22,491	-	-	22,491
Final dividend paid - 2018/19	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2018/19	-	-	-	-	(14)	(14)
As at 31 December 2019	918,200	845,012	306,218	1,622,206	10,943,410	14,635,046

* FVOCI - Fair value through Other Comprehensive Income

Note : All values are in LKR '000s, unless otherwise stated.
 Figures in brackets indicate deductions.
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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 Quarter ended 31 December	Manufacturing		Retail		Group Total	
	2019	2018	2019	2018	2019	2018
Goods transferred at a point in time						
- External revenue	3,268,915	3,102,229	14,606,545	12,094,016	17,875,460	15,196,245
- Inter segment revenue	137,599	92,363	-	-	137,599	92,363
Total revenue from contracts with customers	3,406,514	3,194,592	14,606,545	12,094,016	18,013,059	15,288,608
Eliminations of inter segment revenue					(137,599)	(92,363)
Net revenue from contracts with customers					17,875,460	15,196,245
Segment result	402,960	280,989	859,727	265,584	1,262,687	546,573
Finance cost	(51,664)	(66,725)	(429,055)	(133,215)	(480,719)	(199,940)
Finance income	8,548	7,026	5,148	5,116	13,696	12,142
Eliminations / adjustments					(1,866)	2,367
Profit before tax	359,844	221,290	435,820	137,485	793,798	361,142
Tax expense*	(103,351)	31,201	(121,290)	(40,881)	(224,641)	(9,680)
Profit for the period	256,493	252,491	314,530	96,604	569,157	351,462
Purchase and construction of Property, Plant and Equipment	249,412	447,774	864,451	1,441,816	1,113,863	1,889,590
Addition to Intangible Assets	1,432	2,042	108,743	46,447	110,175	48,489
Depreciation of Property, Plant and Equipment	179,724	168,359	238,343	196,407	418,067	364,766
Amortization of Intangible Assets	576	693	19,784	12,771	20,360	13,464
Amortisation of Right of Use Assets/Lease Rentals Paid in Advance	1,163	757	195,426	-	196,589	757
Employee benefit provisions and related costs	34,105	30,553	14,285	11,853	48,390	42,406

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 nine months ended 31 December	Manufacturing		Retail		Group Total	
	2019	2018	2019	2018	2019	2018
Goods transferred at a point in time						
- External revenue	10,604,698	9,667,098	40,308,133	33,891,982	50,912,831	43,559,080
- Inter segment revenue	369,447	249,242	-	-	369,447	249,242
Total revenue from contracts with customers	10,974,145	9,916,340	40,308,133	33,891,982	51,282,278	43,808,322
Eliminations of inter segment revenue					(369,447)	(249,242)
Net revenue from contracts with customers					50,912,831	43,559,080
Segment result	1,695,210	1,246,601	1,731,767	490,076	3,426,977	1,736,677
Finance cost	(170,911)	(145,278)	(1,195,417)	(265,187)	(1,366,328)	(410,465)
Finance income	30,239	33,035	15,487	13,701	45,726	46,736
Eliminations / adjustments					(277,056)	(279,056)
Profit before tax	1,554,538	1,134,358	551,837	238,590	1,829,319	1,093,892
Tax expense*	(370,351)	(192,493)	(199,756)	(119,589)	(570,107)	(312,082)
Profit for the period	1,184,187	941,865	352,081	119,001	1,259,212	781,810
Reportable Segment Assets**	19,672,368	17,909,483	27,399,074	16,384,893	47,089,661	34,337,253
Purchase and construction of Property, Plant and Equipment	519,553	1,483,076	2,119,990	3,937,788	2,639,543	5,420,864
Addition to Intangible Assets	2,841	2,042	152,123	168,692	154,964	170,734
Reportable Segment Liabilities***	5,975,240	6,565,750	25,266,166	14,060,455	31,163,427	20,572,665
Depreciation of Property, Plant and Equipment	530,763	460,462	681,679	511,243	1,212,442	971,705
Amortization of Intangible Assets	1,919	1,953	47,923	24,760	49,842	26,713
Amortisation of Right of Use Assets/Lease Rentals Paid in Advance	3,483	2,270	563,669	-	567,152	2,270
Employee benefit provisions and related costs	102,633	77,342	45,657	32,648	148,290	109,990

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 31 December 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 nine months ended 31 December 2019 were authorized for issue by the Board of Directors on 27 January 2020.

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 nine months ended 31 December 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 31 December 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 assets included in the right of use assets category, typically made up of lease periods 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 LKR'000
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
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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 31 December 2019.

LKR'000	Group	
	Right of use assets Relating to Land and Buildings	Lease liabilities
As at 1 April 2019	6,341,097	5,598,093
Additions	1,811,411	1,811,411
Amortisation expense	(567,152)	-
Interest expense	-	622,266
Payments	-	(995,779)
Effect of Foreign Exchange Valuation	-	2,698
As at 31 December 2019	7,585,356	7,038,689

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

For the nine months ended 31 December	Group		Company	
	2019	2018	2019	2018
LKR'000				
Income statement				
Current income tax	413,286	318,523	351,208	273,252
Deferred tax charge / (reversal)	156,821	(6,441)	(62,409)	(7,116)
	570,107	312,082	288,799	266,136

INTERIM CONDENSED FINANCIAL STATEMENTS
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

7 RELATED PARTY TRANSACTIONS For the nine months ended 31 December LKR '000	Group		Company	
	2019	2018	2019	2018
Transactions with related parties				
Ultimate Parent - John Keells Holdings PLC				
Sale of goods	496	743	-	-
Receiving of services	273,266	272,234	68,903	63,622
Subsidiaries				
Sale of goods	-	-	379,755	304,161
Purchase of goods	-	-	117,787	33,824
Rendering of services	-	-	91,916	-
Receiving of services	-	-	32,447	20,414
Investment in equity	-	-	-	450,000
Guarantee income	-	-	7,500	9,375
Royalty income	-	-	87,865	50,639
Dividend received	-	-	278,088	278,088
Companies under common control				
Sale of goods	5,256	4,193	889	868
Purchase of goods	770,716	685,743	1,050	1,120
Rendering of services	65,424	13,858	13,824	7,497
Receiving of Services	1,128,876	874,812	41,742	49,218
Franchise income received	10,814	10,067	10,814	10,067
Key Management personnel (KMP)				
Sale of goods	-	-	-	-
Close family members of KMP				
Sale of goods	-	-	-	-
Post employment benefit plan				
Contributions to the provident fund	86,909	75,711	79,349	73,432
Transactions with related parties - equity accounted investees of Ultimate Parent				
Receiving of Services	11,893	10,606	10,750	9,946
Interest received	1,191	144	135	144

8 Share information

8.1 Stated capital

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

As at	31-12-2019	30-09-2019
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 31 December 2019.

8.3 Market price per share

For the quarter ended 31 December	2019 LKR	2018 LKR
Highest	895.00	830.00
Lowest	750.00	700.00
Last traded	795.00	718.00

8.4 Public share holdings

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

As at	31-12-2019	30-09-2019
Public share holding (%)	18.56%	18.56%
Public share holders	1,833	1,814
Compliant under option 01 - Float adjusted market capitalization (LKR Mn)	14,023	13,801

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	31-12-2019	30-09-2019
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	31-12-2019		30-09-2019	
	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	1,300,373	1.37%	1,376,891	1.45%
6 JPMLU-T Rowe Price Funds SICAV	743,359	0.78%	828,966	0.87%
7 BBH-Fidelity Funds	707,696	0.74%	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 Mr.N.A Madanayake	265,870	0.28%	-	0.00%
11 Sisira Investors Ltd	259,132	0.27%	259,132	0.27%
12 SSBT-Deutsche Bank AG Singapore A/C 01	240,987	0.25%	242,153	0.25%
13 Ayenka Holdings (Pvt) Ltd	196,500	0.21%	195,050	0.21%
14 Life Insurance Corporation of India	191,912	0.20%	272,912	0.29%
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%	159,321	0.17%
18 Merrill J. Fernando & Sons (Pvt) Ltd	150,848	0.16%	150,848	0.16%
19 Commercial Bank of Ceylon PLC / P.Subasinghe	144,500	0.15%	42,000	0.04%
20 Mr. M.V. Theagarajah	133,548	0.14%	133,548	0.14%

9 Dividends paid

For the nine months ended 31 December
LKR '000

	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.



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