CEYLON BEVERAGE HOLDINGS PLC

Annual Report 2018/19

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FINANCIAL HIGHLIGHTS

In Rs.'000	2019	2018	Change %
Revenue	44,216,827	31,456,943	40.6
Profit before finance cost	6,300,121	4,383,490	43.7
Profit before taxation	5,215,529	2,891,635	80.4
Profit after taxation	3,064,919	1,640,367	86.8
Dividends per share (Rs.)	7.00	8.00	(12.5)
Shareholders' funds	12,058,411	9,084,743	32.7
Total assets	36,378,606	34,224,347	6.3
Earnings per ordinary share (Rs.)	72.75	36.34	100.2
Net assets per ordinary share (Rs.)	289.69	218.75	32.4
Market capitalisation	17,315,174	13,228,793	30.9

CHAIRMAN’S STATEMENT

Dear Shareholder,

On behalf of the Board of Directors, it is with great pleasure that I welcome you to the 108th Annual General Meeting of the Company. I present herewith the Annual Report for the year ended 31st March 2019, which has been with you for the required period. The Chief Executive’s review in the ensuing pages covers the operating environment and the performance of your Group in detail and hence I will confine my statement to an overview.

Your Group recorded a turnover of Rs.44.2 billion and a profit before tax of Rs.5.2 billion for the financial year ended 31st March 2019. The net profit for the year consequent to the tax adjustments is Rs.3.1 billion. The results of the previous financial year cannot be compared as the operating environment was vastly different due to high excise duties which were applicable during most part of the year and the insurance income received towards the settlement of claims made against damages caused by the flooding in May 2016.

The growth in the tourism sector is a key factor for the performance of your Group this financial year. Tourism recorded a growth of 10% in the year under review to register 2.3 million tourists. Tourism supports our business and also offers higher income generating opportunities for those employed in this sector either directly or indirectly.

It is encouraging to note that Lion Brewery’s exports are continuing to grow at a steady pace. During the year its exports volume grew by 37%. We now ship approximately 2 containers of beer a day to 27 countries across the world. Africa has now emerged as our biggest market overtaking the Maldives. Exports are also made to new markets in China, Qatar, Fiji, Philippines & Iraq. The initial volumes shipped to China were modest but offers much potential in the years ahead. With our presence in 106 resorts, we remain market leaders in the Maldives. Whilst we make every effort to market a Sri Lankan beer in a very competitive global landscape, the support extended by the authorities towards this endeavour is wanting. At the time of writing, export rebate refunds of excise duty amounting to over Rs. 600 million is due to Lion Brewery from the Excise Department. These have not been reimbursed for a considerable period of time. Further, exports which were earlier taxed at a concessionary rate of 14% is now taxed at 40% which is the rate applicable to the local alcohol industry

Your Group remains a major tax payer to the Government. Its contribution in total taxes including excise duty, value added tax, nation building tax and income tax is Rs.32.2 billion compared to last year’s Rs. 24.0 billion - an increase of 34%. Similarly, in the case of the beer industry, on excise duty alone, the contribution to the Government is Rs. 28.0 billion, a rise of 29% from the previous year of Rs. 21.7 billion.

In March 2019, an interim dividend of Rs.7/- per share was paid to the shareholders.

It is with deep sadness that we note the tragic events which occurred on the 21st of April 2019. We express our condolences to the families that were affected and hope they find solace in these difficult times. This event has and will continue to have an impact on tourism which in turn will affect the economy in the near term. We hope that as a nation we have the resolve to overcome this bitter experience and move forward with strength.

In May 2019, Mr. Lars Lehmann, former Managing Director of Carlsberg Brewery Malaysia Berhad, their representative on our Board, resigned to take up an appointment as Vice President of Carlsberg Eastern Europe. We record with much appreciation his contribution to the affairs of the Company and the Board. We will miss his forthright and frank discourse on the various matters of business. We congratulate Lars on his new appointment and wish him all success in his new role. We warmly welcome Mr. Theodoros Akiskalos (Ted), Lars's replacement, to the Board of our Company. Ted, who has been associated with the Carlsberg Group since 2010, was appointed as the Managing Director of Carlsberg Brewery Malaysia.

A quick turnaround of the Group would not have been possible if not for its talented work force. Lead by a persevering and resilient Management Team, the workforce has performed remarkably well to steer the Group towards delivering its potential. I acknowledge with much appreciation the contribution of all employees in creating & seizing opportunities for the admirable performance of the Group.

A special thank you and a note of appreciation to our partners Carlsberg, our bankers, consignment agents, suppliers, customers and the loyal consumers for their valuable support & confidence and contribution to the Group's success.

In conclusion, I wish to express my deepest gratitude to the Audit Committee, Remuneration Committee, Related Party Committee, Nomination Committee and to my colleagues on the Board for their invaluable advice & guidance provided to navigate the Group.

(Sgd.)

D. A. Cabraal
Chairman

Colombo
17th June 2019

CHIEF EXECUTIVE OFFICER'S REVIEW

EXECUTIVE SUMMARY

We concluded a satisfactory financial year on 31st March. On a turnover of Rs 44.217 bn, we generated a pre-tax profit of Rs 5.215 bn. Since the subsidiaries are liable to corporate income tax at the highest rate of 40%, post tax profits for the year stood at Rs 3.065 bn.

On the back of strong growth in tourism and our export business, we recorded higher volumes. Costs were diligently controlled with special emphasis on managing working capital. Since we were focused on reducing our exposure to financial institutions, capital expenditure was relegated to the back burner. All of these factors contributed to our results.

With less than a month left for the financial year to close, beer taxes were increased by 12.5%. In the meanwhile, excise duty on the major contributor to arrack volumes – Extra Special Arrack – remained unchanged. Taxes on other arracks were increased by 7.5%. Once again it seems that policy consistency is being compromised, an age-old challenge for the private sector in Sri Lanka. Ostensibly, the tax on Extra Special Arrack remained unchanged since it was the "poor man's" drink. Thus, it would seem that it is government policy to get the "poor man" to imbibe high alcohol beverages rather than those with a lesser alcohol content. This is a rather unusual policy measure, to say the least.

BUSINESS & ECONOMIC ENVIRONMENT

The year was marred by a turbulent political environment & a steeply depreciating currency. Both had an adverse impact on business & consumer confidence.

The Country's economy grew at a modest 3.2% in 2018. The agriculture sector which had two difficult years due to prolonged drought conditions bounced back to record growth of 4.8%, thanks to a good monsoon. Since close to 30% of the Country's population is engaged in agriculture for their sustenance, a good harvest pumps money into the economy and has a positive impact on the FMCG category. The industrial sector recorded marginal growth of just 0.9%. In the meanwhile, the services sector grew by 4.7%. With economic growth well below the country's potential, it was not surprising that discretionary expenditure was curtailed. Under the circumstances, it was no surprise that the FMCG category contracted by almost 8%. All sub sectors within the FMCG category declined with F&B being the most affected at 9.6%.

In a challenging economic environment, Tourism continued to be the star performer recording growth of 10.3%. 2.33 million tourists visited the country in 2018. Growth in this sector is beneficial to our business as tourists in general consume more of our brands per person than do locals. There was month on month growth in arrivals throughout 2018 and this was reflected in our sales in the areas frequented by tourists.

The LKR depreciated sharply – i.e. by 17.6% - against the USD in 2018. The depreciation of the currency against the Euro was marginally sharper at 18.2%. This led to an increase in costs of all imported items including our most commonly used input materials. The impact of the currency depreciation to our bottom line was significant. The depreciating currency exerted pressure on inflation as well & compromised consumer spending particularly in relation to non essential products. Clearly, the sharp depreciation of the currency eroded both business and consumer confidence. The political uncertainty that prevailed during the period 26th October to 16th December exacerbated the depreciation of the currency.

THE ALCOHOL INDUSTRY

The political uncertainty that prevailed during the latter part of 2018 meant that the National Budget was postponed to early March of 2019. As a result, we had almost a full year of stable taxation across the alcobev industry. However, when the budget was finally announced, it took us by surprise;

firstly because there appeared to be a shift in the tax policy and secondly because of the extent of the tax increase. Beer taxes were increased by 12.5%. This was a significant increase under any circumstances but particularly so considering the difficult economic conditions in the country. More importantly, it was only the beer industry that was singled out for the tax increase. The arrack industry escaped mostly unscathed since taxes on the so called extra special variety – which accounts for approx. 80% of its volume – remained unchanged. Ostensibly, this was because arrack is the "poor man's drink". Its unfortunate that government sees no dangers in positioning high alcohol products as the drink of choice for anyone leave alone the underprivileged. This flies in the face of well established & proven alcohol policies worldwide, all of which are based on the premise that low alcohol products are far less harmful than those with a higher concentration.

The modification of the tax system in this manner has once again led to concerns of policy consistency. The Sri Lankan private sector has been plagued with policy inconsistency for decades with the alcohol industry being at the receiving end more than most. Under such an environment, businesses find it difficult to plan for the future and investment decisions are made harder. We call upon policy makers to implement a formula - indexed to a suitable data point -through which future excise taxation is determined. This brings certainty to the industry and will allow businesses to make decisions without fear of unpleasant surprises.

We are made to understand that the Government intends to implement a "fool proof" system to prevent tax fraud at the point of manufacture. This is certainly a timely initiative and we strongly support the introduction of a sound, modern system that prevents tax evasion by manufacturers. If the system is to deliver the expected results, it is essential that its supplier is a well reputed organisation. Irrespective of the technology used, we call upon the government to bear the cost of the system. We ask this for four reasons; firstly this is a system deployed to protect government's revenue and hence logically, should be paid for by government as the beneficiary. Secondly, government is likely to increase its revenue significantly as a result of the "fool proof" system with some estimates being as high as Rs 40bn. The cost of the system across all manufacturers is negligible in comparison to the potential revenue increase and thus, could very well be absorbed by government. Thirdly, if the government were to bear the cost in its budget, there will be oversight over those responsible for procurement. If on the other hand, the cost is passed on to the manufacturer, those responsible for procurement will feel no compulsion to keep the purchase price under control. Oversight over procurement will also reduce opportunities for manipulation between supplier and those responsible for procurement. Finally, if the cost of the system is transferred to the manufacturer, this can become another tax, if not immediately, sometime in the future. Considering all of the above, we call on the government to absorb the cost of the proposed system.

For many years we have highlighted the harm that is being caused by the so called toddy in the market. The Excise Ordnance defines toddy as "fermented or unfermented juice drawn from any coconut, palmyra, kittul or other kind of palm tree". However, it is unlikely that the majority of toddy available in the market on a commercial scale fits this definition. Today's toddy is an artificial concoction which is said to be made from a substance known as "Ceylon Paste". Apparently synthetic urea is also used in the production of toddy. Common sense suggests that products made in this fashion are harmful to consumers. Yet, regulators – who are required to be on site at production facilities on a 24/7 basis - are turning a "Nelsonian" eye on these practices for reasons best known to them.

In recent times, a product pretending to be a Sake has been introduced to the market. The term Sake is used to describe a traditional Japanese alcoholic beverage produced from rice using a process akin to brewing a beer. The term Sake can be used only if this very specific process is followed. We trust that the regulator has ensured the correct process being used prior to approving the product for sale. More importantly, this product carries an alcohol content of 12.5%. Using an anomaly in the existing regulatory framework, the product has been approved under a tax slab of Rs 600 per liter of pure alcohol. In its presentation, the product imitates a beer. Yet, in alcohol terms beer is restricted to an upper limit of 8.8% and attracts a tax of Rs 2,700 per liter of pure alcohol. Thus we have a product with 42% more alcohol attracting just under a fifth of the tax levied on a competitor brand. This is certainly not a level playing field and we call on the authorities to correct this anomaly expeditiously.

During the financial year under review, the beer industry's contribution to government revenue increased by 29%. When VAT is added on, the contribution would be even more. At the same time, we see consumers drinking better i.e moving from hard to soft alcohol. Empirical evidence also suggests that illicit liquor consumption has reduced somewhat; a result of both the excise tax reforms in 2017 & better enforcement by special units of the police force. Thus the excise tax reforms introduced in November 2017 have proved successful & we call upon the authorities to consolidate the gains achieved by implementing a suitable tax formula as referred to in a preceding paragraph.

SALES AND MARKETING OF BEER IN SRI LANKA

This year we focused on consolidating our position within the country's alcobev segment. In the previous year we revamped the imagery around the Lion portfolio. The objectives were two fold; firstly, we wanted the Lion portfolio to have the look and feel of modern global brands so that they could compete with the best anywhere & secondly, we wished to strike a balance between an umbrella branding concept whilst still allowing the three variants – lager, strong & stout – to express their individuality and connect with their respective consumers and be relevant to them. With the new imagery in place & supported by a reasonable tax regime, we set about clawing back the ground we had lost since October 2015 (firstly, due to a dubious tax increase foisted on the beer industry and secondly, the floods that inundated us within 6 months thereafter). The Ryder's brand which brought a new energy & vitality to the beer industry also helped us in this process. The results as reflected in our volumes suggests very strongly that we succeeded in our endeavours.

Lion was listed as the most valuable beverage brand in the LMD Brand Finance annual brand rankings for the year 2018. Overall, it ranked as the 9th most valuable brand, the same position that it occupied in the previous year. This meant that brand Lion was once again ranked second in the FMCG category with a globally renowned multinational brand taking the top spot. That a brand legally restricted in communicating with its consumers could claim such a position in competition with those that have no such constraints says much for its underlying strengths.

EXPORTS

In the financial year under review, we exported a total of 705 containers, an increase of 37% in comparison to the previous year. This translated into a revenue growth of 48%. In terms of destinations, Lion beers now reach 27 countries across the 5 continents.

We remain market leader in the Maldives. In New York we continue to build our brand image and Lion Stout is listed in several high profile bars & restaurants in that city. In some instances, Lion Stout is the only non US beer listed in the outlet; an indication that the brand is gaining traction in that market. Africa and the Middle East have become lucrative markets for us and we aim to build a strong business in these regions. During the year, we entered 5 new markets, namely, China, Qatar, Fiji, Philippines, and Iraq. Exports to China commenced at the end of the year under review with an order of 24 containers. Whilst it is still early days, we are hopeful that China will turn out to be a significant market for us.

The exports business whilst being small in comparison to our local sales, is of strategic importance as it acts as a buffer against inconsistent & unfair policies at home. We are gradually starting to invest behind our brands & distribution systems in overseas markets. We have personel on the ground in New York in an effort position our brands appropriately and to drive up sales volumes. Soon we will expand this strategy to other select markets. These are investments we must make to hedge against regulatory changes in Sri Lanka although in the short term, such investments will appear somewhat difficult to justify.

Whilst we have made every effort to grow our export business, it is unfortunate that both policy and regulatory frameworks don't support this endeavour. From a policy perspective, profits on our exports no longer attract the concessionary income tax rate of 14%. Instead they attract the "sin tax' rate of 40%. From a regulatory perspective, we are faced with every possible barrier when attempting to grow our exports business. The excise procedures that need to be followed when fulfilling export orders are cumbersome and are a case in point as to why Sri Lanka is placed so low in the World Bank's ease of doing business ranking. Excise taxes paid on production and refundable once brands are exported, lie with the regulator for months. At the time of writing, more than Rs 600 mn is due as excise duty rebates on beer exports since January 2019 todate. This is certainly not an incentive to export. The need is to encourage exports not hinder the effort. However, no attempts are made by the regulator to streamline processes either proactively or reactively. Clearly, these are not reflective of the country's need to promote exports. Policies, the regulatory framework and the bureaucracy must all be aligned to the objective of promoting exports if we as a country are to succeed in this endeavour. In this connection, we appeal to the authorities to extend the concessionary tax rate of 14% to all export profits and to implement business friendly processes in order to facilitate exporters.

SUPPLY CHAIN

During the financial year we were recertified for ISO 22000, ISO 14001 & OHSAS 18001 standards which relate to Food Safety, Environment & Occupational Health & Safety respectively. These standards give us a strong foundation for quality and governance within the production environment. For instance, customer complaints are now down to 3.4 defects per 1.3 million units, well within six sigma norms.

From an operational perspective, we focused on reducing our cost of production by driving efficiencies. Due to these efforts, we had significant savings through the reduction of wastage in the brewing and bottling processes and substantial reductions in the consumption of energy and water. Bottling line efficiencies were also driven up significantly.

As part of our efforts to protect the environment, we recovered approx. 4.5mn kgs of CO_2 during the financial year. A significant amount of the recovered CO_2 is used back in the production process. Rather than venting the remainder into the air, we now have an avenue to commercialise the excess thereby generating an income of approx.

Rs 65 mn during the financial year.

SUPPORT SERVICES

In October 2018 all staff participated in a program aptly titled "Discover the Lion in You". This was a tailor made program that aims to bring out latent strengths & talents of individuals and to forge stronger teams across the business. This was followed by two others, also tailor made, namely the Management Development Program and the Executive Development Program. The first is of 9 months duration and upskills employees in the Middle & Assistant Manager grades. The second is a 6 month course which helps executives and supervisory grades to perform their current roles more productively whilst also preparing them for more responsible positions in the future.

On the information technology front, our operations & data centre were recertified for ISO 27001:2013. Each year, we continue to migrate more processes into our ERP system, SAP and this year was no different. During the year, we started work on a major IT project, i.e to migrate our systems to SAP S/4HANA. With this migration - which will take more than half of the on-going financial year - all our systems will be on the cloud.

OPERATING RESULTS & FINANCIAL POSITION

Turnover for the year grew by 41% to Rs 44.217 billion whilst Pre-tax profit stood at Rs 5.215 billion. Whilst overall expenditure increased reflecting the higher volumes and greater number of transactions, on a per case basis costs reduced significantly. Net finance costs reduced by 27% and amounted to Rs 1.084 bn. Liability to income tax & deferred tax amounted to Rs 846 mn and Rs 1.304 bn respectively leaving Rs 3.065 bn as profit after tax for the year.

Our balance sheet improved during the year with net borrowings reducing to Rs.3.089 bn reflecting a gearing of 20%. At the start of the financial year, gearing stood at 48%. Whilst most businesses operate at higher gearing levels, the policy inconsistency that has shadowed the beer industry over many years cautions us towards a more prudent path. Working capital management reflected a marked improvement as well with input materials, finished goods & debtors all being below benchmark norms.

Net assets per share at the conclusion of the financial year stood at Rs 289.69 an increase of 32%. The total net asset value of the company in its books amounted to Rs.6.080 bn at the close of the financial year whilst its market value on the day stood at Rs. 17.315 bn. The value of our share increased by 31% to Rs. 825/- at the close of the financial year.

TAXATION

During the year under review, our contribution to government revenue amounted to Rs. 32.223 bn. This is an increase of 34% over that of the previous year.

NBT which was previously not levied on the alcobev sector, was introduced w.e.f. 30th July 2018. This added further cost and complexity to an industry already weighed down with an overwhelming tax burden. An example of this is, in the case of the subsidiaries, corporate tax which at 40% is 43% higher than the "standard" rate of 28%. We call on the authorities to reconsider this so called "sin" tax & bring it in line with other corporates, since the alcobev industry pays a substantial component of its revenue in the form of excise duty.

During the financial year we reversed accumulated tax assets to the income statement. These tax assets arose as a result of tax losses incurred in the year of the flood. However, since we have now returned to profitability, these tax losses were fully utilised in arriving at the taxable income of the year. Since the tax losses were fully utilised, the corresponding tax asset no longer exists and hence had to be reversed into the income statement.

PUBS 'N PLACES

Pubs 'N Places is owner of the Machang, O!, 8.8 & Chillax brands of pubs and restaurants. These outlets are franchised to operators whilst we earn a royalty on the revenue of each location.

During the year under review, we opened 3 new outlets, one each in Akuressa & Elpitiya under the Machang brand and another under the O! brand at Marine Drive, Bambalapitiya. All outlets were operator invested with our cash outflow being limited to signage within the premises of the pub. With the 3 new outlets, we now have 37 pubs in the chain.

With more footfall into the chain, volumes grew during the year as did revenue. In the meanwhile, our menus were rationalised to eliminate slow moving items whilst the ingredients list was simplified. These helped make our operations more efficient whilst also saving on costs.

We are moving ahead aggressively to expand the outlets within the chain in the coming years. There are 11 locations currently under design and / or construction, all of which will be funded by operators. Further cost rationalisation is also being worked on so that this business will turn profitable in the not too distant future.

LUXURY BRANDS

This subsidiary imports & markets a fine range of alcobevs including spirits, wines and beers. Our anchor portfolio comes from the global alcobev powerhouse Diageo and includes brands such as

Johnnie Walker, Singleton, Talisker and Gordons. During the year under review, we reached agreement to include into our portfolio the Jack Daniels range of American whiskies, Camus cognacs, Stella Artois & Hoegaarden beers and a range of Spanish, New Zealand & Italian wines.

In the spirits segment we compete with our own brands that arrive in the country via informal & illegal avenues. This has been a longstanding issue in this country and is driven primarily by the very high import duties. A more rational duty structure will eliminate the need for grey market imports and will in turn improve government revenue. Unfortunately, successive governments have ignored this reality and have instead raised taxes on an annual basis which in turn makes grey market imports even more profitable.

In the wine segment, we now have an excellent portfolio of reasonably priced brands. In the year under review, we achieved a significant volume and value growth in this segment. We now account for a 10% share in this category but aim to increase it rapidly in the short and medium term.

In the imported beer segment, our portfolio is made up of Corona, Stella Artois, Hoegaarden & Tsingtao all of which compete with our locally brewed brands, Lion & Carlsberg. We also have Somersby, the world's best selling cider in our portfolio.

RETURNS TO SHAREHOLDERS

In March 2019, Your Board declared an interim dividend of Rs 7 per share. There is no further dividend proposed for the year under review.

THE YEAR AHEAD

At the time we closed operations for the traditional New Year period in April, we were confident of surpassing the results of the year under review. Unfortunately, we are no longer as confident as we were then due to the tragic events that took place on Easter Sunday. It was a dark day for Sri Lanka from many perspectives; many innocent lives were lost, scores of people were injured, property damaged, the efficacy of our intelligence systems were called into question as were our politicians and the economy took many steps back.

Tourism was the worst and most immediately affected. Scores of foreign visitors left the Country immediately and hotel occupancy dived to the low single digits. Those depending on tourism for their livelihood – from vegetable suppliers to guides to serve staff – are all deep in financial difficulty. FMCG businesses with exposure to the tourism industry and its dependents – including us – will feel the impact of the downturn during the on-going year.

The Sri Lankan economy has been well below its potential in the preceding few years. The Easter Sunday attacks are likely to slow down the economy even further in the on-going financial year. Consumer spending power is likely to be compromised and businesses such as ours will be the first to feel the impact.

Before the close of the on-going financial year, we are likely to experience two major elections, the Presidential & the General. Elections of this magnitude always lead to an unsettled operating environment & this year will be no different.

On a more positive note, the currency has stabilised and has gained ground since the close of the year under review. In terms of interest rates, efforts are being made to make them more investor friendly.

All in all, we feel the year ahead to be one full of challenges driven mainly by the operating environment. However, the team is determined to make the best of the circumstances on offer.

CONCLUSION

We had a satisfactory year. Our volumes grew as did market share in both the beer & alcobev categories. We gained efficiencies in the brewing and packaging processes, reduced waste in many areas whilst commercialising in some. Our distribution systems functioned remarkably well responding to changes in the market place with dexterity & effectively. Effective utilisation of installed capacity pushed back the need for capex which together with sound working capital management resulted in a significant reduction in net borrowings. In short, we finished the financial year in a much stronger position than when we started it.

We must make special mention of our senior team. They went through a remarkably tough two years between November 2015 and November 2017 and have emerged stronger, more committed & determined than ever before. The experiences of those two years have bonded the team as no training program ever could and the outcome is the results reflected in the financials of the year under review. But it's a team that will not rest on its achievements. Instead it will continue to seek new opportunities & position our business to reach its full potential in the years ahead.

We have a strong Group. We have truly great brands, a razor sharp route to market, state of the art technology & a remarkable team. Given an appropriate alcohol policy that is consistently applied, the Group should be stronger tomorrow than it is today.

(Sgd.)
S. K. Shah
Chief Executive Officer

Colombo
17th June 2019

PROFILES OF DIRECTORS

AMAL CABRAAL

Mr. Amal Cabraal is presently the Chairman of Ceylon Beverage Holdings PLC, Lion Brewery (Ceylon) PLC, Silvermill Investment Holdings and CIC Feeds Group of Companies. He is a former Chairman & Chief Executive Officer of Unilever Sri Lanka and has over 3 decades of local and international business experience in general management, strategy development and marketing & sales management.

Amal Cabraal is also a Non-Executive Director of a number of companies such as John Keells Holdings, Hatton National Bank and Sunshine Holdings. He is also a member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka and a Committee Member of the Ceylon Chamber of Commerce and serves on the Management Committee of the Mercantile Services Provident Society.

A Marketer by profession and a Fellow of the Chartered Institute of Marketing - UK, he holds a MBA from the University of Colombo and is an executive education alumnus of INSEAD-France.

HARI SELVANATHAN

Hari Selvanathan is the Chairman of Bukit Darah PLC and Deputy Chairman of Carson Cumberbatch PLC. He is the Deputy Chairman of Goodhope Asia Holdings Ltd and was appointed as Group Chief Executive Officer of Goodhope Asia Holdings Ltd w.e.f 1st November 2017. He is the President Commissioner of the palm oil related companies in Indonesia. He holds directorships in several subsidiary companies within the Carsons Group and is also a Director of Sri Krishna Corporation (Private) Limited and the Chairman of Express Newspapers (Ceylon) Ltd. He is also the Chairman of Carsons Management Services (Private) Limited and Agro Harapan Lestari (Private) Limited, the Group's Management companies. Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He counts over 20 years' experience in commodity trading in International Markets.

He holds a Bachelor of Commerce Degree.

MANO SELVANATHAN

Mano Selvanathan holds a Bachelor's Degree in Commerce and is the Chairman of Sri Krishna Corporation (Private) Limited, Ceylon Finance & Securities (Private) Ltd. and Selinsing PLC and is a Group Director of most Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia & Singapore and is an active Member of its Executive Management Forums.

He has served as the Chairman of the Ceylon Chamber of Commerce and The Indo Lanka Chamber of Commerce & Industry and also as the President of the Rotary Club of Colombo North. At present he is the Honorary Consul of the Republic of Chile in Sri Lanka.

Mano Selvanathan was conferred National Honours in Sri Lanka 'DESAMANYA' title by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation in November 2005.

In January 2011, he was awarded with the prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India.

He also received the Presidential Honour of 'ORDER OF KNIGHT COMMANDER' in October 2013 awarded by the Government of Chile."

SURESH SHAH

Mr. Suresh Shah is a Director and Chief Executive Officer of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC. He is also a Director of Bukit Darah PLC and some other companies within the Carson Cumberbatch group.

He is a Past Chairman of the Ceylon Chamber of Commerce and the Employers Federation of Ceylon and a member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka. Previously, he has served as a Commissioner of the Securities and Exchange Commission of Sri Lanka and as a Member of Council, University of Moratuwa.

He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

CHANDIMA GUNAWARDENA

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non- Executive status in the Group, he serves as an advisor to the Group's Strategic Planning and Management forums in Sri Lanka and serves on Board Committees, including the Audit Committees of the Group in Sri Lanka and overseas covering all operating sectors of the Group.

Mr. Gunawardena has over four decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990.

He has served in the Management Committee of The Ceylon Chamber of Commerce for over 10 years and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

LARS LEHMANN

(Resigned w.e.f. 20/05/2019)

Mr. Lars Lehmann, age 53 years, a Dane, was appointed to the Board and as Managing Director of Carlsberg Brewery Malaysia Berhad on 1 July 2016 and resigned on 30 April 2019 to take up the position of Executive Vice President, Eastern Europe and also as CEO of Baltika Breweries effective 1 May 2019.

Mr. Lehmann holds a MBA and BA from Copenhagen Business School.

He has been with the Carlsberg Group since 2003 and has undertaken various senior positions in the area of sales, marketing and general management for Western and Eastern Europe markets as well as Export businesses. Prior to the appointment, Lehmann was the Regional CEO, Western Europe Challenger Markets from October 2012 overseeing 11 European markets like Germany, Italy, Greece, Bulgaria, Serbia, Croatia, Portugal, Estonia, Latvia, Lithuania and Carlsberg ExLiD (Export, License and Duty Free). Before joining Carlsberg Group, he was with Unilever Denmark for eight years in sales and marketing.

Mr. Lehmann was the Chairman of Carlsberg Singapore Pte. Ltd. He was also on the Board of Carlsberg Marketing Sdn. Bhd., a wholly owned subsidiary of Carlsberg Brewery Malaysia Berhad, the Malaysian Danish Business Council and Maybev Pte. Ltd., a 50% owned subsidiary by Carlsberg Singapore Pte. Ltd. He was also a member of the Governing Council of the Confederation of Malaysian Brewers Berhad.

PROFILES OF DIRECTORS

RAJIV MEEWAKKALA

Mr. Rajiv Herath Meewakkala is a marketing professional with over 25 years' experience, and his marketing career spans the breadth of the different marketing disciplines both domestically and internationally. He was the former Marketing Director of Ceylon Tobacco Company, and was also part of the South Asia Marketing Leadership team of British American Tobacco. He has also contributed his expertise to the public sector, he was the CEO of Lanka Sathosa and was also the Chairman of State Development Construction Corporation.

Currently he is the Chairman of Housing Development Finance Corporation, and is also a consultant of Interbrand, the largest global brand consultancy.

Rajiv Meewakkala holds a Phd from the University of Honalulu, and a MSc in International Marketing from the University of Stratchclyde UK.

THEODOROS AKISKALOS

(Appointed w.e.f. 20/05/2019)

Mr. Theodoros Akiskalos joined the Carlsberg Group in March 2010 as the Vice President of Group Strategy. He was the Managing Director of Carlsberg Hong Kong from 2014 to 2016 and most recently, the Managing Director of Carlsberg Sweden since June 2016. He was appointed as Managing Director of Carlsberg Brewery Malaysia Berhad on 1st May 2019. Prior to joining the Carlsberg Group, Mr. Akiskalos was Associate Principal of McKinsey & Company based in Boston, USA.

He holds a Degree in Mechanical Engineering from Georgia Institute of Technology (Georgia Tech), a Masters in Mechanical Engineering from Massachusetts Institute of Technology (MIT) and an Executive MBA from INSEAD.

SENIOR MANAGEMENT TEAM

SURESH SHAH
Director/CEO

RANIL GOONETILLEKE
Head of Finance

STEFAN ATTON
Head of Marketing

NIROSH DE SILVA
Head of Supply Chain

SENIOR MANAGEMENT TEAM

SHAMAL BOTEJU
General Manager - Pubs 'N Places (Pvt) Ltd & Retail Spaces (Pvt) Ltd

MADHUSHANKA RANATUNGA
General Manager - Luxury Brands (Pvt) Ltd

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Ceylon Beverage Holdings PLC ('the Company') have pleasure in presenting to the Shareholders their Report together with the Audited Consolidated Financial Statements of the Company and its Subsidiaries (the Group) for the financial year ended 31st March 2019.

The details set out herein provide the pertinent information required by the Companies Act, No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and are guided by recommended best Accounting Practices.

The Annual Report was approved by the Board of Directors on 17th June 2019.

GENERAL

Ceylon Beverage Holdings PLC is a public limited liability Company incorporated in Sri Lanka in 1910. Ceylon Beverage Holdings PLC operates as an investment holding company.

PRINCIPAL ACTIVITY OF THE COMPANY

The Principal activity of the Group is brewing and marketing of high quality beers for both the local and export markets and retailing of beer and alcohol products through its owned/managed wine shops and restaurants. The Group is also engaged in the import and marketing of globally renowned high quality beer, wines and spirits brands. Whilst some imported beer brands are marketed overseas, the imported spirits brands are exclusively for the local market.

CHIEF EXECUTIVE'S REVIEW AND FUTURE DEVELOPMENTS

The Chairman's Statement and the Chief Executive's Review describe in detail the performance during the year together with comments on the financial results and future developments of the Group.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Lion Brewery (Ceylon) PLC, a subsidiary and the Company entered into an intercompany Loan Agreement for a borrowing facility of Rs. 485 million on 14th November 2018.

Luxury Brands (Private) Limited, a fully owned subsidiary of the Company issued 20,000,000 ordinary shares at Rs. 10/- per share amounting to Rs. 200,000,000/- to the Company on 16th May 2019.

Further details of significant events during the year are contained in the Chief Executive's Review on pages 04 to 11 of this Report.

STATEMENT OF DIRECTORS RESPONSIBILITIES

The responsibilities of the Directors in relation to the Financial Statements, are detailed in the following paragraphs, whilst the responsibilities of the Auditors are set out in the Report of the Auditors.

According to the Companies Act, No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, the Directors are required to prepare Financial Statements for each financial year, giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the results for the said period.

In preparing these Financial Statements the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently, while material departures, if any, have been disclosed and explained,
- all applicable Accounting Standards have been complied with, and,

- reasonable and prudent judgments and estimates have been made.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company in order to ensure that its Financial Statements meet with the requirements of the Companies Act, No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate systems of internal control with a view to prevent, detect and rectify frauds and other irregularities.

These Financial Statements have been prepared on a Going Concern basis, since the Directors are of the view that the Company has adequate resources to continue operations for the foreseeable future from the date of signing these Financial Statements. The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

The Directors confirm that to the best of their knowledge,

- all taxes, duties and levies payable to the statutory bodies,

- all other known statutory dues as were due and payable, by the Company as at the reporting date have been paid, or where relevant provided for in these Financial Statements.

Accounting Policies and Changes during the Year

There were no major changes made to the accounting policies other than those disclosed under Notes 1 to 8 to the Financial Statements for the financial year ended 31st March 2019.

FINANCIAL STATEMENTS

The Financial Statements which include the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements of the Company and the Group for the year ended 31st March 2019 are set out on pages 40 to 105 of this Report.

RESERVES

After the above mentioned appropriations, the total Group Reserves stand at Rs. 5,546.65Mn (2018 - Rs. 4,057.70Mn) comprising Capital Reserves of Rs. 813.95Mn (2018 - Rs. 708.96Mn) and Revenue Reserves of Rs. 4,732.70Mn (2018 - Rs. 3,348.74Mn). The movements are shown in the Statement of Changes in Equity and Notes 19 and 20 to the Financial Statements.

VALUE OF THE INVESTMENT PORTFOLIO

The Market Value/ Director's value of the Company's investment portfolio as at 31st March 2019 was Rs. 23,552.52Mn (2018 - Rs. 22,522.96Mn) as disclosed under Note 11 to the Financial Statements.

CAPITAL EXPENDITURE

The total expenditure on the purchase of capital assets by the Group during the year amounted to Rs. 1,072.09Mn (2018 - 'Rs. 1,389.36Mn). The movements in capital assets during the year are set out in Notes 9 and 10 to the Financial Statements.

MARKET VALUE OF FREEHOLD PROPERTIES

Freehold properties of the Group are stated in the books at their revalued amounts. The valuation has been carried out by an independent professional valuer, as further explained in Notes 9(c) to these Financial Statements.

STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory dues have been paid up to date or have been provided for in these Financial Statements except as disclosed in Note 39 to these Financial Statements.

OUTSTANDING LITIGATION

The outstanding litigations related to the Company are shown in Note 39 to these Financial Statements.

RISK MANAGEMENT/MATERIAL FORESEEABLE RISK FACTORS

The Company and the Group's activities were exposed to a variety of financial risk, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk and those have been disclosed in Note 37 to these Financial Statements. The need for risk management has been identified and action plans to monitor and manage risks are incorporated into the business plans and are reviewed on a continuous basis.

MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS

There were no material issues relating to employees and industrial relations during the year ended 31st March 2019.

GOING CONCERN

The Board of Directors is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, these Financial Statements are prepared based on the Going Concern concept.

INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Financial Statements is given on pages 35 to 39 of this Report.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in Notes 1 to 8 in the notes to the Financial Statements on pages 48 to 66.

INTERESTS REGISTER

The Company maintains an Interests Register conforming to the provisions of the Companies Act, No.07 of 2007.

All Directors have made declarations as provided for in Section 192(2) of the Companies Act aforesaid. The relevant details as required by the Companies Act, No. 07 of 2007 have been entered in the Interests Register during the year under review.

The Interests Register is available for inspection as required under the Companies Act.

REMUNERATION OF DIRECTORS

Directors' remuneration, for the financial year ended 31st March 2019 is given in Note 32 to the Financial Statements, on page 89.

DIRECTORS' INTEREST IN CONTRACTS AND SHARES

The Related Party Transactions of the Company as required by the Sri Lanka Accounting Standard LKAS 24 Related Party Disclosures are disclosed in Note 38 to the Financial Statements and have been declared at Meetings of the Board of Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in the ordinary shares of the Company as shown in the table below.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Directors	No. of shares as at 31st March 2019	No. of shares as at 31st March 2018
Mr. D. A. Cabraal (Chairman)	1,500	1,500
Mr. H. Selvanathan (Deputy Chairman)	690	690
Mr. M. Selvanathan (Director/ Alternate Director to Mr. H. Selvanathan)	690	690
Mr. S. K. Shah (Chief Executive Officer)	2,632	2,632
Mr. D. C. R. Gunawardena	15	15
Mr. L. Lehmann (resigned w.e.f. 20/05/2019)	-	-
Mr. R. H. Meewakkala	-	-
Mr. T. Akiskalos (appointed w.e.f. 20/05/2019)	-	-

DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in the inner back cover of the Annual Report.

Changes in the Directorate

Mr. L. Lehmann, Non-Executive Director resigned from the Board with effect from 20th May 2019.

Mr. T. Akiskalos was appointed as a Non-Executive Director of the Company with effect from 20th May 2019.

Directors to retire by rotation

In terms of Articles 72, 73 and 74 of the Articles of Association of the Company, Mr. D. A. Cabraal retires by rotation and being eligible offers himself for re-election.

Appointment of Directors who are over 70 years of age

Upon the recommendation of the Nomination Committee of the Company and the Board, it is recommended that Mr. M. Selvanathan who is over 70 years of age and Mr. H. Selvanathan who is 70 years of age be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not be applicable to them.

AUDITORS

Company's Auditors during the year under review were Messrs. KPMG, Chartered Accountants.

Details of Audit fee are set out in Note 32 to the Financial Statements.

The retiring Auditors have expressed their willingness to continue in office. A Resolution to re-appoint them as Auditors of the Company and authorising the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditors, its effectiveness and its relationship with the Company, including the level of audit and non-audit fees paid to the Auditor.

Auditors' relationship or any interest with the Company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the Auditors did not have any interest with the Company that would impair their independence.

Related Party Transactions Review Committee

The Parent Company of the Company is Carson Cumberbatch PLC (CCPLC). As per the Rule 9.2.3 of the Listing Rules of the Colombo Stock Exchange, the Related Party Transactions Review Committee of CCPLC functions as the Related Party Transactions Review Committee of the Company.

Composition

Related Party Transactions Review Committee Members	Executive / Non-Executive / Independent
Mr. V. P. Malalasekera (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. F. Mohideen	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. H. Selvanathan	Executive Director of CCPLC
Mr. M. Selvanathan	Executive Director of CCPLC
Mr. S. K. Shah	Executive Director of CCPLC

The Related Party Transactions Review Committee Report is given on pages 32 to 33 of this Annual Report.

Declaration

The Directors have made self-declarations for the purpose of identifying parties related to them. The said declarations were noted at Related Party Transactions Review Committee Meetings.

The Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions, during the financial year.

Related Party Transactions Exceeding 10% of the Equity or 5% of the Total Assets of the Company

In terms of the requirements of the Listing Rules of the Colombo Stock Exchange, the transactions carried out by the Company with its Related Parties during the year ended 31st March 2019, that exceed 10% of Equity or 5% of the Total Assets of the Company are listed below.

The details of the Related Party Transactions are given in Note 38 on page 103 to 104 of the Financial Statements.

1. Non-Recurrent Related Party Transactions

Information pertaining to non-recurrent related party transactions where the aggregate value of the non-recurrent related party transactions exceed 10% of the equity or 5% of the total Asset whichever is lower of the Company as per the audited financial statements are as below.

Name of the Related Party	Relationship	Value of the Related Party Transactions entered in to during the financial year	Value of Related Party Transaction as a % of Equity and as a % of Total Assets	Term and conditions of the related party transaction	the rationale for entering in to transaction
Lion Brewery (Ceylon) PLC	Subsidiary	RS. 485,000,000/-	30.4% - Equity 20.2% - Total Assets	Inter Company Borrowing Facility (AWPLR+1%)	To Regularise the interim funding arrangement made for working capital requirements

2. Recurrent Related Party Transactions

Information pertaining to Recurrent Related Party Transactions where the aggregate value of the Recurrent Related Party Transactions exceeds 10% of the Gross Revenue/ Income of the Company, as per the Audited Financial Statements are disclosed below;

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of Related Party Transactions entered into during the financial year Rs.	Aggregate value of Related Party Transactions as a % of Net Revenue/ Income	Terms and Conditions of the Related Party Transactions
Lion Brewery (Ceylon) PLC	Subsidiary	Royalty Income	149,638,626/-	51%	As per the royalty agreement
Lion Brewery (Ceylon) PLC	Subsidiary	Dividend Income	143,787,831/-	49%	Declaration of dividends

CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

Board of Directors

The following Directors held office during the period under review and their brief profiles are given on pages 12 to 14 of the Annual Report.

Directors	Executive/ Non-Executive / Independent
Mr. D. A. Cabraal (Chairman)	Non-Executive/ Independent *
Mr. H. Selvanathan (Deputy Chairman)	Executive
Mr. M. Selvanathan (Director/ Alternate Director to Mr. H. Selvanathan)	Executive
Mr. S. K. Shah (Chief Executive Officer)	Executive
Mr. D. C. R. Gunawardena	Non-Executive
Mr. L. Lehmann (resigned w.e.f. 20/05/2019)	Non-Executive
Mr. R. H. Meewakkala	Non-Executive/ Independent **
Mr. T. Akiskalos (appointed w.e.f. 20/05/2019)	Non-Executive

Each of the Non-Executive Directors of the Company have submitted a signed declaration on Independence/ Non-Independence as per Rule 7.10.2(b) of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 17th June 2019, in order to enable the Board of Directors to determine the Independence/ Non-Independence of each of the Non-Executive Directors, in terms of Rule 7.10.3(a) of the Listing Rules of the CSE.

* The Board has determined that Mr. D. A. Cabraal is an Independent/ Non-Executive Director in spite of being a Director of Lion Brewery (Ceylon) PLC, in which a majority of the other Directors of the Board are also Directors, since he is not directly involved in the management of the Company.

** The Board has determined that Mr. R. H. Meewakkala is an Independent/ Non-Executive Director in spite of being a Director of Lion Brewery (Ceylon) PLC, in which a majority of the other Directors of the Board are also Directors, since he is not directly involved in the management of the Company.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Directors' Meetings Attendance

During the period under review the Board of Directors had five Board Meetings and the attendance of the Directors were as follows;

Directors	Meetings Attended (Out of five)
Mr. D. A. Cabraal (Chairman)	5/5
Mr. H. Selvanathan (Deputy Chairman)	4/5
Mr. M. Selvanathan (Director/ Alternate Director to Mr. H. Selvanathan)	5/5
Mr. S. K. Shah (Chief Executive Officer)	5/5
Mr. D. C. R. Gunawardena	5/5
Mr. L. Lehmann (resigned w.e.f. 20/05/2019)	4/5
Mr. R. H. Meewakkala	4/5
Mr. T. Akiskalos (appointed w.e.f. 20/05/2019)	-

Board Evaluation

The 'Board Evaluation Form' of the Company focusses on the following areas;

- Core Board Responsibilities
- Board Meetings
- Committee Meetings (any/ all sub-committees)
- Relationship with Management
- Individual self-assessment
- Stakeholder and Shareholder communication relationship
- Suggestions/ comments

The Comments made by the Directors in the Board Evaluation Form are collated by the Nomination Committee of the Company and the results and proposed actions are reported to the Board of Directors. The suggestions and recommendations made by the Directors are being reviewed and implemented by the Company.

Audit Committee

As per the Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange, the Audit Committee of Carson Cumberbatch PLC (CCPLC), the Parent Company, functions as the Audit Committee of the Company.

Composition

Audit Committee Members	Executive / Non-Executive/ Independent
Mr. V. P. Malalasekera (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. F. Mohideen	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. A. S. Amaratunga (appointed w.e.f. 15/01/2019)	Non-Executive/ Independent Director of CCPLC
Observer representing the Beverage Sector at the Carson Cumberbatch PLC Audit Committee Meetings	
Mr. R. H. Meewakkala (appointed w.e.f. 20/01/2019)	Non-Executive/Independent Director of Ceylon Beverage Holdings PLC & Lion Brewery (Ceylon) PLC

The Audit Committee Report is given on page 30 and 31 of this Annual Report.

Remuneration Committee

As per the Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange, the Remuneration Committee of Carson Cumberbatch PLC (CCPLC), the Parent Company, functions as the Remuneration Committee of the Company.

Composition

Remuneration Committee Members	Executive / Non-Executive/ Independent
Mr. T. de Zoysa (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. R. Theagarajah	Non-Executive/ Independent Director of CCPLC
Mr. W. M. R. S. Dias	Non-Executive/ Independent Director of CCPLC

Scope and Objective

The primary objective of the Remuneration Committee is to lead to establish a formal and transparent procedure for the development of a remuneration policy and the establishment of a remuneration structure.

A remuneration policy has been formulated based on market and industry factors and individual performance for all group Companies.

Functions and Proceedings

The Remuneration Committee recommends to the Board the remuneration to be paid to the Chief Executive Officer, Executive Directors and Non-Executive Directors. Based on the recommendation of the Remuneration Committee, the Board approves remuneration to the respective Directors.

The Chief Executive Officer, Director-in-charge and other members of senior management may be invited to attend meetings to discuss the performance of the Executive Directors and make proposals as necessary. Neither Executive or Non-Executive Directors are involved in Remuneration Committee meetings when determinations are made in relation to the remuneration of the respective Directors.

The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when it considers this necessary.

The Remuneration Committee meets at least twice a year.

During the period under review the Committee had two Meetings.

Remuneration Committee Members	Meetings Attended/ (Out of two)
Mr. T. de Zoysa (Chairman)	-
Mr. D. C. R. Gunawardena	2/2
Mr. R. Theagarajah	2/2
Mr. W. M. R. S. Dias	2/2

Reporting and Responsibilities

The Committee Chairman reports to the Board on its proceedings on all matters within its duties and responsibilities. The Committee makes recommendations to the Board as deemed appropriate on any area within its limit where action or improvements are needed.

Aggregated remuneration paid to the Non-Executive Directors of the Company is disclosed under Note 32 on page 89 of the Annual Report. Executive Directors are not compensated for their role on the Board.

Nomination Committee

The Nomination Committee of Carson Cumberbatch PLC (CCPLC), the Parent Company, functions as the Nomination Committee of the Company.

Composition

Nomination Committee Members	Executive / Non-Executive/ Independent
Mr. T. de Zoysa (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. R. Theagarajah	Non-Executive/ Independent Director of CCPLC
Mr. W. M. R. S. Dias (appointed w.e.f. 08/05/2018)	Non-Executive/ Independent Director of CCPLC

Scope and Objective

The primary objective of the Nomination Committee is to lead the process for Board appointments of new Directors within group companies and the nominations of members to represent the Company in group companies/ investee companies.

Functions and Proceedings

The Nomination Committee recommends new appointments to the Board. Based on the recommendation of the Nomination Committee, the Board approves the new appointments of Executive and Non-Executive Directors to the Board.

Any Director of the Board and the Chief Executive Officer/ Director-in-Charge and other members of senior management may be invited to attend Meetings of the Nomination Committee. The Committee may also invite appointed external consultants to aid the Committee in the discharge of its duties.

The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when considered necessary.

The Nomination Committee meets at least twice a year.

During the period under review the Committee had three Meetings.

Nomination Committee Members	Meetings Attended (Out of three)
Mr. T. de Zoysa (Chairman)	-
Mr. R. Theagarajah	3/3
Mr. D. C. R. Gunawardena	3/3
Mr. W. M. R. S. Dias (appointed w.e.f. 08/05/2018)	3/3

DIVIDEND

The Company paid a First Interim Dividend of Rs. 7/- per ordinary share for the year ended 31st March 2019 totalling Rs. 146,916,630/- on 26th March 2019.

The details of the dividend paid during the year is set out in Note 36 to the Financial Statements.

SOLVENCY TEST

Taking into account the said distribution, the Directors were satisfied that the Company would meet the Solvency Test requirement under Section 56(2) of the Companies Act, No. 07 of 2007 immediately after the distribution.

The Company's Auditors, KPMG, Chartered Accountants have issued Certificates of Solvency for the Dividend mentioned above, confirming same.

CORPORATE DONATIONS

No donations were made by the Company and its Subsidiaries during the year (2018 - Nil).

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2019 was Rs. 533,384,288/- consisting of 20,988,090 Ordinary shares.

There was no change in the Stated Capital of the Company during the year.

EVENTS OCCURRING AFTER THE REPORTING DATE

There were no significant events after the reporting period, other than those disclosed in Note 40 of the notes to the Financial Statements.

SHARE INFORMATION

Information relating to share trading are given on pages 118 and 119 of this Report.

TWENTY MAJOR SHAREHOLDERS

		31-Mar-2019		31-Mar-2018	
	Name of Shareholders	No. of shares	%	No. of shares	%
1	CARSON CUMBERBATCH PLC A/C NO.2	15,726,912	74.93	15,726,912	74.93
2	GF CAPITAL GLOBAL LIMITED	1,920,586	9.15	1,908,523	9.09
3	CARLSBERG A/S	1,676,440	7.99	1,676,440	7.99
4	BNYM RE-BUTTERFIELD TRUST (BERMUDA) LIMITED	800,000	3.81	800,000	3.81
5	SSBT-DEUSTCHE BANK AG SINGAPORE A/C 01	135,000	0.64	135,000	0.64
6	CARSON CUMBERBATCH PLC A/C NO. 01	91,655	0.44	91,655	0.44
7	TRANZ DOMINION,L.L.C.	75,500	0.36	74,916	0.36
8	MRS. C.A.D.S. WOODWARD	40,065	0.19	40,065	0.19
9	MRS. J.K.P. SINGH	31,485	0.15	31,485	0.15
10	GUINNESS MORISON INTERNATIONAL LIMITED	20,953	0.10	20,953	0.10
11	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	13,650	0.07	13,650	0.07
12	MISS M.P. RADHAKRISHNAN	10,257	0.05	9,633	0.05
13	MISS A. RADHAKRISHNAN	10,256	0.05	9,633	0.05
14	SEYLAN BANK PLC/CHANNA NALIN RAJAHMONEY	10,061	0.05	7,056	0.03
15	MR. H.A. PIERIS	10,000	0.05	10,000	0.05
16	MR. N.J. GAMADIA	8,786	0.04	8,786	0.04
17	MR. R. MAHESWARAN	8,134	0.04	8,134	0.04
18	MRS. M.S.K. WELIKALA	7,856	0.04	7,856	0.04
19	ADMIN.OF T A.C. ABDEEN (DECD)	7,725	0.04	7,725	0.04
20	MRS. M.C. ABEYSEKERA	7,622	0.04	7,622	0.04

ANNUAL REPORT

The information provided herein is in pursuance of the requirements of the Companies Act, No.07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The Board of Directors have approved the Audited Financial Statements of the Company together with the Reviews and other Reports which form part of the Annual Report on 17th June 2019. The appropriate number of copies of the Annual Report would be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies, within applicable time frames.

ANNUAL GENERAL MEETING

The 108th Annual General Meeting of the Company will be held on Friday, 19th July 2019 at 3.30 p.m. at the 'Ivy Room', Cinnamon Grand Colombo, No.77, Galle Road Colombo 03, Sri Lanka.

The Notice of the Annual General Meeting, setting out the business which will be transacted thereat is on page 122 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)
M. Selvanathan
Director

(Sgd.)
S. K. Shah
Director

(Sgd.)
K. D. De Silva (Mrs)
Director

Carsons Management Services (Private) Limited
Secretaries

Colombo
17th June 2019

AUDIT COMMITTEE REPORT

The Parent Company of Ceylon Beverage Holdings PLC is Carson Cumberbatch PLC (CCPLC). As provided by the Colombo Stock Exchange Listing Rules, the Audit Committee of CCPLC functions as the Audit Committee of the Company.

During the year Mr.A.S. Amaratunga, a Non-Executive/Independent Director of CCPLC was appointed to the Audit Committee of CCPLC and Mr.R.H. Meewakkala, a Non-Executive/Independent Director of Lion Brewery (Ceylon) PLC (LBCPLC) and Ceylon Beverage Holdings PLC (CBHPLC) was also appointed as an 'Observer – for the Beverage Sector matters'.

The Audit Committee consists of the following members:

Audit Committee Members	Executive / Non-Executive/ Independent
Mr.V.P. Malalasekera (Chairman)	Non-Executive/ Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.F. Mohideen	Non-Executive/ Independent (CCPLC)
Mr.A.S. Amaratunga (appointed w.e.f. 15th January 2019)	Non-Executive/ Independent (CCPLC)
Observer-for the Beverage Sector matters	
Mr.R.H. Meewakkala (appointed w.e.f. 20th January 2019	Non-Executive/ Independent (LBCPLC and CBHPLC)

Mr.Vijaya Malalasekera is a Non-Executive/ Independent Director of CCPLC and a former Director of Ceylon Tobacco Company PLC.

Mr.Chandima Gunawardena is a Non-Executive Director of CCPLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, U.K.

Mr.Faiz Mohideen, a Non-Executive/Independent Director of CCPLC was a former Deputy Secretary to the Treasury and a former Director of Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

Mr.Saktha Amaratunga, a Non-Executive/ Independent Director of CCPLC, is also a Director of Hemas Holdings PLC, Chairman of Hemas Holdings PLC-Audit Committee and a Commissioner of PT Agro Indomas, Indonesia, a subsidiary of Carson Cumberbatch Group.

Mr.Rajiv Meewakkala is a Non-Executive/ Independent Director of LBCPLC and CBHPLC. He was the former Marketing Director of Ceylon Tobacco Company and was also part of the South Asia Marketing Leadership team of British American Tobacco.

The purpose of the Audit Committee of CCPLC is as follows:

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organisation by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

The audit aspects of Ceylon Beverage Holdings PLC are conducted within the Agenda of CCPLC-Audit Committee.

CCPLC-Audit Committee held eight (08) Meetings during the financial year to discuss matters relating to the Company and the attendance of the Members of the Audit Committee were as follows :

Meetings attended (out of eight)	
Mr.V.P. Malalasekera (Chairman)	8/8
Mr.D.C.R. Gunawardena	7/8
Mr.F. Mohideen	7/8
Mr.A.S. Amaratunga (appointed w.e.f. 15th January 2019)	3/8

The Chief Executive Officer-Beverage Sector, Head of Finance of the Company, internal auditors and senior management staff members also attended the Audit Committee Meetings by invitation. Mr.R.H. Meewakkala, Director of the Company also attended the Audit Committee Meetings as an 'Observer-for the Beverage Sector matters'.

The Audit Committee met the External Auditors, Messrs. KPMG, twice during the year to discuss the audit scope, including Key Audit Matters and to deliberate the draft Financial Report and Accounts at the completion stage of the audit. The Committee also discussed the draft Financial Report and Accounts, with the External Auditors, without the management being present to foster an unbiased, independent dialogue.

The Audit Committee approved the audit plan for the financial year 2018/2019 and the Group Internal Audit (GIA) carried out audits on the Beverage Sector companies based on the plan.

The findings and contents of the Group Internal Audit reports have been discussed with the relevant management staff and subsequently the audit reports were circulated to the Audit Committee and to the senior management.

The objectives of the GIA work was to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective/preventive action where necessary.

The interim financial statements of Ceylon Beverage Holdings PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings, prior to release of same to the Regulatory Authorities and to the shareholders.

Resulting from the introduction of the new audit report requirements last year, the Audit Committee continued the process to discuss the areas which are identified as Key Audit Matters by Messrs. KPMG for reporting in the audit report, at the audit planning and completion stages.

The draft financial statements of Ceylon Beverage Holdings PLC for the year ended 31st March 2019 were reviewed at a Meeting of the Audit Committee, together with the External Auditors, Messrs. KPMG, prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee was provided with confirmations and declarations as required by the Director/CEO, Head of Finance of the Company and Director - Finance, Carsons Management Services (Private) Limited, Managers of the Company that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

The Audit Committee has determined that Messrs. KPMG, Chartered Accountants, Auditors were independent on the basis that they did not carry out any management related functions of the Company.

The Audit Committee has concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31st March 2020, subject to the approval of the shareholders of Ceylon Beverage Holdings PLC at the Annual General Meeting.

(Sgd.)
V. P. Malalasekera
Chairman – Audit Committee
Carson Cumberbatch PLC

Colombo
17th June 2019

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Parent Company of Ceylon Beverage Holdings PLC is Carson Cumberbatch PLC (CCPLC). As provided by the Colombo Stock Exchange Listing Rules, the Related Party Transactions Review Committee (RPTRC) of CCPLC-the Parent Company functions as the RPTRC of the Company.

COMPOSITION OF THE COMMITTEE

The Members of the RPTRC are as follows:

1. Mr.V. P. Malalasekera (Chairman) - Non-Executive/Independent Director of CCPLC
2. Mr. F. Mohideen - Non-Executive/Independent Director of CCPLC
3. Mr. D. C. R. Gunawardena - Non-Executive Director of CCPLC
4. Mr. H. Selvanathan - Executive Director of CCPLC
5. Mr. M. Selvanathan - Executive Director of CCPLC
6. Mr. S. K. Shah - Executive Director of CCPLC

MEETINGS OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

CCPLC-RPTRC held Four (04) Meetings during the financial year to discuss matters relating to the Company and where necessary the approval of the Members were also sought via circulation of papers.

The attendance of the Members of the Committee were as follows:

Meetings attended (out of Four)	
Mr.V.P. Malalasekera (Chairman)	4/4
Mr.F. Mohideen	4/4
Mr.D.C.R. Gunawardena	4/4
Mr.H. Selvanathan	3/4
Mr.M. Selvanathan	3/4
Mr.S.K. Shah	3/4

PURPOSE OF THE COMMITTEE

The objective of the RPTRC is to review all Related Party Transactions (RPTs) of the Listed Companies of the Carsons Group, other than those exempted by the 'Related Party Transactions Compliance Code' (RPT Code), prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

POLICIES AND PROCEDURES

- The RPTRC reviews the relevant Related Party Transactions of the Listed Companies of the Carsons Group and where the Committee decides that the approval of the Board of Directors of the respective Companies are necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.
- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether it is recurrent or non-recurrent in nature.
- Reviewing and approval would be either by meeting of members (subject to quorum being present) or by circulation.
- In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the RPTRC will take into account, among other factors it deems appropriate, whether the proposed RPTs pose a conflict of interest to the Directors.

The self-declarations from the Directors and Key Management Personnel are obtained for the purpose of identifying parties related to them. Further, the guidelines which senior management must follow in routing Related Party Transactions to the relevant forum, including transaction threshold values and pricing where applicable, have been documented even in the case of once approved recurrent transactions which are of operational nature, which as per the RPT Code need not be repeatedly approved if within the broad thresholds.

The RPTRC in discharging its function endeavours to ensure that :

- there is compliance with the Code;
- shareholder interests are protected; and
- fairness and transparency are maintained.

The Committee has a criteria for designating Carsons Group Key Management Personnel (KMP) and quarterly disclosures are made by KMPs so designated, as relevant.

The Related Party Transactions of the Company for the period 1st April 2018 to 31st March 2019 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

(Sgd.)
V. P. Malalasekera
Chairman – Related Party Transactions Review Committee
Carson Cumberbatch PLC

Colombo
17th June 2019

FINANCIAL CALENDAR

Financial Year	31st March 2019
Announcement of Results	
1st Quarter	30th June 2018
Issued to Colombo Stock Exchange	14th August 2018
2nd Quarter	30th September 2018
Issued to Colombo Stock Exchange	14th November 2018
3rd Quarter	31st December 2018
Issued to Colombo Stock Exchange	13th February 2019
4th Quarter	31st March 2019
Issued to Colombo Stock Exchange	21th May 2019
Meetings	
107th Annual General Meeting	20th July 2018
108th Annual General Meeting	19th July 2019

INDEPENDENT AUDITOR'S REPORT

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel : +94 - 11 542 6426
Fax : +94 - 11 244 5872
+94 - 11 244 6058
Internet : www.kpmg.com/lk

To The Shareholders of Ceylon Beverage Holdings PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Beverage Holdings PLC (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group"), which comprise the statement of financial position as at 31st March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 40 to 105.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and Group as at 31st March 2019, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of Brands acquired

Nature and area of focus	Our response
The subsidiary, Lion Brewery (Ceylon) PLC has recognised intangible asset relating to Brands acquired with a carrying value of Rs. 2.33 Billion as at the reporting date. The annual impairment testing relating to the brand which is an indefinite life intangible asset is considered to be a key audit matter due to the significant judgment required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount has been derived using discounted forecasted cash flow model. This model uses several key assumptions, including estimates of future sales volume growth rate, contribution growth rate and discount rate. See note 2.5 for Use of Judgments and Estimates, note 3.6 for accounting policy and note 10 for information	Our audit procedures among others included: • Evaluating the appropriateness and consistency of underlying assumptions via corroborating estimates of future cash flows and discussing whether they are reasonable and supported by the most recent approved management budgets, including expected future performance of the CGUs, and discussing whether these are appropriate in light of future macroeconomic expectations in the markets. • Recomputing and comparing the data used in the forecasted cash flow model with information maintained by management and historical trends. • Assessing the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgments.

KPMG

Revenue Recognition	
Risk Description	**Our response**
The company recorded revenue of Rs.293.4 Mn for year ended 31 March 2019 and group recorded revenue of Rs. 44.2 Bn for the year ended 31 March 2019. Whilst revenue recognition and measurement is not complex for the Company, the subsidiary Lion Brewery (Ceylon) PLC operates in a market which is affected by different customer behaviour and the various discounts and locally imposed duties and fees in regard to revenue recognition introduce an inherent risk to the revenue recognition process. This, together with the focus on volumes and revenue as key performance measures resulted in revenue being selected as a key audit matter. We focused on whether transactions have been recorded in the period in which the Company becomes entitled to record revenue, and also considering the transition impact of SLFRS 15. See note 4.1 for accounting policy and note 29 for information.	Our audit procedures included: • Identifying and evaluating the design and implementation and operating effectiveness of key controls relating to revenue recognition and reviewing General IT Controls and Application Controls and consider impact on financial reporting with the assistance of IRM specialist. • Performing a fraud risk assessment through inquiry of management regarding any actual or suspected override of controls in relation to revenue recognition. • Testing design and implementation and operating effectiveness of controls over journal entries and post-closing adjustments. • Through inquiry and observation assessing the accounting for significant transactions that are outside of the normal course of business, or are otherwise unusual. • Testing that amounts have been recognised in the correct period for cut-off and evaluate whether there are any significant amount of returns after the year end. • Agreeing the monthly sales system reports to general ledger to ensure that the revenue is recognised accurately in accordance with the company's accounting policy. • Test the quantification of adjustments arising from management's revenue recognition assessment for compliance with SLFRS 15 during the year and disclosures for its first time adoption.

INDEPENDENT AUDITOR'S REPORT

KPMG

Carrying value of investment in subsidiaries	
Risk Description	**Our response**
The Company has tested for impairment relating to its investments in loss making subsidiaries, and the related receivables. Accordingly an impairment provision of Rs. 207 mn was recognised for the impairment in Pubs 'N Places (Pvt) Ltd against the investment of Rs.511.9 mn using adjusted net asset value method. Estimating the Adjusted Net Asset Value is a complex process which involves a significant degree of judgment and estimates in assigning values to its asset base such as the licenses owned by Pubs 'N Places (Pvt) Limited. We identified assessing the impairment relating to Pubs 'N Places (Pvt) Limited as a key audit matter because of the complexity of the estimations involved. See note 3.9 for accounting policy and note 11 for information.	Our audit procedures included: • Evaluating the appropriateness and consistency of underlying assumptions in arriving at the recoverable amount including assessment of fair value of assets of the subsidiary to assess the adequacy of the provision for impairment. • Corroborating estimates of future cash flows of the subsidiaries and discussing whether they are reasonable and supported by the most recent approved management budgets, including expected future performance of the CGUs, and discussing whether these are appropriate in light of future macroeconomic expectations in the markets. • Comparing the data used with information maintained by management. • Assessing the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgments.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

KPMG

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1798.

KPMG

Chartered Accountants
Colombo, Sri Lanka
17th June 2019

STATEMENT OF FINANCIAL POSITION

		Company		Group	
As at 31st March		2019	2018	2019	2018
In Rs.'000s	Notes				
ASSETS					
Non-Current Assets					
Property, plant & equipment	9	330,613	331,190	18,493,204	18,476,588
Intangible assets	10	-	-	2,442,755	2,447,946
Deferred taxation	24	-	-	13,496	6,282
Investments in subsidiaries	11	1,764,272	1,971,964	-	-
Loan to operators	12	-	-	-	53,422
Total Non-Current Assets		2,094,885	2,303,154	20,949,455	20,984,238
Current Assets					
Inventories	13	-	-	2,512,995	1,910,141
Trade & other receivables	14	22,457	10,141	2,345,704	3,128,030
Amounts due from related companies	15	36,079	107,818	-	5,535
Current taxation	16	-	-	5,653	16,232
Cash and cash equivalents	17	242,604	36,045	10,564,799	8,180,171
Total Current Assets		301,140	154,004	15,429,151	13,240,109
Total Assets		2,396,025	2,457,158	36,378,606	34,224,347
EQUITY AND LIABILITIES					
Equity					
Stated capital	18	533,384	533,384	533,384	533,384
Capital reserves	19	245,352	245,352	813,949	708,955
Revenue reserves	20	815,521	965,727	4,732,703	3,348,742
Equity Attributable To Equity Holders of the Company		1,594,257	1,744,463	6,080,036	4,591,081
Non - controlling interest		-	-	5,978,375	4,493,662
Total Equity		1,594,257	1,744,463	12,058,411	9,084,743

As at 31st March In Rs.'000s	Notes	Company 2019	Company 2018	Group 2019	Group 2018
Non - Current Liabilities					
Debentures	21	-	-	-	2,000,000
Loans and borrowings	22	55,000	85,000	3,326,271	4,899,620
Employee benefits	23	-	-	204,058	190,953
Net deferred tax liabilities	24	89,935	89,935	5,092,601	3,697,803
Total Non - Current Liabilities		144,935	174,935	8,622,930	10,788,376
Current Liabilities					
Trade and other payables	25	17,834	15,047	1,350,370	1,391,694
Amounts due to related companies	26	588,587	394,170	114,945	105,559
Refundable deposits	27	-	-	1,456,224	1,164,261
Current tax liabilities	28	20,024	3,977	2,448,319	1,967,401
Debentures	21	-	-	2,078,285	1,110,582
Loans and borrowings	22	30,388	124,566	6,353,084	6,991,619
Bank overdraft	17	-	-	1,896,038	1,620,112
Total Current Liabilities		656,833	537,760	15,697,265	14,351,228
Total Liabilities		801,768	712,695	24,320,195	25,139,604
Total Equity and Liabilities		2,396,025	2,457,158	36,378,606	34,224,347
Net assets per ordinary share (Rs.)		75.96	83.12	289.69	218.75

The notes to the Financial Statements from Pages 48 to 105 form an integral part of these Financial Statements.

I certify that the above Financial Statements comply with the requirements of Companies Act No.07 of 2007.

(Sgd.)
D.R.P. Goonetilleke
Head of Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed on behalf of the Managers

(Sgd.)
V. Wijesinghe
Director

Approved and signed on behalf of the Board

(Sgd.)
M. Selvanathan
Director

(Sgd.)
S.K. Shah
Director

Carsons Management Services (Private) Ltd.
17th June 2019
Colombo

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Company		Group	
For the year ended 31st March		2019	2018	2019	2018
In Rs.'000s	Notes				(Restated)
Revenue	29	293,426	255,261	44,216,827	31,456,943
Cost of sales		-	-	(32,953,571)	(24,987,277)
Gross Profit		293,426	255,261	11,263,256	6,469,666
Progressive insurance receipts on business interruption	30	-	-	-	1,205,359
Other income	31	-	-	138,025	56,515
		293,426	255,261	11,401,281	7,731,540
Distribution expenses		-	-	(3,030,771)	(2,490,257)
Administrative expenses		(15,138)	(20,055)	(1,657,223)	(1,260,692)
Other expenses		-	-	(413,166)	(349,364)
Impairment of investments in subsidiaries	11	(207,692)	-	-	-
Profit from Operations		70,596	235,206	6,300,121	3,631,227
Progressive insurance receipts on property damage	30	-	-	-	752,263
Profit Before Finance Cost		70,596	235,206	6,300,121	4,383,490
Finance income	33	12,741	-	1,009,923	819,652
Finance costs	33	(49,118)	(37,904)	(2,094,515)	(2,311,507)
Net Finance Costs		(36,377)	(37,904)	(1,084,592)	(1,491,855)
Profit Before Taxation		34,219	197,302	5,215,529	2,891,635
Income tax	34	(37,508)	(21,567)	(846,185)	(402,432)
Deferred taxation	34	-	-	(1,304,425)	(848,836)
Profit/(Loss) After Taxation		(3,289)	175,735	3,064,919	1,640,367

For the year ended 31st March In Rs.'000s	Notes	Company 2019	Company 2018	Group 2019	Group 2018 (Restated)
Other Comprehensive Income					
Items that will never be reclassified to profit or loss					
Remeasurement of employee benefit obligation	23	-	-	12,533	(40,938)
Deferred tax adjustment on employee benefit	34	-	-	(5,013)	16,375
Change in revaluation of property plant & equipment	9	-	-	279,091	-
Deferred tax adjustment on land & buildings	34	-	(89,338)	(78,145)	(485,631)
Total Other Comprehensive Income for the year		-	(89,338)	208,466	(510,194)
Total Comprehensive Income/(Expenses)		(3,289)	86,397	3,273,385	1,130,173
Profit/(Loss) Attributable to					
- Equity holders of the company		(3,289)	175,735	1,526,949	762,781
- Non - controlling interest		-	-	1,537,970	877,586
Profit/(Loss) for the year		(3,289)	175,735	3,064,919	1,640,367
Total Comprehensive Income Attributable to					
- Equity holders of the company		(3,289)	86,397	1,635,872	453,546
- Non - controlling interest		-	-	1,637,513	676,627
Total comprehensive income for the year		(3,289)	86,397	3,273,385	1,130,173
Earnings/(Loss) per Ordinary Share (Rs.)	35	(0.16)	8.37	72.75	36.34

The notes to the Financial Statements from Pages 48 to 105 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

In Rs.'000s	Attributable to Equity Holders of the Parent					Non-Controlling Interest	Total Equity
	Stated Capital	Revaluation Reserve	General Capital Reserve	Retained Profits	Total		
COMPANY							
Balance as at 1st April 2017	533,384	328,914	5,776	957,897	1,825,971	-	1,825,971
Total comprehensive income							
Profit for the period	-	-	-	175,735	175,735	-	175,735
Other comprehensive loss for the period	-	(89,338)	-	-	(89,338)		(89,338)
Total Comprehensive income for the period	-	(89,338)	-	175,735	86,397	-	86,397
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(167,905)	(167,905)	-	(167,905)
Balance as at 31st March 2018	533,384	239,576	5,776	965,727	1,744,463	-	1,744,463
Balance as at 1st April 2018	533,384	239,576	5,776	965,727	1,744,463	-	1,744,463
Total comprehensive income							
Loss for the period	-	-	-	(3,289)	(3,289)	-	(3,289)
Other comprehensive income for the period	-	-	-	-	-		-
Total Comprehensive Loss for the period	-	-	-	(3,289)	(3,289)	-	(3,289)
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(146,917)	(146,917)	-	(146,917)
Balance as at 31st March 2019	533,384	239,576	5,776	815,521	1,594,257	-	1,594,257

The Notes to the Financial Statements from Pages 48 to 105 form an integral part of these Financial Statements.

In Rs.'000s	Attributable to Equity Holders of the Parent					Non-	Total
	Stated Capital	Revaluation Reserve	General Capital Reserve	Retained Profits	Total	Controlling Interest	Equity
GROUP							
Balance as at 1st April 2017	533,384	999,580	5,776	2,766,700	4,305,440	3,969,835	8,275,275
Total Comprehensive Income							
Profit for the period	-	-	-	762,781	762,781	877,586	1,640,367
Other comprehensive loss for the period	-	(296,401)	-	(12,834)	(309,235)	(200,959)	(510,194)
Total Comprehensive Income for the period	-	(296,401)	-	749,947	453,546	676,627	1,130,173
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(167,905)	(167,905)	(152,800)	(320,705)
Balance as at 31st March 2018	533,384	703,179	5,776	3,348,742	4,591,081	4,493,662	9,084,743
Balance as at 1st April 2018	533,384	703,179	5,776	3,348,742	4,591,081	4,493,662	9,084,743
Total Comprehensive Income							
Profit for the period	-	-	-	1,526,949	1,526,949	1,537,970	3,064,919
Other comprehensive income for the period	-	104,994	-	3,929	108,923	99,543	208,466
Total Comprehensive Income for the period	-	104,994	-	1,530,878	1,635,872	1,637,513	3,273,385
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(146,917)	(146,917)	(152,800)	(299,717)
Balance as at 31st March 2019	533,384	808,173	5,776	4,732,703	6,080,036	5,978,375	12,058,411

The Notes to the Financial Statements from Pages 48 to 105 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March In Rs.'000s	Notes	Company 2019	Company 2018	Group 2019	Group 2018
Cash Flows from Operating Activities					
Profit before taxation		34,219	197,302	5,215,529	2,891,635
Adjustments for:					
Finance expenses	33	49,118	37,904	2,096,644	2,316,863
Depreciation on property, plant & equipment	9	577	577	1,224,812	1,131,509
Amortisation of intangible assets	10	-	-	53,515	24,018
Net Inventory provisions	13.1	-	-	(20,818)	(26,549)
Provision for employee benefit obligations	23	-	-	36,847	87,819
Impairment of property plant & equipment	9	-	-	60,547	7,394
Impairment of intangible assets		-	-	881	-
Impairment of doubtful debtors	14.1			24,651	5,662
Impairment of investments	11	207,692	-	-	-
Progressive insurance receipts on property damage	30	-	-	-	(752,263)
Finance income	33	(12,741)	-	(1,009,923)	(819,652)
Profit on disposal of property, plant & equipment		-	-	(3,529)	(12,212)
ESC write off		-	-	-	127
Unrealised exchange loss/(gain) on foreign currency term Loan		-	-	(4,638)	-
Operating cash flow before working capital changes		278,865	235,783	7,674,518	4,854,351
(Increase)/decrease in inventories	13	-	-	(582,036)	650,686
(Increase)/decrease in trade & other receivables		(12,302)	8,235	762,324	(771,563)
(Increase)/decrease in amounts due from related companies		84,480	(67,909)	58,957	27,541
Increase/(decrease) in amounts due to related companies		163,862	394,170	9,386	(39,069)
Increase in tax payables		158	1,250	129,006	798,240
Increase/(decrease) in trade & other payables		771	2,550	(41,324)	637,934
Cash generated from operations		515,834	574,079	8,010,831	6,158,120
Finance expenses		(18,563)	(36,638)	(1,899,035)	(2,213,329)
Tax paid		(21,620)	(25,493)	(460,282)	(455,249)
Employee benefits paid	23	-	-	(11,209)	(16,244)
Net cash generated from operating activities		475,651	511,948	5,640,305	3,473,298

For the year ended 31st March In Rs.'000s	Notes	Company 2019	 2018	Group 2019	 2018
Cash Flows from Investing Activities					
Purchase and construction of property, plant & equipment		-	-	(1,022,884)	(1,364,544)
Borrowing cost capitalised	33.1	-	-	-	(21,864)
Purchase of intangible assets	10	-	-	(49,205)	(2,951)
Proceeds from sale of property, plant & equipment		-	-	3,529	50,146
Agent deposits received	27	-	-	298,961	209,362
Agent deposits refunded	27	-	-	(6,998)	(54,458)
Interest received		-	-	1,009,923	819,652
Net cash used in investing activities		-	-	233,326	(364,657)
Cash Flows from Financing Activities					
Proceeds from loans & borrowings	22.1	-	-	-	1,500,000
Repayment of loans & borrowings	22.1	(123,300)	(129,600)	(2,442,990)	(2,778,579)
Repayment of debentures	21	-	-	(998,800)	(799,400)
Progressive insurance receipts on property damage		-	-	-	752,263
Dividends paid net of tax		(145,792)	(167,905)	(323,139)	(320,705)
Net cash used in financing activities		(269,092)	(297,505)	(3,764,929)	(1,646,421)
Net increase in cash & cash equivalents		206,559	214,443	2,108,702	1,462,220
Cash & cash equivalents at the beginning of the year		36,045	(178,398)	6,560,059	5,097,839
Cash & cash equivalents at the end of the year	17	242,604	36,045	8,668,761	6,560,059
Analysis of Cash and Cash Equivalents					
Cash and cash equivalents	17	242,604	36,045	10,564,799	8,180,171
Bank overdraft	17	-	-	(1,896,038)	(1,620,112)
		242,604	36,045	8,668,761	6,560,059

The notes to the Financial Statements from Pages 48 to 105 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

1.1 Reporting Entity

Ceylon Beverage Holdings PLC (CBHPLC) is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The parent company of Ceylon Beverage Holdings PLC is Carson Cumberbatch PLC (CCPLC) and the ultimate parent Company is Bukit Darah PLC. The registered office of the Company is situated at No 61, Janadhipathi Mawatha, Colombo 01 and the principal place of business is situated at No 254, Colombo Road, Biyagama.

The consolidated Financial Statements for the year ended 31st March 2019 comprises of the Company and its subsidiaries (together referred to as the "Group" and individually Group entities). The subsidiaries of the Company are set out below.

Subsidiary	Controlling interest	Note
Lion Brewery (Ceylon) PLC	52.25%	"LBCPLC"
Pubs 'N Places (Private) Limited	99.9%	
Retail Spaces (Private) Limited	100%	
Luxury Brands (Private) Limited	100%	
Pearl Springs (Private) Limited (PSPL)	52.25%	Wholly owned subsidiary of LBCPLC
Millers Brewery Limited	52.25%	Wholly owned Subsidiary of PSPL

The principal activities of the Group is brewing and marketing of high quality beers for both local & export markets and retailing of beer & alcohol products through its owned/managed wine shops & pubs. The Group is also engaged in the import & marketing of globally renowned high quality beer and spirits brands.

The Group had 259 (2018 – 236) employees at the end of the financial year. The company had no employees as at the reporting date (2018 – Nil).

The Financial Statements were authorised for issue by the Board of Directors on 17th June 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The Financial Statements of Ceylon Beverage Holdings PLC, and its subsidiaries (Group) comprise the Statements of Financial Position, Profit or Loss and Other Comprehensive Income, Changes in Equity, Cash Flow together with the Notes to the Financial Statements. The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (hereinafter referred to as SLFRS/LKAS) as laid down by the Institute of Chartered Accountants of Sri Lanka, the requirements of the Company's Act No. 07 of 2007 and the listing rules of the Colombo Stock Exchange.

2.2 Basis of Measurement

The Financial Statements have been prepared on a historical cost basis except for the following;

Land & Building - Fair Value

Defined benefit obligation - Actuarially valued and recognised at present value of the defined benefit obligation

2.3 Functional Currency and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees which is the Group's functional currency, unless otherwise indicated. All financial information presented in Sri Lanka Rupees has been rounded to the nearest rupee thousand.

2.4 Going Concern

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The Company had positive net asset, working capital and cash flow positions as at the reporting date. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

2.5 Use of Estimates and Judgments

The preparation of financial statements in conformity with LKASs/SLFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future period affected.

Information about critical estimates and underlying assumptions in applying Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in following notes.

Note 9 – Revaluation of Land & Building,
Note 10 – Impairment test on Intangible Assets,
Note 23 – Employee benefit obligations,
Note 24 – Deferred tax liabilities/assets,
Note 39 – Contingent Liabilities and Commitments

Comparative Information

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

2.6 Measurement of Fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non- financial assets and liabilities. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group's Audit Committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

i. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii. Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

iii. Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 SIGNIFICANT ACCOUNTING POLICIES

Changes in Significant Accounting Policies

The Group has initially applied SLFRS 15 and SLFRS 9 from 1st April 2018, except for these changes, the Group has consistently applied the accounting policies to all periods presented in these Financial Statements. Due to the transition methods chosen by the group in applying these standards certain comparative amounts in the Statements of Profit or Loss and Other Comprehensive Income have been restated to reflect the requirements of the new standards.

SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced LKAS 18 Revenue, LKAS 11 Construction Contracts and related interpretations. Under SLFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgment.

The Group has restated prior periods, as permitted by the Standard, to ensure comparability of the income statement across prior periods. This Standard has changed the way the Group accounts for consideration payable to customers, and requires certain payments to indirect customers, previously shown as marketing expenses, to be shown as deductions from revenue.

The following table summarises the impacts of adopting SLFRS 15 on Group's statement of profit or loss and other comprehensive income for the year then ended for each of the line items affected. There was no impact on the comparative figures presented in the statement of financial position, statement of changes in equity and statement of cash flows. Further, the change in accounting policy has no impact on the reported amount of accumulated profits as at 31 March 2018.

In Rs. '000s	Group		
	As previously reported	Effect of change in accounting policy	Adjusted Balance
Revenue	32,363,184	(906,241)	31,456,943
Distribution Expenses	(3,396,498)	906,241	(2,490,257)

SLFRS 9 Financial Instruments

SLFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non financial items. This standard replaces LKAS 39 Financial Instruments: Recognition and Measurement.

Additionally, the Group has adopted consequential amendments to SLFRS 07 Financial Instruments: Disclosures that are applied to disclosures about 2018 but have not been generally applied to comparative information.

Classification and measurement of financial assets and financial liabilities

SLFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under SLFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SLFRS 9 eliminates the previous LKAS 39 categories of held to maturity, loans and receivables and available for sale.

Trade and other receivables, cash and cash equivalents and related party receivables which were earlier classified as loans and receivable under LKAS 39, are classified as amortised cost under SLFRS 09.

SLFRS 09 largely retains the existing requirements in LKAS 39 for the classification and measurement of financial liabilities and the adoption of the standard has not had a significant effect on the Groups's accounting policies related to financial liabilities.

3.1 Basis of Consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The Group applies the control model as per SLFRS 10 to determine whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect those returns.

The Group reassessed its control conclusions for the current year and there are no changes in control conclusions from previous year.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

In the Company's Financial Statements, investments in subsidiaries are carried at cost less impairment if any. The carrying amount of the investment at the date that such entity ceases to be a Subsidiary would be regarded at the cost of initial measurement of a financial asset.

The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair value at the date of acquisition. Subsequent to the acquisition, the Company continues to recognise the investment in subsidiary at cost.

During the year Company has held the following subsidiaries:

Subsidiary	Controlling interest
Lion Brewery (Ceylon) PLC	52.25%
Pubs 'N Places (Private) Limited	99.9%
Retail Spaces (Private) Limited	100%
Luxury Brands (Private) Limited	100%
Pearl Springs (Private) Limited	52.25%
Millers Brewery Limited	52.25%

The accounting policies of Subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

In the Company's Financial Statements, investments in subsidiaries are carried at cost less impairment if any.

The carrying amount of the investment at the date that such entity ceases to be a Subsidiary would be regarded at the cost of initial measurement of a financial asset.

(iii) Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in Profit or Loss. Any interest retained in the former subsidiary is measured at fair value when control is lost

(iv) Non-Controlling Interest

The non-controlling Interest is presented in the Consolidated Statement of Financial Position within equity, separated from the equity attributable to the Equity Holders to the Company. Non-Controlling Interest in the profit or loss of the Group is disclosed separately in the Statement of Profit or Loss and Other Comprehensive Income.

(v) Financial Period

The Consolidated Financial Statements are prepared to a common financial year ended 31st March.

(vi) Intra-Group Transactions

Intra-group balances, intra-group transactions and resulting unrealised profits are eliminated in full in the Financial Statements. Unrealised losses resulting from intra-group transactions are eliminated unless the cost cannot be recovered.

3.2 Foreign Currency Transactions

Transactions in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rate ruling as at the reporting date. Foreign exchange differences arising on the settlement or reporting of the Company's monetary items at rates different from those which were initially recorded are dealt with in the Profit or Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost at the reporting date are translated to Sri Lankan Rupees at the foreign exchange rate ruling at the date of initial transaction.

Non-monetary assets & liabilities that are stated at fair value, denominated in foreign currencies are translated to Sri Lanka Rupees at the exchange rate ruling at the dates that the values were determined. Foreign exchange differences arising on translation are recognised in the Profit or Loss.

3.3 Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

Policy applicable from 1st April 2018

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets classified and measured at amortised cost are limited to its trade debtors, related party receivables, short term investments and cash & cash equivalents.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent solely with the payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss

Financial Assets Policy applicable prior to 1st April 2018

The Group classified its financial assets into one of the following categories:

- Loans and receivables;
- Held to maturity;
- Available for sale; and
- FVPL, and within this category as: - held for trading; - derivative hedging instruments; or - designated as at FVTPL

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss.
Held-to maturity financial assets	Measured at amortised cost using the effective interest method.
Loans and receivables	Measured at amortised cost using the effective interest method.
Available-for sale financial assets	Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognised in OCI and accumulated in the fair value reserve. When these assets were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

Financial liabilities

Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held – for – trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

De-recognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

Financial instruments and contract assets - Policy applicable from 1st April 2018

The Group recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

The Group uses simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or - the disappearance of an active market or a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Impairment of Financial Assets – Policy applicable prior to 1st April 2018

Financial assets not classified as fair value through Profit or Loss were assessed at each reporting date to determine whether there was an objective evidence of impairment. A financial asset or a group of financial assets was deemed to be impaired if, and only if there was objective evidence of impairment as a result of one or more events that had occurred after the initial recognition of the asset and that loss event had an impact on the estimated future cash flows of the financial asset that can be estimated reliably.

Impairment losses on assets carried at amortised cost were measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses were recognised in the Profit or Loss and reflected in an allowance account against loans and advances. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss was reversed through Profit or Loss.

The Group considered evidence of impairment for loans and receivable on each specific asset. Therefore all loans and receivables were assessed individually and specific impairment provisions were made.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is irrecoverable based on historical experience of recoveries of similar assets. For Agents, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due. Further write-off requires the approval of Board of Directors.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Impairment of Non-Financial Assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an assets or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the Profit or Loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGU (if any) and then to reduce the carrying amounts of other assets in the CGU (group of CGUs) on pro rata basis. For other assets, an impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.4 Property, Plant & Equipment

Recognition & measurement

Property, plant & equipment are tangible items that are held for servicing, or for administrative purposes and are expected to be used during more than one period.

(i) Recognition

Property, plant & equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

(ii) Measurement

Items of property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses.

The Group applies the revaluation model for freehold land and buildings while cost model is applied for other items classified under Property, Plant and Equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integrated to the functionality of the related equipment is capitalised as part of that equipment.

Expenditure on repairs or maintenance of property, plant and equipment made to restore or maintain future economic benefits expected from the assets has been recognised as an expense when incurred.

(iii) Subsequent Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised. The cost of replacing part of an item of Property, Plant & Equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of property, plant and equipment are recognised in the Profit or Loss and when the expense is incurred.

(iv) Revaluation of Land and Buildings

The freehold land and buildings of the Company and subsidiaries have been revalued and revaluation of these assets is carried out at least once in every five years in order to ensure that the book values reflect the realisable values. Any surplus or deficit that arises is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve except to the extent that it reserves a revaluation decrease of the same asset previously recognised in Profit or Loss in which case the increase is recognised in the Profit or Loss.

A revaluation deficit is recognised in the income statement except to the extent that it offsets an existing surplus on the same asset recognising the asset revaluation reserve.

(v) Depreciation

Depreciation is recognised in the Profit or Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives of the assets are as follows.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date the asset is derecognised. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(vi) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. Borrowing Cost include foreign exchange differences to the extent that such differences are regarded as an adjustment to interest cost as permitted by the accounting standards.

(vii) Refundable Deposits & Returnable Containers

Returnable containers are classified under Property, Plant and Equipment. All purchases of returnable containers except empty bottles meant for Exports will be recognised at cost and depreciated over a period of 5 years. In the event a returnable container breaks within the premises of the Group, the written down value on a first in first out (FIFO) basis will be charged to the Profit or Loss.

Empty bottles used for exports are recognised as an expense in the Profit & Loss at the time the export takes place.

Deposits are collected from the agents for the returnable containers in their possession and are classified under current liabilities. The said deposit will be refunded to the agent only upon them returning these returnable containers due to cessation of their operation or due to contraction in sales.

	Ceylon Beverage Holdings Years	Lion Brewery (Ceylon) PLC Years	Pubs 'N Places (Private) Limited Years	Luxury Brands (Private) Limited Years	Retail Spaces (Private) Limited Years	Millers Brewery Limited Years
Freehold buildings	40	40	9-50	-	-	40
Plant & machinery	-	5-20	-	-	-	20
Furniture & fittings	-	10	5	-	5	5
Office equipment	5-10	3-10	5	-	5	5
Computer equipment	-	3	3	3	3	3
Returnable containers	-	5	-	-	-	-
Motor vehicles	-	4-5	-	-	-	5
Laboratory equipment	-	4	-	-	-	-

(viii) Capital Work-in-Progress

The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a workable condition of their intended use and capitalised borrowing cost. Capital Work-In-Progress is transferred to the respective asset accounts when the asset is available for use and all work connected to construction is completed.

(ix) Impairment of Property Plant & Equipment

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognised in the Profit or Loss unless it reverses a previous revaluation surplus for the same asset.

(x) De - recognition

An item of Property, Plant and Equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Profit or Loss in the year the asset is de - recognised.

When replacement costs are recognised in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is de - recognised. Major inspection costs are capitalised. At each such capitalisation the remaining carrying amount of the previous cost of inspections is derecognised.

3.5 Leases

Finance leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased assets under property, plant and equipment, is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate interest on the remaining balance of the liability.

Operating Leases

Operating leases where the lessor effectively retains substantially all the risks and rewards of ownership over the assets are classified as operating leases. Payments under operating leases are recognised as an expense in the income statement on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

The initial cost of acquiring a leasehold property treated as an operating lease is recognised as a non-current asset and is amortised over the period of the lease in accordance with the pattern of benefits expected to be derived from the lease. The carrying amount of leasehold property is tested for impairment annually.

3.6 Intangible Assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure of an intangible asset is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure is recognised in the Profit or Loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised based on the cost of an asset less its residual value and recognised in the profit or loss on a straight line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful life is as follows;

	Ceylon Beverage Holdings Years	Lion Brewery (Ceylon) PLC Years	Luxury Brands (Private) Limited Years	Pubs 'N Places (Private) Limited Years	Retail Spaces (Private) Limited Years
Computer equipment-software	5	5	5	5	5

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Accordingly the brands & excise licenses recorded in the Financial Statements are considered to have an infinite useful life.

An Intangible Asset is de-recognised on disposal or when no future economic benefits are expected from it. The gain or loss arising from the derecognition of such Intangible Assets is included in the Profit or Loss when the item is derecognised.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Accordingly, the costs of inventories are accounted as follows:

Category		Basis
Raw material	-	cost of purchase together with any Incidental expenses.
Work-in-progress	-	raw material cost and a proportion of manufacturing expenses.
Finished goods	-	raw material cost and manufacturing expenses in full.
Maintenance stock	-	on a weighted average basis.

Appropriate provisions will be made for the value of any stocks which are obsolete.

3.8 Assets held for sale

(i) Recognition

Non-Current Assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

(ii) Measurement

Non-Current Assets held for sale are carried at the lower of carrying amount or fair value less costs to sell.

Comparatives in the Statement of Financial Position are not re-presented when a non-current asset is classified as held for sale.

(iii) Depreciation

Depreciation is not charged against property, plant and equipment classified as held for sale.

3.9 Investments

Long term investments and investments in subsidiaries of the Group are classified as Non-Current Investments, which are stated in the statement of Financial Position at cost less accumulated impairment losses, if any.

3.10 Cash & Cash Equivalents

Cash and cash equivalents are defined as cash in hand, bank demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

3.11 Liabilities and Provisions

3.11.1 Liabilities

Liabilities classified as current liabilities on the Statement of Financial Position are those, which fall due for payment on demand or within one year from the reporting date.

Non-Current Liabilities are those balances that fall due for payment after one year from the reporting date.

3.11.2 Refundable Deposits

Returnable containers issued to Agents are secured against a refundable deposit representing the cost. Refunding of deposits could arise due to a discontinuance of an agency or due to contraction in sales.

3.11.3 Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.12 Employee Benefits

(i) Defined Contribution Plans

A defined contribution plan is a post-employment plan under which an entity pays a fixed contribution into a separate entity during the period of employment and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognised as an expense in the Profit or Loss in the period during which related services are rendered by employees.

Employees' Provident Fund

The companies of the Group and Employees' contribute 12% & 10% respectively on the salary of each employee respectively.

The said provident fund is being managed by the Central Bank of Sri Lanka.

Employees' Trust Fund

The companies of the Group contribute 3% of the salary of each employee to the Employees' Trust Fund. The contribution of the Employee Trust Fund is recognised as an expense in the Profit or Loss as incurred.

(ii) Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The calculation is performed annually by a qualified actuary using the projected unit credit (PUC) method. The net obligation in respect of defined pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

However, under the payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continuous service. Any actuarial gains or losses arising are recognised in the Other Comprehensive Income and all expenses related to the defined benefit plans are in personnel expenses in the Profit or Loss. The liability was not externally funded.

3.13 Capital Commitments & Contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured.

Capital commitment and contingent liabilities of the Group are disclosed in the respective notes to the Financial Statements.

3.14 Events Subsequent to the Reporting Period

The materiality of the events after the reporting period has been considered and appropriate adjustments and provisions have been made in the Financial Statements wherever necessary.

4. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

4.1. Revenue Recognition

Policy applicable from 1st April 2018

Revenue principally comprises sales of Beer to external customers. Revenue recognised at the point in time when the control of goods and products is transferred customer with a right of return within a specified period, the Group considers the timing of recognition. Revenue from contracts with customers is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Amounts disclosed as revenue net of discounts.

- Royalty

Income arising from the use of the Company's brands based on volume sold.

- Dividend

Income is recognised upon its receipt.

- Interest

Income is recognised on an accrual basis.

- Others

Other income is recognised on an accrual basis. Net gains / losses of a revenue nature arising from the disposal of Property, Plant and Equipment and other Non-Current Assets, including investments, are accounted for in the Profit or Loss, after deducting from the proceeds from disposal, the carrying amount of such assets and the related selling expenses.

Policy applicable prior 1st April 2018

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes.

4.2. Expenditure Recognition

(i) Operating Expenses

All expenditure incurred in running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to Profit or Loss in arriving at the profit for the year. For the purpose of presentation of Profit or Loss and Other Comprehensive Income, the Directors are of the opinion that function of expense method present fairly the elements of the enterprise's performance, hence such presentation method is adopted.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to the Profit or Loss in the year in which the expenditure is incurred.

(ii) Finance income & Finance cost

Finance income comprises interest income on funds invested gains on the disposal of available for sale financial assets. Interest income is recognised as it accrues in Profit or Loss, using the effective interest method.

Finance cost comprises interest expenses on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in Profit or Loss using the effective interest rate method.

Foreign currency gains and losses are reported on a net basis or finance cost depending on whether foreign currency movements result in a net gain or net loss position.

4.3. Income Tax expenses

An income tax expense comprises current and deferred tax. An income tax expense is recognised directly in Profit or Loss except to the extent that if it relates to items recognised directly in equity, it is recognised in equity

(i) Current Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred Taxation

Deferred tax is provided using the financial position liability method, providing for the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities, which is the amount attributed to those assets and liabilities for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

Deferred tax assets including those related to temporary tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.4. Dividend Distribution

Dividend distribution is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

4.5. Earnings Per Share

The Financial Statements present basic earnings per share (EPS) data for its ordinary shareholders. The EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

5. STATEMENT OF CASH FLOWS

For the purpose of Statement of Cash Flows, cash and cash equivalents comprise of cash in hand and deposits held for less than 3 months at banks, net of bank overdrafts. Investments with short maturities, i.e. three months or less from the date of acquisition are also treated as cash equivalents.

The Statement of Cash Flows has been prepared using the "Indirect Method".

Interest paid are classified as operating cash flows, interests received are classified as investing cash flows while dividends paid are classified as financing cash flows for the purpose of presenting of Statement of Cash Flows.

6. SEGMENTAL REPORTING

An operating segment is a component of the Group's that engages in the business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. No separate reportable segment has been identified. Hence, performance of the Group is reported together.

7. RELATED PARTY TRANSACTIONS

Disclosures are made in respect of transactions in which one party has the ability to control or exercise significant influence over the financial and operating decisions / policies of the other, irrespective of whether a price is being charged or not. Related Party Transactions are disclosed in the respective notes to the Financial Statements

8. NEW ACCOUNTING STANDARDS NOT EFFECTIVE AT THE REPORTING DATE

The following SLFRSs have been issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) that have an effective date in the future and have not been applied in preparing these Financial Statements. Those SLFRSs will have an effect on the accounting policies currently adopted by the Group and may have an impact on the future Financial Statements.

8.1 Standards issued but not yet adopted which may have impact to Company's Financial Statements

SLFRS 16 eliminates the current dual accounting model for lessees which distinguishes between On-Balance Sheet finance leases and Off-Balance Sheet operating leases. Instead there will be a single On-Balance Sheet accounting model that is similar to current finance lease accounting. SLFRS 16 is effective for annual Reporting periods beginning on or after 01 January 2019.

The Group is assessing the potential impact on its consolidated Annual Statements resulting from the application of SLFRS 16.

The operating lease commitments disclosed in note 39.3 would be affected by the new standard.

9 PROPERTY, PLANT & EQUIPMENT

(a) Company

In Rs.'000s	Freehold Land	Freehold Buildings	Plant & Machinery	Furniture & Fittings	Office Equipment	Computer Equipment	Motor Vehicles	Laboratory Equipment	Returnable Containers	Capital Work- in -Progress	31st March 2019	31st March 2018
Cost / Valuation												
As at 1st April 2018	319,205	12,056	-	-	2,384	-	-	-	-	-	333,645	333,645
As at 31st March 2019	319,205	12,056	-	-	2,384	-	-	-	-	-	333,645	333,645
Accumulated Depreciation												
As at 1st April 2018	-	688	-	-	1,767	-	-	-	-	-	2,455	1,879
Charge for the year	-	344	-	-	233	-	-	-	-	-	577	577
As at 31st March 2019	-	1,032	-	-	2,000	-	-	-	-	-	3,032	2,455
Net Book Value												
As at 31st March 2019	319,205	11,024	-	-	384	-	-	-	-	-	330,613	-
As at 31st March 2018	319,205	11,368	-	-	617	-	-	-	-	-	-	331,190

9 PROPERTY, PLANT & EQUIPMENT (CONTD.)

(b) Group

In Rs.'000s	Freehold Land	Freehold Buildings	Plant & Machinery	Furniture & Fittings	Office Equipment	Computer Equipment	Motor Vehicles	Laboratory Equipment	Returnable Containers	Capital Work- in -Progress	31st March 2019	31st March 2018
Cost / Valuation												
As at 1st April 2018	2,894,866	2,887,719	12,803,790	56,823	53,078	250,667	82,679	66,676	3,095,917	1,708,671	**23,900,886**	23,226,593
Additions	61,825	9,425	7,800	151	2,895	15,278	33,359	2,978	496,158	272,757	**902,626**	1,387,322
Transfers	10,000	295,086	464,589	7,386	8,420	6,420	-	303	-	(671,946)	**120,258**	(914)
Revaluation	225,768	53,323	-	-	-	-	-	-	-	-	**279,091**	
Depreciation adjustment on revaluation	-	(34,994)	-	-	-	-	-	-	-	-	**(34,994)**	-
Disposals/ Breakages	-	-	-	-	-	-	(11,396)	-	(144,773)	-	**(156,169)**	(712,115)
As at 31st March 2019	3,192,459	3,210,559	13,276,179	64,360	64,393	272,365	104,642	69,957	3,447,302	1,309,482	**25,011,698**	23,900,886
Accumulated Depreciation												
As at 1st April 2018	-	174,782	2,790,204	40,976	33,835	197,687	66,479	59,110	2,042,097	19,130	**5,424,298**	4,959,576
Charge for the year	-	83,279	691,852	2,632	4,662	23,784	10,306	6,006	402,291	-	**1,224,812**	1,131,509
Impairment	-	40,092	2,723	5,125	5,945	2,074	-	-	1,734	2,854	**60,547**	7,394
Depreciation adjustment on revaluation	-	(34,994)	-	-	-	-	-	-	-	-	**(34,994)**	-
Disposals/ Breakages	-	-	-	-	-	-	(11,396)	-	(144,773)	-	**(156,169)**	(674,181)
As at 31st March 2019	-	263,159	3,484,779	48,733	44,442	223,545	65,389	65,116	2,301,349	21,984	**6,518,494**	5,424,298
Net Book Value												
As at 31st March 2019	3,192,459	2,947,400	9,791,400	15,627	19,951	48,820	39,253	4,841	1,145,953	1,287,498	**18,493,204**	
As at 31st March 2018	2,894,866	2,712,937	10,013,586	15,847	19,243	52,980	16,200	7,566	1,053,820	1,689,541		18,476,588

(c) Freehold land and buildings of the Group were revalued in the books to confirm with the market values as at 31st March 2016, which were assessed on a going concern basis by Messrs. Arthur Perera A.M.I.V. (Sri Lanka), independent professional valuer at a value of Rs. 5,571Mn and the resultant surplus arising from there was transferred to the Revaluation Reserves.

(d) Freehold land and buildings of subsidiary (Millers Brewery Ltd) were revalued as at 31st March 2019 by Messrs. Arthur Perera A.M.I.V. (Sri Lanka), independent professional valuer at a value of Rs. 1,178.51Mn and the resultant surplus arising from there was transferred to the Revaluation Reserve.

(e) Carrying value of the revalued assets of the Group as at 31st March 2019, if they were carried at cost are given below:

	Company		Group	
In Rs.'000s	**Land**	**Buildings**	**Land**	**Buildings**
Cost - As at 1st April 2018	141	4,066	1,541,133	2,475,427
Additions/ Transfers during the year	-	-	71,824	197,083
Disposal during the year	-	-	-	-
Cost as at 31st March 2019	141	4,066	1,612,957	2,672,510
Accumulated depreciation	-	(2,296)	-	(463,713)
Carrying value of assets at cost - As at 31st March 2019	141	1,770	1,612,957	2,208,797

9 PROPERTY, PLANT & EQUIPMENT (CONTD.)

(f) Extents, locations, valuations and number of buildings and land holdings

Company	Location	2019 Extent of Lands	2019 Cost /Valuation of Lands Rs.'000s	2019 Number of buildings/ Blocks	2019 Cost/Valuation of Buildings Rs.'000s	2018 Extent of Lands	2018 Cost /Valuation of Lands Rs.'000s	2018 Number of buildings/ Blocks	2018 Cost/Valuation of Buildings Rs.'000s
Ceylon Beverage Holdings PLC	Land - Nuwara Eliya	3A.2R.4P	302,000	1	9,486	3A.2R.4P	302,000	1	9,486
	Land - Trincomalee	0A.1R.00.5P	17,205	1	2,570	0A.1R.00.5P	17,205	1	2,570
			319,205		12,056		319,205		12,056
Lion Brewery (Ceylon) PLC	Land - Biyagama	28A.1R.14.71P	1,968,321	46	2,554,762	27A.3R.2.24P	1,896,497	45	2,357,679
	Land - Kaduwela	3A.0R.27P	190,125			3A.0R.27P	190,125		
	Land - Tangalle	3A.2R.0P	21,200			3A.2R.0P	21,200		
			2,179,646		2,554,762		2,107,822		2,357,679
Millers Brewery Limited	Factory & Office Premises	22A 3R 30.4P	693,608	12	484,914	23A 3R 35P	467,839	12	466,585
			693,608		484,914		467,839		466,585
Pubs N' places (Private) Limited	No Lands		-	32	158,827		-	31	51,399
Total - Group		62A 0R 28.74P	3,192,459		3,210,559	58A.0R.7.78P.	2,894,866		2,887,719

A : Acres **R**: Roods **P** : Perches

(g) Property, Plant & Equipment includes fully depreciated assets still in use which cost/valuation is Rs. 3,337,931,859/- (2018 - 2,317,242,844/-)

(h) The Group has not capitalised the borrowing cost during the year (2018- Rs. 21,864,584/- The average capitalisation rate was 14.73%).

(i) Fair Value measurement

(i) Fair Value Hierarchy

The fair value of the buildings was determined by external independent property valuer, having appropriate recognised professional qualifications for the category of the property being valued. The valuer provides the fair value of the property. Fair value measurements of the property has been categorised as a Level 3 fair value based on the valuation techniques used.

(ii) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used.

Description	Effective date of valuation	Valuation technique	Significant Unobservable Inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurements
Lands of LBCPLC and CBHPLC	31.03.2016	Market approach/ comparison method	(i) Per perch value	Positive correlated sensitivity
Buildings of LBCPLC and CBHPLC	31.03.2016	Depreciated replacement cost method	(i) Estimated construction cost per square feet. (ii) Percentage of depreciation	Positive correlated sensitivity Negative correlated sensitivity
Lands of Millers Brewery Limited	31.03.2019	Market approach/ comparison method	(i) Per perch value	Positive correlated sensitivity
Buildings of Millers Brewery Limited	31.03.2019	Depreciated replacement cost method	(i) Estimated construction cost per square feet. (ii) Percentage of depreciation	Positive correlated sensitivity Negative correlated sensitivity

10 INTANGIBLE ASSETS - GROUP

In Rs.'000s	Brands	Computer Software	Excise Licenses	31st March 2019	31st March 2018
Cost					
Beginning of the year	4,000,000	358,081	62,663	**4,420,744**	4,417,793
Transfers during the year	-	2,199	-	**2,199**	913
Additions for the year	-	6,306	40,700	**47,006**	2,038
End of the year	4,000,000	366,586	103,363	**4,469,949**	4,420,744
Amortisation					
Beginning of the year	1,673,065	299,393	340	**1,972,798**	1,948,780
Amortisation for the year	-	53,515	-	**53,515**	53,364
Reversal of amortisation	-	-	-	**-**	(29,346)
Impairment	-	599	282	**881**	-
End of the year	1,673,065	353,507	622	**2,027,194**	1,972,798
Net Book Value	2,326,935	13,079	102,741	**2,442,755**	2,447,946

10.1 Intangible assets consist of the acquired brands of Millers Brewery Ltd, excise licenses and software licenses used by the Group.

LBCPLC - Brands of Millers Brewery Ltd.

Lion Brewery (Ceylon) PLC acquired brands amounting to Rs. 4 Bn during the financial year 2014/15. The said acquisition consisted of five brands namely, Sando Power, Sando Stout, Three Coins, Grand Blonde and Irish Dark. The brands are not amortised as the useful life is considered to be infinite given the nature of the assets. However, the assessment of indefinite life is reviewed annually and brands are tested for impairment annually.

10.2 Impairment of brands

Assumptions

The company had computed its value in use of the acquired brands by forecasting the annual sales values and discounting such estimated cash flows by its cost of equity adjusted with a risk premium. Cost of equity was determined based on the risk free rate of a 10 year treasury bond at 11.35% for the relevant cash flows, whereas the equity risk premium added was based on non-observable inputs as estimated for a valuation of the business in a previous period. Therefore, the difference in the discount rate compared with previous financial year is the change in the risk free rate due to market changes. The contribution and volume assumptions are made at mid-single digit growth levels similar to the previous period. The sales values are based on the approved budget for 2020. Accordingly, the carrying value of the said brands as at 31st March 2019 stands at Rs. 2,326,935,407 (2018 – Rs. 2,326,935,407)

11 INVESTMENT IN SUBSIDIARIES

	No. of Shares	% holding	Cost as at 31st March 2019 Rs.'000s	Market Value/ Directors Value as at 31st March 2019 Rs.'000s	No. of Shares	% holding	Cost as at 31st March 2018 Rs.'000s	Market Value/ Directors Value as at 31st March 2018 Rs.'000s
Lion Brewery (Ceylon) PLC								
- Ordinary shares	41,798,788	52.25	1,410,084	23,198,327	41,798,788	52.25	1,410,084	21,961,083
Pubs 'N Places (Private) Limited								
- Ordinary shares	51,188,102	99.90	511,880	304,188	51,188,102	99.90	511,880	511,880
- Impairment provision	-	-	(207,692)		-	-	-	-
			304,188	304,188			511,880	511,880
Retail Spaces (Private) Limited								
- Ordinary shares	1	100.00	0.01	0.01	1	100.00	0.01	0.01
Luxury Brands (Private) Limited								
- Ordinary shares	5,000,001	100.00	50,000	50,000	5,000,001	100.00	50,000	50,000
			1,764,272	23,552,516			1,971,964	22,522,963

11.1 Ordinary shares of Pubs 'N Places (Private) Limited, Retail Spaces (Private) Limited and Luxury Brands (Private) Limited are unquoted, and hence valued at cost.

11.2 The recoverable value of Pubs N' Places (Pvt) Ltd., has been valued at Level 3, under the fair value hierarchy (SLRFS 13) which is based on fair value less cost of disposal. The valuation method consisted of deriving a value for the business carried out by the pubs, based on the revenue generated by each pub for 28 licenses, considering their different locations and applying an appropriate market factor (realisation of 60%). In doing so, consideration was given to the post balance sheet date event that occurred on the 21st of April 2019 and its probable resultant impact to its business. Based on this, the recoverable value to Ceylon Beverage Holdings PLC of its investment in Pubs N' Places (Pvt) Ltd., was ascertained at Rs. 340,267,493/- (including receivables from the subsidiary) necessitating an adjustment for impairment of Rs. 207,692,369/- to the carrying value of Rs. 511,880,000/-. Consequent to this adjustment, the carrying value of the investment in Pubs N' Places (Pvt) Ltd, is Rs. 304,188,631/- as at 31st March 2019.

11.3 Non-Controlling Interest (NCI) in Subsidiary

Company's subsidiary, Lion Brewery (Ceylon)PLC has a Non-Controlling interest of 47.75% . Following table summarises the information relating to NCI in LBCPLC Group.

As at 31st March In Rs.'000s	Group 2019	 2018
NCI - percentage	47.75%	47.75%
Non - Current Assets	9,765,878	9,792,350
Current Assets	7,080,695	6,157,451
Non - Current Liabilities	(4,044,175)	(5,065,383)
Current Liabilities	(6,824,024)	(6,390,756)
Net Assets	5,978,375	4,493,662
Carrying amount of NCI	5,978,375	4,493,662
Revenue	42,830,493	30,511,415
Profit	3,220,880	1,837,876
Other Comprehensive Income	208,465	(420,856)
Total Comprehensive Income	3,429,345	1,417,020
Profit Allocated to NCI	1,537,970	877,586
Other comprehensive income allocated to NCI	99,542	(200,959)
Cash flow from operating activities	2,641,225	1,304,468
Cash flow used in investing activities	188,415	(173,524)
Cash flow used in financing activities	(1,715,992)	(708,665)
Net increase in cash and cash equivalents	1,113,648	422,279

12. LOAN TO OPERATORS

As at 31st March In Rs.'000s	Group 2019	 2018
Loan to operators - (Pubs 'N Places (Private) Ltd)	-	53,422
	-	53,422

12. LOAN TO OPERATORS (CONTD.)

Pubs N' Places (Private) Limited had transferred its fixed assets located in the outlets to the operators in 2015. The consideration for the same is settled by the operators based on a loan agreement entered by each operator with Pubs N' Places (Pvt) Limited. These loans are interest free and are recovered through the royalty income over a period. As per SLFRS09, Financial Instruments, these loans are initially measured at its fair value and resulting prepaid cost was recorded under other receivables till 31st March 2018. These loans were setoff in full on 31st March 2019 against the fixed assets transferred back to the company on 31st March 2019.

	Group	
As at 31st March	**2019**	**2018**
In Rs.'000s		
Loan granted (Book written down value of the assets transferred)	149,115	155,785
Loan recovery during the year	(8,288)	(6,670)
Pre-paid cost recorded under other assets	-	(95,693)
Loan balance reversed & transferred to fixed assets	(140,827)	
Carrying value of the loan as at the reporting date	-	53,422

13 INVENTORIES

	Company		Group	
As at 31st March	**2019**	**2018**	**2019**	**2018**
In Rs.'000s				
Raw and Packing materials	-	-	328,948	293,661
Work in progress	-	-	208,140	173,165
Finished goods	-	-	1,613,653	1,228,116
Maintenance spares & others	-	-	396,673	270,436
			2,547,414	1,965,378
Impairment provision for inventory (Note 13.1)	-	-	(34,419)	(55,237)
	-	-	2,512,995	1,910,141

13.1 Provision for inventory

Balance as at the beginning of the year	-	-	55,237	81,786
Provisions during the year	-	-	22,776	79,093
Reversals during the year	-	-	(43,594)	(105,642)
Balance as at end of the year	-	-	34,419	55,237

14 TRADE AND OTHER RECEIVABLES

	Company		Group	
As at 31st March	**2019**	**2018**	**2019**	**2018**
In Rs.'000s				
Trade receivables	-	-	904,380	1,118,183
Impairment provision for doubtful debts (Note 14.1)	-	-	(65,921)	(41,270)
	-	-	838,459	1,076,913
Advances given to business partners	-	-	236,518	8,292
Other advances	-	-	666,755	326,143
Prepayments	-	-	245,389	144,434
Insurance receivables	-	-	-	1,137,378
Other receivables	22,457	10,141	358,583	434,870
	22,457	10,141	2,345,704	3,128,030

14.1 Impairment provision for Doubtful Debts

Balance at the beginning of the year	-	-	41,270	35,608
Provision during the year	-	-	24,651	5,662
Balance at the end of the year	-	-	65,921	41,270

15 AMOUNTS DUE FROM RELATED COMPANIES

	Company		Group	
As at 31st March	**2019**	**2018**	**2019**	**2018**
In Rs.'000s				
Pubs 'N Places (Private) Limited	36,079	107,818	-	-
Carlsberg Myanmar Co. Ltd	-	-	-	5,535
Balance as at end of the year	36,079	107,818	-	5,535

16 CURRENT TAXATION

	Company		Group	
As at 31st March	2019	2018	2019	2018
In Rs.'000s				
Income tax (Recoverable)	-	-	5,653	5,653
VAT (Recoverable)	-	-	-	10,579
	-	-	5,653	16,232

17 CASH AND CASH EQUIVALENTS

	Company		Group	
As at 31st March	2019	2018	2019	2018
In Rs.'000s				
Fixed deposits with financial institutions	-	-	9,678,340	7,643,289
Savings accounts	-	-	18,500	26,421
Cash at bank	242,554	35,995	864,004	507,730
Cash in hand	50	50	3,955	2,731
	242,604	36,045	10,564,799	8,180,171
Cash and cash equivalents include the following for the purpose of Statement of Cash Flows.				
Cash and cash equivalents	242,604	36,045	10,564,799	8,180,171
Bank overdrafts	-	-	(1,896,038)	(1,620,112)
	242,604	36,045	8,668,761	6,560,059

18 STATED CAPITAL

	Company		Group	
As at 31st March	2019	2018	2019	2018
In Rs.'000s				
20,988,090 ordinary shares	533,384	533,384	533,384	533,384

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. All ordinary shares rank equally with regard to the right to the Company's residual assets, at the point of distribution.

19 CAPITAL RESERVES

As at 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
Balance as at beginning of the year	245,352	334,690	708,955	1,005,356
Deferred tax on revaluation of property	-	(89,338)	104,994	(296,401)
Balance as at end of the year	245,352	245,352	813,949	708,955
Represented by :				
Revaluation reserve (Note 19.1)	239,576	239,576	808,173	703,179
General capital reserve (Note 19.2)	5,776	5,776	5,776	5,776
	245,352	245,352	813,949	708,955

19.1 The revaluation reserve relates to revaluation of land and buildings.

19.2 General capital reserve consists of such amounts that have been transferred from time to time from retained earnings.

20 REVENUE RESERVES

As at 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
Retained Earnings	815,521	965,727	4,732,703	3,348,742

21 DEBENTURES

As at 31st March In Rs.'000s	Group 2019	2018
Balance as at the beginning of the year	2,998,800	3,798,200
Debentures redeemed	(998,800)	(799,400)
Balance as at the end of the year	2,000,000	2,998,800
Interest payable (Note 21.4)	78,285	111,782
Balance as at the end of the year	2,078,285	3,110,582

The Lion Brewery (Ceylon) PLC issued 3,000,000 Rated Unsecured Redeemable Debentures at the face value of Rs. 1,000/- each to raise Rs. 3,000,000,000/- on 17th June 2013. The interest is paid on 30th June, 30th September, 31st December and 31st March for a period of 5 years.

The Lion Brewery (Ceylon) PLC further issued 20,000,000 rated Unsecured Redeemable Debentures (Category 3 - Type I) at a face value of Rs. 100/- each to raise Rs. 2,000,000,000/- on 8th December 2014. The interest is paid on 30th September and 31st March for a period of 5 years.

The categories of Debentures and Proportion of each types of debenture in each category are as follows.

As at 31st March In Rs.'000s	Group 2019	2018
Category 01 Debentures - Floating Rate (Note 21.1)	-	201,200
Category 02 & 03 Debentures - Fixed Rate (Note 21.2)	2,000,000	2,797,600
Total	2,000,000	2,998,800

21.1 Category 01 Debentures - Floating Rate

Category 01 -Type E debentures amounting to Rs. 201,200,000/- were redeemed on June 16, 2018.

21.2 Category 02 & 03 Debentures - Fixed Rate

Debentures Category	Value In Rs.'000s	Proportion (From and out of the Category 02 Debentures issued)	Interest Rate (per annum) payable quarterly/semi annually	AER (per annum)	Redemption From the Date of Allotment
Category 03 - Type I	2,000,000	N/A	7.85%	8.00%	60 Months (5 Years)
Total	2,000,000				

Category 02 -Type H debentures amounting to Rs. 797,600,000/- were redeemed on June 16, 2018.

21.3 Composition of Debentures repayment

	Group	
As at 31st March	2019	2018
In Rs.'000s		
Classified under Non Current Liabilities		
Debentures falling due after one year	-	2,000,000
Total	-	2,000,000
Classified under Current Liabilities		
Debentures falling due within one year	2,000,000	998,800
Debenture interest payable (Note 21.4)	78,285	111,782
	2,078,285	1,110,582
Total Debentures	2,078,285	3,110,582

21.4 Interest Payments on Debentures

During the year, the Group has charged Rs. 185,688,107/- (2018- Rs. 316,163,815/-) as debenture interest on both at fixed rates and floating rates and out of which Rs. 78,284,932 /- (2018 -Rs. 111,781,758 /-) was payable as at the reporting date.

21.5 No security has been pledged against the debentures.

22 LOANS AND BORROWINGS

22.1 Loans and borrowings

	Company		Group	
As at 31st March In Rs.'000s	2019	2018	2019	2018
Balance as at the beginning of the year	208,300	337,900	11,669,360	12,947,939
Loan obtained during the year	-	-	-	1,500,000
Repayments during the year	(123,300)	(129,600)	(2,442,990)	(2,778,579)
Loan balance at end of the year	85,000	208,300	9,226,370	11,669,360
Interest Payable	388	1,266	452,985	221,879
Balance at the end of the year	85,388	209,566	9,679,355	11,891,239

22.2 Details of Borrowings

Name of the Lender Rs. '000s	Repayment Terms	Security Offered	31st March 2019	31st March 2018	Fixed/ Floating
Ceylon Beverage Holdings PLC					
HNB	To be repaid in 59 equal Monthly Instalments of Rs. 8.3 Mn. each and a final instalment of Rs. 10.3 Mn	Unsecured	-	93,300	Floating
HNB	Payable in 60 equal monthly instalments commencing from February 2017	Unsecured	85,000	115,000	Floating
			85,000	208,300	
Lion Brewery (Ceylon) PLC					
Commercial Bank - Rs. 1 Bn	Payable in 60 equal monthly instalments commencing from October 2014.	Unsecured	99,820	299,860	Fixed
DFCC - Rs. 1 Bn	Payable in 60 equal monthly instalments commencing from October 2015.	Unsecured	300,000	500,000	Floating
DFCC - Rs. 1 Bn	Payable in 60 equal monthly instalments commencing from April 2016.	Unsecured	400,000	600,000	Floating
HNB - Rs. 1 Bn	35 equal monthly instalments of Rs 27.8Mn and with a final instalment of Rs 27 Mn commencing from March 2017.	Unsecured	305,000	638,600	Floating
Commercial Bank - Rs. 1 Bn - 2017	7th to the 12th Month - Rs. 10Mn per month (Rs.60 Mn) and the balance thereof for Rs. 940 Mn to be settled in 53 equal monthly instalments of Rs. 17.40 Mn and a final instalment of Rs. 17.80 Mn. commencing from October 2017.	Unsecured	713,800	922,600	Floating
HNB-2BN-2017	Payable in 4 years, commencing from April 2018	Unsecured	1,496,000	2,000,000	Floating
NDBIB	Payable in 8 years, commencing from July 2019	Unsecured	1,500,000	1,500,000	Floating
Commercial Bank	1 month - Renewable	Unsecured	2,000,000	3,600,000	Floating
SCB	1 month - Renewable	Unsecured	-	1,400,000	Fixed
Citi Bank	1 month - Renewable	Unsecured	500,000	-	Fixed
Sampath Bank	1 month - Renewable	Unsecured	750,000	-	Fixed
Deutsche Bank	15 days	Unsecured	1,076,750	-	Fixed
			9,141,370	11,461,060	
			9,226,370	11,669,360	

22.3 Composition of loans and borrowings repayment

As at 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
Classified under non current liabilities				
Loans and borrowings falling due after one year	55,000	85,000	3,277,000	4,899,620
Interest payable	-	-	49,271	-
	55,000	85,000	3,326,271	4,899,620
Classified under current liabilities				
Loans and borrowings falling due within one year	30,000	123,300	5,949,370	6,769,740
Interest payable	388	1,266	403,714	221,879
Total Loans and borrowings falling due within one year	30,388	124,566	6,353,084	6,991,619
Balance as at the end of the year	85,388	209,566	9,679,355	11,891,239

23 EMPLOYEE BENEFITS

	2019	2018
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of unfunded obligation	204,058	190,953
Liability in the Statement of Financial Position	204,058	190,953
The movement in the defined benefit obligation over the year is as follows:		
At 1st April	190,953	78,440
Interest cost	19,412	9,279
Current service cost	17,435	18,881
Actuarial (Gain) / Loss	(12,533)	40,938
Past service cost	-	59,659
Benefits paid	(11,209)	(16,244)
As at 31st March	204,058	190,953
The amounts recognised in the Profit or Loss as follows:		
Interest cost	19,412	9,279
Past service cost	-	59,659
Current service cost	17,435	18,881
Total included under staff cost	36,847	87,819
The amount recognised in the Other Comprehensive Income is as follows:		
Actuarial (Gain)/ Loss	(12,533)	40,938
	(12,533)	40,938

23.1 The requirement for the Company to provide for gratuity payments does not arise as it had no employees on its payroll as at the reporting date.

23.2 The gratuity liability of Lion Brewery (Ceylon) PLC as at 31st March 2019 was Rs 197,430,000/- (2018 - Rs. 184,877,000/-) valued under the Projected Unit Credit (PUC) method by Mr M Poopalanathan, AIA, of M/s. Actuarial and Management Consultants (Private) Limited, a firm of professional actuaries. The Gratuity Liability of Pubs N' Places (Pvt) Limited, Retail Spaces (Pvt) Limited and Luxury Brands (Pvt) Limited as at 31st March 2019 amounting to Rs. 1,889,409/- , Rs. 737,800/- & Rs. 4,000,849/- respectively (2018 - Rs. 1,431,354/- , Rs. 585,555/- & Rs. 4,059,328/-) has been computed by multiplying half month's salary into number of years in service in line with LKASs.

The principal assumptions made are given below:

- Rate of discount 11% p.a. (2018 - 10.5% p.a)
- Rate of pay increase 10% p.a. (2018-12.5% p.a)
- Retirement age 55 years
- The company will continue in business as a going concern.

23.3 The above provisions are not externally funded.

23.4 **Sensitivity of assumptions used**

Reasonable possible changes at the reporting date to one of the actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligations as follows;

	Group	
In Rs.'000s	**Discount Rate**	**Salary increment**
Increase by one percentage	(8,848)	10,882
Decrease by one percentage	10,056	(9,762)

24 NET DEFERRED TAX LIABILITIES

As at 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
Deferred tax asset	-	-	13,496	6,282
Deferred tax liability	89,935	89,935	5,092,601	3,697,803
Balance as at the end of the year	89,935	89,935	5,079,105	3,691,521

Movement in Deferred Tax Balances - Company

As at 31st March In Rs.'000s	Balance as at 1st April 2018	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in equity	Balance as at 31st March 2019
Deferred Tax Liability					
Property plant and equipment's	89,935	-	-	-	89,935
Net Tax Liabilities	89,935	-	-	-	89,935

Movement In Deferred Tax Balances - Group

As at 31st March In Rs.'000s	Balance as at 1st April 2018	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in equity	Balance as at 31st March 2019
Deferred Tax Liability					
Property plant and equipment's	4,762,814	225,956	-	78,145	5,066,915
Intangible assets	29,068	120,075	-	-	149,143
Deferred Tax Assets					
Employee benefit	(75,198)	(11,460)	5,013	-	(81,645)
Trade receivables	-	(23,992)	-	-	(23,992)
Inventory	-	(20,801)			(20,801)
Brought forward tax losses	(1,025,163)	1,014,648	-	-	(10,515)
Net Tax Liabilities	3,691,521	1,304,426	5,013	78,145	5,079,105

Movement in Deferred Tax Balances - Company

As at 31st March In Rs.'000s	Balance as at 1st April 2017	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in equity	Balance as at 31st March 2018
Deferred Tax Liability					
Property plant and equipment's	597	-	89,338	-	89,935
Net Tax liabilities	597	-	89,338	-	89,935

Movement in Deferred Tax Balances - Group

As at 31st March In Rs.'000s	Balance as at 1st April 2017	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in equity	Balance as at 31st March 2018
Deferred Tax Liability					
Property plant and equipment's	3,763,647	513,537	-	485,630	4,762,814
Intangible assets	47,621	(18,553)	-	-	29,068
Deferred Tax Assets					
Employee benefit	(30,939)	(27,884)	(16,375)	-	(75,198)
Brought forward tax losses	(1,406,899)	381,736	-	-	(1,025,163)
Net Tax Liabilities	2,373,430	848,836	(16,375)	485,630	3,691,521

As at 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
25 TRADE AND OTHER PAYABLES				
Trade payables	-	-	544,162	545,500
Trade discounts	-	-	124,093	121,416
Accruals	-	-	275,723	530,250
Other payables	17,834	15,047	406,392	194,528
	17,834	15,047	1,350,370	1,391,694
26 AMOUNTS DUE TO RELATED COMPANIES				
Lion Brewery (Ceylon) PLC	588,587	394,170	-	-
Carlsberg A/S	-	-	112,945	105,559
Leechman Company	-	-	2,000	-
	588,587	394,170	114,945	105,559
27 REFUNDABLE DEPOSITS				
Balance as at the beginning of the year	-	-	1,164,261	1,009,357
Deposits received during the year	-	-	298,961	209,362
Deposits refunded during the year	-	-	(6,998)	(54,458)
Balance as at the end of the year	-	-	1,456,224	1,164,261

Refundable deposits are taken from Agents as security against the returnable containers held with them.

As at 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
28 CURRENT TAX LIABILITIES				
Excise duty	-	-	1,084,894	902,047
Value added tax	2,415	2,211	552,032	707,196
Income tax	17,597	1,709	687,580	324,947
Withholding tax	-	-	323	-
Dividend tax	-	-	44,800	32,000
PAYE	12	57	39	130
EPF/ETF payable	-	-	883	-
Nation building tax	-	-	77,768	1,081
	20,024	3,977	2,448,319	1,967,401

29 REVENUE

	Company		Group	
For the year ended 31st March In Rs.'000s	2019	2018	2019	2018
Dividend income	143,787	161,275	-	-
Royalty income	149,639	93,986	-	-
Brewery	-	-	42,423,178	29,309,381
Retail trade	-	-	1,793,649	2,147,562
	293,426	255,261	44,216,827	31,456,943
Local revenue	293,426	255,261	43,493,327	30,966,742
Export revenue	-	-	723,500	490,201
	293,426	255,261	44,216,827	31,456,943

30 FLOOD RELATED LOSSES

Lion Brewery (Ceylon) PLC

During the year ended 31st March 2018, the company received confirmation for an amount of Rs. 1,957,622,160/- comprising of Rs.1,205,359,067/- as Business Interruption and Rs. 752,263,093/- as damages caused to the Company's Property Plant and Equipment and inventory.

These amounts were received in full during April 2018.

31 OTHER INCOME

	Company		Group	
For the year ended 31st March In Rs.'000s	2019	2018	2019	2018
Deposit liability write back	-	-	-	2,061
Profit on disposal of property, plant & equipment	-	-	3,528	12,212
Other income	-	-	134,497	42,242
	-	-	138,025	56,515

32 PROFIT FROM OPERATIONS

Profit from operations is stated after charging all expenses including the following;				
Directors' fees and emoluments	1,920	1,920	30,952	25,478
Auditors' remuneration - Audit Fee and related expenses	660	630	3,560	3,260
- Audit related services	150	70	225	140
- Non-audit services	-	-	1,805	2,311
Depreciation on property, plant equipment (Note 9)	577	577	1,131,511	1,131,509
Amortisation of intangible assets (Note 10)	-	-	53,515	24,018
Impairment of property, plant equipment (Note 9)	-	-	60,547	7,394
Impairment of intangible assets (Note 10)	-	-	881	-
Impairment of subsidiary (Note 11)	207,692	-	-	-
Impairment of doubtful debts	-	-	24,651	5,662
Supporting service fees	717	1,062	397,533	386,774
Personnel expenses (Note 32.1)	-	-	1,094,363	793,542

32.1 Personnel expenses

Salaries, wages and other related expenses	-	-	998,973	654,661
Defined benefit plan costs-Gratuity	-	-	36,847	87,819
Defined contribution plan costs- EPF & ETF	-	-	58,543	51,062
	-	-	1,094,363	793,542

33 NET FINANCE COSTS

	Company		Group	
For the year ended 31st March	2019	2018	2019	2018
In Rs.'000s				
Finance Income:				
Interest income - fixed deposit	-	-	1,006,483	817,584
Interest income - intercompany loans	12,741	-	-	-
Interest income - other	-	-	3,440	2,068
Total Finance income	12,741	-	1,009,923	819,652
Interest Expenses:				
Interest expenses -term loans	18,292	37,276	808,256	902,985
Interest expenses -bank overdrafts	271	628	154,212	164,168
Interest on debentures	-	-	185,688	311,682
Interest expenses - intercompany loans	30,555	-	-	-
Interest expenses - others	-	-	948,488	938,028
Total Interest Expenses (Note 33.1)	49,118	37,904	2,096,644	2,316,863
Net foreign exchange transaction gain	-	-	(2,129)	(5,356)
Total Finance Cost	49,118	37,904	2,094,515	2,311,507
Net Finance Costs	36,377	37,904	1,084,592	1,491,855

33.1 Analysis of Total Interest Expenses

Total interest expenses incurred during the year	49,118	37,904	2,096,644	2,338,727
Less - capitalised during the period (Note 9.h)	-	-	-	(21,864)
Finance expenses recognised in the profit or loss	49,118	37,904	2,096,644	2,316,863

34 INCOME TAX

For the year ended 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
Current tax (Note 34.1)	37,508	21,567	822,773	384,512
Dividend tax	-	-	23,412	17,920
Net deferred tax	-	-	1,304,425	848,836
	37,508	21,567	2,150,610	1,251,268
Deferred tax recognised in other comprehensive income				
Remeasurement of employee benefit obligation	-	-	5,013	(16,375)
Revaluation gain on land & buildings	-	89,338	78,145	485,631
	-	89,338	83,158	469,256

34.1 Reconciliation of the Accounting Profit and Tax Expenses

For the year ended 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
Profits before taxation	34,219	197,302	5,215,529	2,891,635
Consolidation adjustments	-	-	-	161,276
Remeasurement of employee benefit obligations (Note 23)	-	-	12,533	(40,938)
Profits before tax adjustments	34,219	197,302	5,228,062	3,011,973
Aggregate of disallowable expenses	243,526	41,000	2,070,020	1,463,550
Aggregate of allowable claims	(156,529)	(161,276)	(3,371,184)	(3,638,493)
Operating losses Incurred during the Year	-	-	13,523	199,374
Tax adjusted profit	121,216	77,026	3,940,421	1,036,404
Interest income	12,741	-	1,009,923	819,652
Total Statutory Income	133,957	77,026	4,950,344	1,856,056
Utilisation of tax loss	-	-	(2,550,534)	(623,394)
Taxable income	133,957	77,026	2,399,810	1,232,662
Current tax on local operating @ 40%, 28% and 12%	31,684	21,567	527,895	156,100
Current tax on interest income @ 28% (Note 34.3)	3,567	-	307,542	228,412
Under/(over) provision in respect of previous years	2,257	-	(12,664)	-
Total current tax expense	37,508	21,567	822,773	384,512

Reconciliation of the effective tax rate

The following table provides a reconciliation of the group weighted average statutory corporate income tax rate to the effective tax rate of the group on profit before taxation.

For the year ended 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
Profit before taxation	34,219	197,302	5,215,529	2,891,635
Tax charge on profit or loss	37,508	21,567	2,150,610	1,251,268
Effective tax rate	109.61%	10.93%	41.23%	43.27%

For the year ended 31st March Financial Instrument	Company %	Company 2019	Company %	Company 2018	Group %	Group 2019	Group %	Group 2018
Profit/(Loss) before taxation		34,219		197,302		5,228,062		3,011,973
Tax calculated @ 28%, 40%	28.0	9,581	28.0	55,245	40.0	2,091,225	40.0	1,204,789
The effect of tax								
Aggregate of disallowable expenses	199.3	68,187	5.8	11,480	15.8	828,008	19.4	585,420
Aggregate of allowable claims	-128.1	-43,828	-22.9	-45,157	-25.8	-1,348,474	-48.3	-1,455,397
Operating losses incurred during the year	-	-	-	-	0.1	5,409	2.6	79,750
Rate differential & over/under Provision LY	10.4	3,568	-	-	5.1	266,818	7.3	219,308
Dividend tax					0.4	23,412	0.6	17,920
Tax loss utilised	-	-	-	-	-19.5	-1,020,214	-8.3	-249,358
Deferred tax charge	-	-	-	-	25.0	1,304,425	28.2	848,836
Tax charge	109.6	37,508	10.9	21,567	41.1	2,150,610	41.5	1,251,268

34.2 Analysis of Tax Losses

For the year ended 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
Tax losses brought forward	-	-	4,367,750	4,782,511
Adjustment on losses B/F	-	-	10,820	-
Tax losses incurred during the Year	-	-	49,036	208,633
Utilisation of tax losses during the Year	-	-	(2,550,534)	(623,394)
Tax losses carried forward	-	-	1,877,072	4,367,750

34.3 Income Tax

Company

(a) In terms of section 2 of the Inland Revenue Act No. 24 of 2017 , income tax shall be calculated by applying the relevant rate set out under the First Schedule. As per the First Schedule taxable income of a company will be taxed at the rate of 28% Accordingly, Income tax provision of Ceylon Beverage Holdings PLC, has been calculated on its adjusted profit at 28% (2018- 28%)

Subsidiaries

Lion Brewery (Ceylon) PLC (LBCPLC)

(b) In terms of section 2 of the Inland Revenue Act No. 24 of 2017, income tax shall be calculated by applying the relevant rate set out under the First Schedule. As per the First Schedule company with income from a business consisting of liquor (including beer) is liable to income tax at 40%. Therefore on taxable income consisting component of liquor, company is liable to pay income tax at 40% (2018 - 40%) and the profits attributable to export are also liable at the rate of 40% (2018 - 12%). Investment Income arising on interest is taxed at 28%. (2018 - 28%).

Pubs 'N Places (Private) Limited

(c) In terms of section 2 of the Inland Revenue Act No. 24 of 2017, Pubs 'N Places (Private) Limited is liable to income tax at the rate of 40% or 28% as case may be (2018- 28%).

(d) Company has incurred a tax loss of Rs. 35,760,073/- for the year ended 31st March 2019 (2018 - Rs. 44,723,746/-).

(e) During the year, Company paid Economic Service Charge amounting to Rs. 2,182,904/- (2018 - Rs. 1,525,418/-). Payment made hereunder is available as income tax credit.

Retail Spaces (Private) Limited

(f) In terms of the provisions of the Inland Revenue Act No. 24 of 2017, Company is liable to income tax at the rate of 40%. (2018 - 28%)

Luxury Brands (Private) Limited

(g) In terms of section 2 of the Inland Revenue Act No. 24 of 2017, income tax shall be calculated by applying the relevant rate set out under the First Schedule. As per the First Schedule company with income from a business consisting of liquor is liable to income tax at 40%. (2018 - 40%)

35 EARNINGS PER ORDINARY SHARE

The calculation of Earnings per Ordinary Share is based on profit for the year attributable to the ordinary shareholders and weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used for the computation of Earnings per Ordinary Share:

For the year ended 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
Amount used as the Numerator:				
Profit/(loss) after taxation	(3,289)	175,735	3,064,919	1,640,367
Non - controlling interest	-	-	(1,537,970)	(877,586)
Net Profit/(loss) Attributable to equity holders of the company (as the Numerator)	(3,289)	175,735	1,526,949	762,781
Number of ordinary shares (as denominator-'000s)	20,988	20,988	20,988	20,988
Earnings/(loss) per ordinary share (Rs.)	(0.16)	8.37	72.75	36.34

36 DIVIDEND - ORDINARY

For the year ended 31st March In Rs.'000s	Company 2019	Company 2018
Final dividend (previous year final dividend paid in current year)	-	20,988
Interim dividend	146,917	146,917
Total Dividend	146,917	167,905

37 FINANCIAL INSTRUMENT - FAIR VALUE AND RISK MANAGEMENT

37.1 Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows. (In Rs.000) SLFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI (fair value through other comprehensive income) and FVTPL (fair value through profit or loss).

Category	Company					
As at 31st March	2019			2018		
In Rs.'000s Financial Instrument	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI
Financial Assets						
Trade and other receivables	22,457	-	-	10,141	-	-
Amounts due from related companies	36,079	-	-	107,818	-	-
Cash and cash equivalent	242,604	-	-	36,045	-	-
Financial Liabilities						
Loans and borrowings	85,388	-	-	209,566	-	-
Trade and other payables	17,834	-	-	15,047	-	-
Amounts due to related companies	588,587	-	-	394,170	-	-

Category	Group					
As at 31st March	2019			2018		
In Rs.'000s Financial Instrument	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI
Financial Assets						
Loans to operators	-	-	-	53,422	-	-
Trade and other receivables	2,345,704	-	-	3,128,030	-	-
Amounts due from related companies	-	-	-	5,535	-	-
Cash and cash equivalent	10,564,799	-	-	8,180,171	-	-
Financial Liabilities						
Debentures	2,078,285	-	-	3,110,582	-	-
Loans and borrowings	9,679,355	-	-	11,891,239	-	-
Trade and other payables	1,350,370	-	-	1,391,694	-	-
Refundable deposits	1,456,224	-	-	1,164,261	-	-
Amounts due to related companies	114,945	-	-	105,559	-	-
Bank overdraft	1,896,038	-	-	1,620,112	-	-

Financial Assets and Liabilities with shorter maturities and with interest rates which are in line with normal market rates are considered to have a reasonable approximation to its' fair value. Accordingly, the fair value hierarchy was not applicable.

The following table below explain the original measurement categories under LKAS 39 and the new measurement categories under SLFRS 9 for each class of the financial assets and financial liabilities as at 31 March 2018.

			Company		Group	
	Classification as per LKAS 39	Classification as per SLFRS 9	Original carrying amount as per LKAS 39	Revised carrying amount as per SLFRS 9	Original carrying amount as per LKAS 39	Revised carrying amount as per SLFRS 9
Financial assets						
Loans to operators	Loans and receivables	Amortised cost	-	-	53,422	53,422
Trade and other receivables	Loans and receivables	Amortised cost	10,141	10,141	3,128,030	3,128,030
Amounts due from related companies	Loans and receivables	Amortised cost	107,818	107,818	5,535	5,535
Cash and cash equivalents	Loans and receivables	Amortised cost	36,045	36,045	8,180,171	8,180,171
Financial liabilities						
Debentures	Other financial liabilities	Other financial liabilities	-	-	3,110,582	3,110,582
Loans and borrowings	Other financial liabilities	Other financial liabilities	209,566	209,566	11,891,239	11,891,239
Trade and other payables	Other financial liabilities	Other financial liabilities	15,047	15,047	1,391,694	1,391,694
Refundable deposits	Other financial liabilities	Other financial liabilities	-	-	1,164,261	1,164,261
Amounts due to related companies	Other financial liabilities	Other financial liabilities	394,170	394,170	105,559	105,559
Bank Overdraft	Other financial liabilities	Other financial liabilities	-	-	1,620,112	1,620,112

37.2 Financial Risk Management

The Group is exposed to a range of financial risks through its number of financial instruments. In particular, the key financial risk categories are:

A. Credit risk/Counterparty risk
B. Liquidity risk and
C. Market risk

This note presents information about the group exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and management of capital. Further quantitative disclosures are included throughout these financial statements.

37.3 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Group risk management processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the group activities.

The Audit Committee oversees how management monitors compliance with the Group risk management processes/guidelines and procedures and reviews the adequacy of the risk management framework in relation to the risks. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

37.4 Credit Risk/Counterparty Risk

Credit /Counterparty risk is the risk that at a future date, the other party to a financial transaction may cause a financial loss to the group by failing to discharge an obligation.

Key areas where the group is exposed to counterparty risk as a part of its operations are:

- Trade and other receivables
- Amounts due from related companies
- Cash and cash equivalents

Group funds are placed only with Licensed Commercial & Specialised banks under Fixed and short term deposits.

37.4.1 Management of credit risk

The Group manages its credit risk with different types of instruments as follows.

Item	Procedure
Fixed deposits	Deposits are only with reputed and established commercial banks with a rating of " A" or above.
Trade and other receivables	Most of trade receivables are covered through either bank guarantees or as a discounting arrangement without recourse to the Company with a commercial bank.
Due from related companies	Monitor the balance outstanding regularly
Cash & cash equivalents	Monitor the balance outstanding regularly and balances are with reputed and established banks with a rating of "A" or above

37.4.2 Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows.

	Company		Group	
As at 31st March **In Rs.'000s**	**2019**	**2018**	**2019**	**2018**
Loan to operators	-	-	-	53,422
Trade and other receivables	22,457	10,141	2,345,704	3,128,030
Amounts due from related companies	36,079	107,818	-	5,535
Cash and cash equivalents	242,604	36,045	10,564,799	8,180,171
	301,140	154,004	12,910,503	11,367,158

The maximum exposure to credit risk at the reporting date by type of counterparty was:

	Company		Group	
As at 31st March **In Rs.'000s**	**2019**	**2018**	**2019**	**2018**
Financial institutions	242,604	36,045	10,564,799	8,180,171
Customers and other parties	22,457	10,141	2,345,704	3,181,452
Related parties	36,079	107,818	-	5,535
	301,140	154,004	12,910,503	11,367,158

37.4.3 Trade & Other Receivable

The Group has a well established credit policy for both international and domestic customers to minimise credit risk. A credit evaluation team comprising of personnel from Finance, Sales & Operations evaluate and recommend the credit worthiness of the customer. The Group obtains bank guarantee from all the agents to cover part of their outstanding whilst the balance is covered through a facility from a bank. This banking facility is extended to all agents except those who are out of the scheme.

The bank guarantees and the facility from the bank cover 100% (2018 - 85%) of the trade receivables.

37.4.4 Impairment Losses

The ageing of trade receivables at the reporting date are as follows:

As at 31st March In Rs.'000s	Company 2019	 2018	Group 2019	 2018
Age				
Past due 0 - 365 days	-	-	814,215	1,045,250
More than 365 days	-	-	90,165	72,933
	-	-	904,380	1,118,183

37.5 Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or other financial assets.

37.5.1 Management of Liquidity risk

The group's approach to managing liquidity is to ensure, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. The group's approach to managing its liquidity risk is as follows:

a). Regularly monitoring of the group's assets and liabilities in order to forecast cash flows for up to future period

b). Arrange adequate facilities with banks as contingency measures.

c). Daily monitoring the facility limits i.e. overdrafts with banks.

37.5.2 The Maturity Analysis of Liabilities

	Company			Group		
As at 31st March 2019 In Rs.'000s	Carrying Value	Up to Year 1	Above year 1	Carrying Value	Up to Year 1	Above year 1
Bank overdrafts	-	-	-	1,896,038	1,896,038	-
Debentures	-	-	-	2,078,285	2,078,285	-
Loans and borrowings	85,388	30,388	55,000	9,679,355	6,353,084	3,326,271
Trade & other payables	17,834	17,834	-	1,350,370	1,350,370	-
Amount payable to related parties	588,587	588,587	-	114,945	114,945	-
Refundable deposits	-	-	-	1,456,224	1,456,224	-
	691,809	636,809	55,000	16,575,217	13,248,946	3,326,271

37.5.2 Financial Instrument Fair Value and Risk Management (Contd.)

	Company			Group		
As at 31st March 2018 In Rs.'000s	Carrying Value	Up to Year 1	Above year 1	Carrying Value	Up to Year 1	Above year 1
Bank overdrafts	-	-	-	1,620,112	1,620,112	-
Debentures	-	-	-	3,110,582	1,110,582	2,000,000
Loans and borrowings	209,566	124,566	85,000	11,891,239	6,991,619	4,899,620
Trade & other payables	15,047	15,047	-	1,391,694	1,391,694	-
Amount payable to related parties	394,170	394,170	-	105,559	105,559	-
Refundable deposits	-	-	-	1,164,261	1,164,261	-
	618,783	533,783	85,000	19,283,447	12,383,827	6,899,620

37.6 Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

37.6.1 Management of Market Risks

Most borrowings are linked to borrowing rates at AWDR, AWPLR, SLIBOR and LIBOR.

The repayment of the foreign currency loan is matched with the receipts from exports sales proceeds in foreign currency.

37.6.2 Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates . The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar (USD), Euro (EUR) and the Great Britain Pound (GBP). As protection against exchange rate fluctuations, the Group backs its commitments in local currency. The Group does not use any derivative financial instruments to hedge the risk.

The following significant exchange rates were applied during the year:

In Rs.	Closing exchange rates		Average exchange rates	
	2019	2018	2019	2018
US Dollar (USD)	178.02	157.49	168.72	155.69
Great Britain Pound (GBP)	233.92	222.58	221.44	203.68
Euro (EUR)	201.25	195.17	195.25	179.03

The Group considered a further 5% strengthening or weakening of the functional currency against non-functional currencies as a reasonably possible change. The impact is calculated with reference to the financial assets or liabilities held as at the year end. A 5% increase or decrease of functional currency against non-functional currencies would result in Rs. 26.3 Mn impact on pre-tax profit.

37.6.3 Interest Rate Risk

Interest rate risk is the risk to the earnings and economic value of equity ("EVE") arising from adverse movements in interest rates. The Group's short-term investments are at fixed interest rates and mature within one year.

As at 31st March In Rs.'000s	Company 2019	Company 2018	Group 2019	Group 2018
37.6.4 Exposure to interest Rate Risk				
Fixed rate instruments				
- Financial Assets	-	-	9,678,340	7,643,289
- Financial Liabilities	-	-	4,426,570	4,497,460
Variable rate instruments				
- Financial Assets	-	-	18,500	26,421
- Financial Liabilities	85,000	208,300	8,695,838	11,790,812

37.6.5 Sensitivity analysis on interest rate fluctuation

If one percentage point change in the interest rate would have the following effects:

Instrument In Rs.'000s	Increase by one percentage	Decrease by one percentage	Increase by one percentage	Decrease by one percentage
HNB - 150 Mn	850	(850)	850	(850)
DFCC - Rs. 1 Bn 2015	-	-	3,000	(3,000)
DFCC - Rs. 1 Bn 2016	-	-	4,000	(4,000)
HNB - Rs. 1 Bn	-	-	3,050	(3,050)
Commercial Bank-Rs. 1 Bn	-	-	7,138	(7,138)
HNB-Rs. 2 Bn	-	-	14,960	(14,960)
NDBIB Loans- Rs.1.5 Bn	-	-	15,000	(15,000)
Potential impact	850	(850)	47,998	(47,998)

37.6.6 Management of interest rate risk

The facility limits given by banks are reviewed annually or whenever required. These limits are monitored on a daily basis and a regular reporting on the market rates/values, trends & movement are done throughout the day to the top management. A daily reporting is made on the outstanding balances and interest rates.

38 RELATED PARTY DISCLOSURES

38.1 Parent and ultimate controlling party

In the opinion of the Directors, Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

38.2 Transactions with key management personnel (KMP)

(I) According to Sri Lanka Accounting Standard LKAS 24 "Related Party Disclosures", key management personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (including executive and non executive directors) have been classified as KMP of the Company.

Compensation paid to the key management personnel of the Company comprise as follows;

	Company		Group	
For the year ended/as at 31st March	**2019**	**2018**	**2019**	**2018**
In Rs.'000s				
Short term employee benefits	**1,920**	1,920	**30,952**	25,478
	1,920	1,920	**30,952**	25,478

As at 31st March 2019 an amount of Rs. 10,561,030/- is payable towards gratuity of Key Management Personnel whilst a Company maintained vehicle is provided for both official & private use.

38.3 Other Related Party Transactions

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri lanka Accounting Standard LKAS 24 -Related party Disclosures, the details of which are Reported below.

38.3.1 Transactions with subsidiary companies

(a) Lion Brewery (Ceylon) PLC (LBCPLC)

Messrs. D.A.Cabraal, H Selvanathan, S.K.Shah, D.C.R. Gunawardena and R.H. Meewakkala are Directors of the related entity. Mr. L. Lehmann who was a Director of the Company and Lion Brewery (Ceylon) PLC resigned on 20/05/2019 and Mr. T. Akiskalos was appointed as a Director of the Company and Lion Brewery (Ceylon) PLC w.e.f. 20/05/2019 with which the following contracts / transactions have been entered into during the period by the Company in the normal course of business.

(i) Charged Rs. 149,638,626/- (2018 -Rs. 93,985,710/-) as royalty in accordance with the licensed brewing agreement with the Company.

(ii) A dividend of Rs. 143,787,831/- was paid by LBCPLC to the company during the period. (2018 - Rs. 150,475,635/-)

(iii) As per the loan agreement with Ceylon Beverage Holdings PLC, the Company was charged Rs. 30,554,963/- (2018 - Nil) at a rate of AWPLR+1% as loan interest during the period

(iv) Rs. 588,586,958/- balance payable to LBCPLC as at 31st March 2019. (2018 - 394,170,643/-)

(b) Pubs 'N Places (Private) Limited

(i) As at 31st March 2019 balance receivable from Pubs 'N Places (Private) Limited to the Company was Rs. 36,078,862/-. (2018 - Rs. 107,817,481/-).

(ii) An interest amount of Rs. 12,740,925- (2018 - Nil) was charged from Pubs 'N Places (Private) Limited for the outstanding receivable balance during the period at a rate of AWPLR+1%).

(c) Retail Spaces (Pvt) Limited

(i) There was no dividend paid by Retail Spaces (Pvt) Limited to the Company during the period. (2018 - Rs. 10,800,000/-)

38.3 .2 Transactions with group entities

(a) Carsons Management Services (Private) Ltd.

Messrs. H.Selvanathan, S.K.Shah and M.Selvanathan,Directors of the Company, are also Directors of Carsons Management Services (Private) Ltd., which provides supporting services to the Company. An amount of Rs. 717,133/- (2018 - Rs. 1,062,470/-) was charged by Carsons Management Services (Private) Limited to the Company and Group Rs. 451,699,666/- (2018 - Rs. 435,447,597/-) during the period ,which included supporting services fees of Rs. 397,532,554/- (2018 - Rs. 386,774,479/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Group.

(b) SKC Management Services Ltd.

A sum of Rs. 1,144,650/- was incurred as reimbursement of casual wages for the period. (2018 - Rs. 580,550/-)

39 CONTINGENT LIABILITIES AND COMMITMENTS

39.1 Contingencies

(a) Company

(i) Following legal matter is outstanding against the Company and no provision has been made in the Financial Statements to this regard.

In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs. 23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs. 25,059,553/86 as its penalty. The Company and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the Company as required before submitting its appeal. Subsequently the CA Application was dismissed and the Company appealed against the Order to the Supreme Court and was granted Special Leave to Appeal by the Court. The Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. No provision has been made for the payment of penalty amounting to Rs. 25,059,553/86, pending the Judgment from the Supreme Court in the said Leave to Appeal matter. Currently this matter is in the Arguments stage and will be heard in the Supreme Court.

(ii) Contingent liabilities as at 31st March 2019 amounts to Rs. 167,049,559/- (2018 - Rs. 72,312,314/-), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

39.2 Finance Commitments

Document credits established for foreign purchases of the Company as at 31st March 2019 amounts to Rs. 359,426,133/- (2018 - Rs. 43,795,228/-)

39.3 Operating Lease - Lion Brewery (Ceylon) PLC.

The company has entered into operating lease agreements to lease of a fleet of vehicles, with a lease term of four to ten years. The approximate future minimum lease rentals payable as per the above operating leases as at 31st March are as follows.

As of 31st March In Rs.'000s	2019	2018
Within one year	64,368	41,606
More than 1 year and less than 5 years	124,158	43,952
More than 5 years	128,650	-

40 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Luxury Brands (Private) Limited, a fully owned subsidiary of the Company issued 20,000,000 ordinary shares at Rs. 10/- per share amounting to Rs. 200,000,000/- to the Company on 16th May 2019.

Apart from the above no circumstances have arisen which required adjustment to or disclosure in the Financial Statements subsequent to the reporting date.

41 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to give proper presentations as at 31st March 2019.

42 SEGMENTAL ANALYSIS

The Group does not distinguish its products into significant components for different Geographical / Business segments as the differentiations are insignificant.

43 DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors takes the responsibility for the preparation and presentation of these Financial Statements. Please refer the Annual Report of the Board of Directors on the affairs of the Company for the Directors' Responsibilities for financial reporting.

VALUE ADDED STATEMENT

For the year ended 31st March In Rs.'000s	2019	2018
VALUE ADDED		
Revenue	44,216,827	31,456,943
Other income	138,025	56,515
Finance income	1,009,923	819,652
Value added tax	6,925,595	5,201,561
	52,290,370	37,534,671
Cost of material and services bought from outside	(12,481,782)	(7,441,268)
	39,808,588	30,093,403

For the year ended 31st March In Rs.'000s	2019	%	2018	%
DISTRIBUTED AS FOLLOWS:				
To Employees				
As remuneration and other employee costs	1,094,363	2.75	793,542	2.64
To Government				
As Excise duty & import Duty	24,140,705	60.64	18,551,986	61.65
As Value added tax	6,925,595	17.40	5,201,561	17.28
As Income tax	189,995	0.48	7,541	0.03
As Economic service charge	234,620	0.59	166,176	0.55
As Nation building tax	661,147	1.66	12,254	0.04
As Withholding tax	70,938	0.18	85,175	0.28
To Providers' of Capital				
As Dividends to shareholders	146,917	0.37	167,905	0.56
As Finance expenses	2,094,515	5.26	2,311,507	7.68
Retained in the Business				
As Depreciation/amortisation	1,184,875	2.98	1,155,390	3.84
As Non - controlling interest	1,537,970	3.86	877,586	2.92
As Profit for the year	1,526,949	3.84	762,781	2.53
	39,808,588	100.00	30,093,403	100.00

Notes:

1 The Statement of Value Added shows the quantum of wealth generated by the activities of the Group and its applications.

2 Value Added Tax is excluded in arriving at the above Turnover. Therefore, tax liability / payment made to the Government during the year include the following:

In Rs.'000s	2019	2018
Value added tax	6,925,595	5,201,561
Excise duty & import duty	24,140,705	18,551,986
Income tax	189,995	7,541
Economic service charge	234,620	166,176
Nation building tax	661,147	12,254
Withholding tax	70,938	85,175
Total Taxes	32,223,000	24,024,693

FIVE YEAR SUMMARY

Year ended 31st March In Rs.'000s	2019	2018	2017	2016	2015
OPERATING RESULTS					
Revenue	44,216,827	31,456,943	22,595,309	35,906,464	31,683,925
Other income	138,025	56,515	29,721	21,432	397,204
Progressive insurance receipts on business interruption	-	1,205,359	1,000,000	-	-
	44,354,852	32,718,817	23,625,030	35,927,896	32,081,129
Total expenditure	(38,054,731)	(29,087,590)	(22,882,695)	(31,920,932)	(28,396,907)
Impairment of intangible assets	-	-	(1,673,065)		
Profit/(loss) from operating activities before exceptional expenses	6,300,121	3,631,227	(930,730)	4,006,964	3,684,222
Loss on disposal and impairment of PPE				-	(302,786)
Profit/(loss) from operations before expenses relating to new investment	6,300,121	3,631,227	(930,730)	4,006,964	3,381,436
Progressive insurance receipts on property damage	-	752,263	1,366,294	-	-
Stocks and PPE quantified and written-off to date due to flood related damages	-	-	(1,349,287)	-	-
Reversal of unabsorbed VAT provision	-	-	339,811	-	-
Expenses relating to new investment	-	-		-	(339,811)
Net finance costs	(1,084,592)	(1,491,855)	(1,403,976)	(996,198)	(648,917)
Profit/(loss) before taxation	5,215,529	2,891,635	(1,977,888)	3,010,766	2,392,708
Income tax reversal/(expense)	(2,150,610)	(1,251,268)	417,716	(928,205)	(1,098,900)
Profit/(loss) for the year	3,064,919	1,640,367	(1,560,172)	2,082,561	1,293,808
	-	-	-		
Total other comprehensive income/(loss) for the year	208,466	(510,194)	15,586	795,476	(7,996)
Total comprehensive income/(loss) for the year	3,273,385	1,130,173	(1,544,586)	2,878,037	1,285,812
Dividends - Ordinary	146,917	167,905	62,964	167,905	167,905

As at 31st March In Rs.'000s	2019	2018	2017	2016	2015
BALANCE SHEET					
Stated capital	533,384	533,384	533,384	533,384	533,384
Capital reserve	813,949	708,955	1,005,356	1,005,356	492,331
Revenue reserve	4,732,703	3,348,742	2,766,700	3,690,596	2,927,439
	6,080,036	4,591,081	4,305,440	5,229,336	3,953,154
Non - controlling interest	5,978,375	4,493,662	3,969,835	4,768,089	3,784,938
	12,058,411	9,084,743	8,275,275	9,997,425	7,738,092
Loans and borrowings	11,757,640	15,001,821	16,976,265	11,224,911	12,340,840
Less - net cash	(8,668,761)	(6,560,059)	(5,097,839)	(1,599,494)	(708,137)
Capital Employed	15,147,290	17,526,505	20,153,701	19,622,842	19,370,795
Represented by:					
Non-current assets	20,949,455	20,984,238	20,790,168	20,745,003	19,175,670
Current assets excluding Cash and cash equivalents	4,864,352	5,059,938	4,643,189	5,044,326	5,394,788
Current liabilities excluding borrowings & OD	(5,369,858)	(4,628,915)	(2,827,696)	(3,171,140)	(3,022,643)
Retirement benefit obligations	(204,058)	(190,953)	(78,440)	(109,811)	(102,642)
Deferred tax liabilities	(5,092,601)	(3,697,803)	(2,373,520)	(2,885,536)	(2,074,378)
	15,147,290	17,526,505	20,153,701	19,622,842	19,370,795

Year ended 31st March In Rs.'000s	2019	2018	2017	2016	2015
Cash Flow Statistics					
Net cash (outflows)/inflows from operating activities	5,640,305	3,473,298	(381,632)	4,007,103	3,498,086
Net cash (outflows)/inflows from investing activities	233,326	(364,657)	(3,006,018)	(1,104,872)	(8,109,841)
Net cash inflows/ (outflows) from financing activities	(3,764,929)	(1,646,421)	6,885,995	5,398,108	(627,141)
Net cash movement for the year	2,108,702	1,462,220	3,498,345	8,300,339	(5,238,896)

FIVE YEAR SUMMARY

As at 31st March In Rs.'000s	2019	2018	2017	2016	2015
RATIOS & STATISTICS					
Return on shareholders' funds (%)	25.11	16.61	(20.19)	20.83	16.66
Return on Capital Employed (ROCE) (times)	41.59	25.01	(2.85)	20.42	15.70
Equity to total assets (times)	3.02	3.77	4.00	2.96	3.48
Assets turnover (times)	1.22	0.92	0.70	1.24	1.20
Gearing ratio (%)	20.39	48.17	58.94	49.05	60.26
Interest cover (times)	5.81	2.94	(0.41)	4.02	4.69
Current ratio (times)	0.98	0.92	0.87	0.94	0.84
Quick asset ratio (times)	0.82	0.79	0.69	0.65	0.53
Price earnings ratio (times)	11.34	17.34	(14.49)	11.18	22.31
Dividends per share (Rs.)	7.00	8.00	3.00	8.00	7.00
Dividend payout ratio (%) (Company)	-	95.54	76.63	87.19	71.07

STATEMENT OF COMPREHENSIVE INCOME - US$

	Group	
For the year ended 31st March In USD '000s	2019	2018
Revenue	262,068	202,049
Cost of sales	(195,312)	(160,496)
Gross profit	66,756	41,553
Progressive insurance receipts on business interruption	-	7,742
Other income	818	363
	67,574	49,658
Distribution expenses	(17,963)	(15,995)
Administrative expenses	(9,822)	(8,098)
Other expenses	(2,449)	(2,244)
Impairment of intangible assets	-	-
Profit from Operations	37,340	23,324
Progressive insurance receipts on property damage	-	4,832
Profit Before Finance Cost	37,340	28,156
Finance income	5,986	5,265
Finance costs	(12,414)	(14,847)
Net Finance Costs	(6,428)	(9,582)
Profit Before Taxation	30,912	18,574
Income tax reversal /(expenses)	(12,746)	(8,037)
Profit/(Loss) After Taxation	18,166	10,537
Other Comprehensive Income		
Items that will never be reclassified to profit or loss		
Remeasurement of employee benefit obligation	74	(263)
Deferred tax adjustment	(30)	105
Deferred tax adjustment	(463)	(3,119)
Total Other Comprehensive Income for the year	1,235	(3,277)
Total Comprehensive Income/(Expenses)	19,401	7,260

STATEMENT OF COMPREHENSIVE INCOME - US$

	Group	
For the year ended 31st March In USD '000s	2019	2018
Profit Attributable to		
- Equity holders of the company	9,050	4,899
- Non - controlling interest	9,115	5,638
Profit/(Loss) for the year	18,165	10,537
Total Comprehensive Income Attributable to		
- Equity holders of the company	9,696	2,914
- Non - controlling interest	9,705	4,346
Total comprehensive income for the year	19,401	7,260

STATEMENT OF FINANCIAL POSITION - US$

	Group	
As at 31st March In USD '000s	2019	2018
ASSETS		
Non-Current Assets		
Property, plant & equipment	103,889	117,319
Intangible assets	13,723	15,544
Deferred taxation	76	40
Investments in subsidiaries	-	-
Loan to operators	-	339
Total Non-Current Assets	117,688	133,242
Current Assets		
Inventories	14,117	12,129
Trade & other receivables	13,177	19,862
Amounts due from related companies	-	35
Current taxation	32	103
Cash and cash equivalents	59,349	51,941
Total Current Assets	86,675	84,070
Total Assets	204,363	217,312
EQUITY AND LIABILITIES		
Equity		
Stated capital	9,198	9,198
Capital reserves	4,572	4,502
Revenue reserves	20,386	15,452
Equity Attributable To Equity Holders of the Company	34,156	29,152
Non - controlling interest	33,584	28,533
Total Equity	67,740	57,685

STATEMENT OF FINANCIAL POSITION - US$

	Group	
As at 31st March	2019	2018
In USD '000s		
Non - Current Liabilities		
Debentures	-	12,699
Loans and borrowings	18,686	31,111
Employee benefits	1,146	1,212
Deferred tax liabilities	28,609	23,480
Total Non- Current Liabilities	48,441	68,502
Current Liabilities		
Trade and other payables	7,586	8,837
Amounts due to related companies	646	670
Refundable deposits	8,181	7,393
Tax liabilities	13,754	12,492
Debentures	11,675	7,052
Loans and borrowings	35,689	44,394
Bank overdraft	10,651	10,287
Total Current Liabilities	88,182	91,125
Total Liabilities	136,623	159,627
Total Equity and Liabilities	204,363	217,312

NOTES TO THE FINANCIAL STATEMENTS - US$

1 BASIS OF CONVERSION

The translation of Sri Lankan Rupee amounts into US Dollar amounts is solely for the convenience of the shareholders, investors, bankers and other users of Financial Statements.

The translation of the Financial Statements into US Dollars were effected based on the following exchange rates:

As at 31st March In USD '000s		2019	2018
Income statement	Average rate	168.72	155.69
Monetary assets and liabilities	Closing rate	178.02	157.49
Non-current assets and liabilities	Closing rate	178.02	157.49
Ordinary share capital	Historical rate	57.99	57.99

2 REVENUE

	Group	
For the year ended 31st March In USD '000s	2019	2018
Dividend income	-	-
Royalty income	-	-
Brewery	251,437	188,255
Retail trade	10,631	13,794
	262,068	202,049
Local revenue	257,780	198,900
Export revenue	4,288	3,149
	262,068	202,049

FIVE YEAR SUMMARY - US$

Year ended 31st March In US$ '000s	2019	2018	2017	2016	2015
Revenue	262,068	202,049	150,045	251,235	238,350
Other income	818	363	197	150	2,988
Progressive insurance receipts on business interruption	-	7,742	6,641	-	-
	262,886	210,154	156,883	251,385	241,338
Total expenditure	(225,546)	(186,830)	(151,954)	(223,348)	(213,623)
Impairment of intangible assets	-	-	(11,110)	-	-
Profit/(loss) from operating activities before exceptional expenses	37,340	23,324	(6,181)	28,036	27,715
Loss on disposal and impairment of PPE	-	-	-	-	(2,278)
Profit/(loss) From Operations Before Expenses Relating to New Investment	37,340	23,324	(6,181)	28,036	25,437
Progressive insurance receipts on property damage	-	4,832	9,073	-	-
Stocks and PPE quantified and written-off to date due to flood related damages	-	-	(8,960)	-	-
Reversal of unabsorbed VAT provision	-	-	2,257	-	-
Expenses relating to new investment	-	-	-	-	(2,556)
Net finance costs	(6,428)	(9,582)	(9,324)	(6,970)	(4,882)
Profit/(loss) Before Taxation	30,912	18,574	(13,134)	21,066	17,999
Income tax reversal/(expense)	(12,746)	(8,037)	2,774	(6,495)	(8,267)
Profit/(loss) for the year	18,166	10,537	(10,360)	14,571	9,732
Total other comprehensive Income/(loss) for the year	1,235	(3,277)	103	5,565	(60)
Total comprehensive Income/(loss) for the year	19,401	7,260	(10,257)	20,136	9,672
Dividends - Ordinary	848	1,078	418	1,175	1,108

As at 31st March In US$ '000s	2019	2018	2017	2016	2015
BALANCE SHEET					
Share capitals	9,198	9,198	9,198	9,198	9,198
Capital reserves	4,572	4,502	6,532	6,849	3,654
Revenue reserves	20,386	15,452	12,245	19,580	16,488
	34,156	29,152	27,975	35,627	29,340
Non - controlling interest	33,584	28,533	25,793	32,485	28,093
	67,740	57,685	53,768	68,112	57,433
Loans and borrowings	66,050	95,256	110,299	76,474	91,597
Less - Cash	(48,698)	(41,654)	(33,122)	(10,897)	(5,256)
Capital Employed	85,092	111,287	130,945	133,689	143,774
Represented by:					
Non-current assets	117,687	133,242	135,080	141,334	142,327
Current assets excluding Cash and cash equivalents	27,326	32,129	30,168	34,367	40,041
Current liabilities excluding borrowings & OD	(30,166)	(29,392)	(18,372)	(21,605)	(22,435)
Retirement benefit obligations	(1,146)	(1,212)	(510)	(748)	(762)
Deferred tax liabilities	(28,609)	(23,480)	(15,421)	(19,659)	(15,397)
	85,092	111,287	130,945	133,689	143,774

INFORMATION TO SHAREHOLDERS & INVESTORS

1 STOCK EXCHANGE LISTING

Ceylon Beverage Holdings PLC is a Public Quoted Company, the issued ordinary shares of which are listed on the Diri Savi Board of the Colombo Stock Exchange of Sri Lanka.

The Stock Exchange code for Ceylon Beverage Holdings PLC shares is "BREW".

The Market Value of the Company's share as at 31st March 2019 was Rs. 825/- per share (31st March 2018 - Rs.630.30).

2 ORDINARY SHAREHOLDERS

As at 31st March	2019	2018
Number of shareholders	955	975

3 FREQUENCY DISTRIBUTION OF SHAREHOLDINGS AS AT 31ST MARCH 2019

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	775	114,131	0.54	60	15,028	0.07	835	129,159	0.62
1001 - 10,000	75	213,046	1.02	31	83,065	0.40	106	296,111	1.41
10,001 - 100,000	5	135,879	0.65	4	168,003	0.80	9	303,882	1.45
100,001 - 1,000,000	-	-	-	2	935,000	4.45	2	935,000	4.45
Above 1,000,000	1	15,726,912	74.93	2	3,597,026	17.14	3	19,323,938	92.07
Grand Total	856	16,189,968	77.14	99	4,798,122	22.86	955	20,988,090	100.00

4 CATEGORIES OF SHAREHOLDERS

As at 31st March 2019	No. of Shareholders	No. of Shares	%
Individual	882	493,056	2.35
Institutions	73	20,495,034	97.65
Total	955	20,988,090	100.00

5 The number of shares held by non-residents as at 31st March 2019 was 4,798,122 (2018 - 4,785,650) which amounts to 22.86% (2018 - 22.80%) of the total number of shares in issue.

6 PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange, under Option 1, i.e. Float-Adjusted Market Capitalisation of Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 7.5%.

The Company's Public Holding as at 31st March 2019

Market Capitalisation of the Public Holding	Rs.4.26 Billion
Percentage of ordinary shares held by the public	24.60%
Number of Public Shareholders	936

7 MARKET PERFORMANCE - ORDINARY SHARES

For The year ended 31st March	2019	2018
Highest (Rs.)	899.90	810.00
Lowest (Rs.)	600.00	487.00
Value of Shares Traded (Rs.'000)	18,054	269,939

8 MARKET CAPITALISATION

The market capitalisation of the Company, which is the number of ordinary shares in issue multiplied by the market value of a share, was Rs. 17,315,174,250/- as at 31st March 2019 (31st March 2018 - Rs. 13,228,793,127/-).

9 DIVIDENDS

A First Interim Dividend of Rs.7/- per ordinary share for the year ended 31st March 2019 was paid to the Shareholders on 26th March 2019.

10 NUMBER OF EMPLOYEES

There were no employees as at the reporting date.

GLOSSARY OF FINANCIAL TERMS

APPROPRIATIONS

Apportioning of earnings as dividends, capital and revenue reserves.

CAPITAL RESERVES

Reserves identified for specified purposes and considered not available for distribution.

CASH EQUIVALENTS

Liquid investments with original maturities of six months or less.

CONTINGENT LIABILITIES

Conditions or situations at the Balance Sheet date, the financial effects of which are to be determined by future events which may or may not occur.

CURRENT RATIO

Current assets divided by current liabilities.

DEBT

Total borrowings, less cash and cash equivalents.

DIVIDEND COVER

Post tax profit after preference dividend, divided by gross dividend. It measures the number of times dividends are covered by distributable profits.

DIVIDEND PER ORDINARY SHARE

Dividends paid and proposed, divided by the number of ordinary shares in issue which ranked for those dividends.

DIVIDEND PAYOUT RATIO

The percentage of earnings paid to shareholders in dividends.

EARNINGS PER ORDINARY SHARE

Profits attributable to ordinary shareholders divided by the number of ordinary shares in issue and ranking for dividend.

EQUITY

Ordinary share capital plus reserves.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Significant events that occur between the Balance Sheet date and the date on which financial statements are authorised for issue.

GEARING

Ratio of Borrowings to capital employed.

INTEREST COVER

Profits before tax and interest charges divided by interest charges.

MARKET CAPITALISATION

The Market value of a company at a given date obtained by multiplying the market price of a share by the number of issued ordinary shares.

NET ASSETS PER ORDINARY SHARE

Total assets less liabilities excluding preference share capital divided by the number of ordinary shares in issue. This represents the theoretical value per share if the Company is broken up.

PRICE EARNINGS RATIO - (P/ E)

Market price of a share divided by earnings per share

RELATED PARTIES

Parties who could control or significantly influence the financial and operating decisions / policies of the business.

REVENUE RESERVES

Reserves considered as being available for future distribution and appropriations.

VALUE ADDITION

The quantum of wealth generated by the activities of the Company.

WORKING CAPITAL

Capital required to finance the day-to-day operations (current assets less current liabilities).

NOTES

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 108th Annual General Meeting of CEYLON BEVERAGE HOLDINGS PLC will be held on Friday, 19th July 2019 at 3.30 p.m. at the 'Ivy Room', Cinnamon Grand Colombo, No.77, Galle Road Colombo 03, Sri Lanka for the following purposes:

1. To consider the Annual Report of the Board of Directors including the Financial Statements for the financial year ended 31st March 2019 together with the Report of the Auditors thereon.
2. To re-elect Mr. D. A. Cabraal, who retires by rotation in terms of Articles 72, 73 and 74 of the Articles of Association of the Company.
3. To re-appoint Mr. M. Selvanathan as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution;

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. M. Selvanathan who is 72 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
4. To re-appoint Mr. H. Selvanathan as a Director of the Company who is seventy years of age and to consider and if deemed fit to pass the following resolution.

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. H. Selvanathan who is 70 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
5. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act, No. 07 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

(Sgd.)
K. D. De Silva (Mrs)
Director
CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
Secretaries

Colombo
17th June 2019

Notes

1. A Shareholder is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a Shareholder of the Company. A Form of Proxy accompanies this notice.
2. The completed Form of Proxy must be deposited at the Registered Office, No.61, Janadhipathi Mawatha, Colombo 1, Sri Lanka not later than 4.45 p.m. on 17th July 2019.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a Shareholder.
4. The transfer books of the Company will remain open.
5. Security Check
   i. Due to the prevailing situation in the country, there will be a security check by the security personnel stationed at the meeting venue.
   ii. We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.
   iii. All vehicles will be subjected to a security check on arrival.
   iv. Shareholders who will be taking cabs are expected to get off/into these vehicles only at the main Galle Road entrance.

FORM OF PROXY

* I/We...
of...

being *a Shareholder/Shareholders of CEYLON BEVERAGE HOLDINGS PLC
hereby appoint ....
of ....bearing NIC No./Passport
No... or failing him/her.

DAMIAN AMAL CABRAAL	Or failing him,
HARIHARAN SELVANATHAN	Or failing him,
MANOHARAN SELVANATHAN	Or failing him,
SURESH KUMAR SHAH	Or failing him,
DON CHANDIMA RAJAKARUNA GUNAWARDENA	Or failing him,
RAJIV HERATH MEEWAKKALA	Or failing him,
THEODOROS AKISKALOS	

as *my/our proxy to attend at the 108th Annual General Meeting of the Company to be held on Friday, 19th July 2019 at 3.30 p.m. at the 'Ivy Room', Cinnamon Grand Colombo, No.77, Galle Road Colombo 03, Sri Lanka and at any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
1.	To re-elect Mr. D. A. Cabraal who retires by rotation in terms of Articles 72, 73 and 74 of the Articles of Association of the Company.		
2.	To re-appoint Mr. M. Selvanathan who is over seventy years of age as a Director of the Company.		
3.	To re-appoint Mr. H. Selvanathan who is seventy years of age as a Director of the Company.		
4.	To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act, No. 07 of 2007 and to authorize the Directors to determine their remuneration.		

Signed this .... day of ....Two Thousand and Nineteen.

....
Signature/s

Notes

1. * Please delete the inappropriate words.
2. A shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company.

   A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
3. A shareholder is not entitled to appoint more than one proxy on the same occasion.
4. Instructions are noted on the reverse hereof.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 54 of the Articles of Association of the Company:

   The instrument appointing a proxy shall be in writing and;

   (i) in the case of an individual shall be signed by the appointor or by his attorney; and

   (ii) in the case of a Corporation shall be either under its common seal or signed by its attorney or by an authorized officer on behalf of the Corporation.

   The Company may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

   A proxy need not be a Shareholder of the Company.

4. In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by attorney or by representative, shall be accepted to the exclusion of the votes of the other joint-holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
5. To be valid the completed Form of Proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1, Sri Lanka not later than 4.45 p.m., on 17th July 2019.

Please fill in the following details:

Name	:	....
Address	:	....
		....
Jointly with	:	....
Share folio No	:	....

CORPORATE INFORMATION

NAME OF THE COMPANY
Ceylon Beverage Holdings PLC
(A Carson Cumberbatch Company)

COMPANY REGISTRATION NUMBER
PQ 35

LEGAL FORM
A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1910
Official listing of the Colombo Stock Exchange was obtained in April 1991

SUBSIDIARY COMPANIES
Lion Brewery (Ceylon) PLC
Pubs 'N Places (Private) Limited
Retail Spaces (Private) Limited
Luxury Brands (Private) Limited
Pearl Springs (Private) Limited
Millers Brewery Limited

PARENT AND CONTROLLING ENTITY
In the opinion of the Directors, Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

DIRECTORS
Mr. D. A. Cabraal (Chairman)
Mr. H. Selvanathan (Deputy Chairman)
Mr. M. Selvanathan (Director / Alternate Director to H. Selvanathan)
Mr. S. K. Shah (Chief Executive Officer)
Mr. D. C. R. Gunawardena
Mr. L. Lehmann (Resigned w.e.f 20/05/2019)
Mr. R. H. Meewakkala
Mr. T. Akiskalos (Appointed w.e.f. 20/05/2019)

BANKERS
Bank of Ceylon
Citibank
Commercial Bank
Deutsche Bank
Hatton National Bank
Nations Trust Bank
Peoples' Bank
Standard Chartered Bank
Sampath Bank
National Development Bank
DFCC Bank

LEGAL ADVISERS
Messrs. F.J .& G. De Saram
216, De Saram Place
Colombo 10
Sri Lanka
Tel: + 94 11 4718200
Fax: + 94 11 4718220

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

MANAGERS & SECRETARIES
Carsons Management Services (Private) Limited
No: 61, Janadhipathi Mawatha
Colombo 1
Sri Lanka
Tel : +94 11 2039 200
Fax: +94 11 2039 300

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

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

GROUP WEBSITE
www.carsoncumberbatch.com

Designed & produced by
emagewise
Printed by Printage (Pvt) Ltd.