



Summit to Success: The ascent continues



Summit to Success: The ascent continues

With our sights firmly set on customer satisfaction, environmental stewardship and unparalleled innovation, Ceylon Beverage Holdings PLC has approached a new summit of growth. While the upward climb continues, we reflect on the excellence and confidence that has become characteristics of the Group.

Armed with the latest technology and the best machinery in the market, Ceylon Beverage Holdings PLC takes pride in our ability to produce beverages that have a permanent place in the hearts of consumers.

Our commitment towards environmental stewardship stands strong, with our pioneering efforts to introduce beverages in fully recyclable aluminium cans to the Sri Lankan market. Our dedicated team and committed partners in business, along with our eye for strategy, have ensured that our progress is constant and our outcome is prosperous.

In the year under review, we have climbed higher, pushed boundaries and generated high-value ideas that have transformed our workscape and have instilled a sense of determination, and as we set out to continue our ascend, we hold fast to our values of integrity, productivity, creativity and sustainability to summit new peaks.

CONTENTS

Financial Highlights	03
Chairman's Statement	04
Chief Executive's Review	06
Profile of Directors	09
Senior Management Team	12
Annual Report of the Board of Directors on the Affairs of the Company	14
Audit Committee Report	35
Report of the Related Party Transactions Review Committee	37
Financial Calendar	39
Independent Auditor's Report	40
Statement of Financial Position	46
Statement of Profit or Loss and Other Comprehensive Income	48
Statement of Changes in Equity	50
Statement of Cash Flows	52
Notes to the Financial Statements	54
Value Added Statement	115
Five Year Summary	117
Statement of Profit or Loss and Other Comprehensive Income - USD	120
Statement of Financial Position - USD	122
Notes to the Financial Statements - USD	124
Five Year Summary - USD	125
Information to Shareholders and Investors	127
Glossary of Financial Terms	129
Notes	130
Notice of Meeting	131
Form of Proxy	137
Corporate Information	Inner Back Cover



The report can be accessed online at
<http://www.carsoncumberbatch.com>

FINANCIAL HIGHLIGHTS

In Rs. '000	2024	2023	Change %
Revenue	111,930,270	96,938,522	15.5%
Profit from operation	15,657,291	13,464,823	16.3%
Profit before taxation	14,023,293	11,260,903	24.5%
Profit after taxation	7,975,609	6,746,104	18.2%
Dividends per share (Rs.)	81.24	52.75	54.0%
Shareholders' funds	27,791,612	23,072,257	20.5%
Total assets	56,732,634	48,832,751	16.2%
Earnings per ordinary share (Rs.)	188.82	162.36	16.3%
Net assets per ordinary share (Rs.)	696.25	570.89	22.0%
Market capitalisation	32,169,495	23,800,494	35.2%

CHAIRMAN'S STATEMENT

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Company for the year ended 31st March 2024. The Chief Executive's review provides a detailed account of the operating environment and the performance of your Company. Therefore, I will confine my remarks to an overview.

Sri Lanka experienced a steady economic recovery this year, marked by positive changes in key indicators. The Gross Domestic Product (GDP) achieved growth in the last two quarters, signalling a gradual turnaround from the economic crisis that began in 2022. The exchange rate remained stable, and the LKR appreciated towards the latter half of the year. With the reduction in aggregate import demand, cost inflation tapered off to low single digits from September 2023. The Average Weighted Prime Lending Rate (AWPLR), which was over 28 percent last year, has now reduced to low double-digit rates. However, the purchasing power of our consumers remains strained due to declining real incomes. The Government's shift to market-driven pricing for utilities has improved the profitability of state-owned entities, though the sustainability of these cost structures in a thriving business environment and a competitive global market remains uncertain.

In the alcohol industry, we faced a significant increase in excise duties due to multiple revisions over the past year. Within 365 days, the industry endured a cumulative 64% increase across three occasions, widening the gap between the legal and illicit alcohol markets, thereby driving growth in the latter. We support the Government's implementation of an inflation-indexed excise mechanism, as recommended by the IMF, to protect Government revenue and provide transparency. This mechanism should align with proven systems in countries such as Canada and Australia. Additionally, the 3% increase in VAT

compelled us to pass on these costs to consumers through incremental price adjustments across the portfolio, resulting in a decline in total alcohol beverage volumes for the year.

The pleasing increase in tourism helped enhance Lion Brewery's volumes this year. Sri Lanka welcomed 1.48 million tourists, compared to 0.71 million the previous year, reflecting an impressive growth of 106%. This notable increase, particularly in the latter part of the financial year, boosted the volume of certain brands in our portfolio. The continued growth in tourism will be a bright spot for the business.

During the year under review, we restructured Lion Brewery's International Business strategy to improve its profitability and growth trajectories. We consolidated resources and focused them on key growth markets, allowing us to invest significantly more in these selected markets. Consequently, we exited almost 20 markets. Despite these exits, our International Business grew by 20% during the year.

The margin environment remains challenging due to constant excise duty increases and significant inflation in the cost of goods. Currency devaluation and underlying inflation in our primary input commodities have created substantial margin headwinds for the business.

Despite these challenges, the Group achieved a profit after tax of Rs 7.9 billion on a turnover of Rs 111.9 billion. We contributed a total of Rs 82.5 billion in taxes to the Government. An interim dividend of Rs 28.84 per share was paid to shareholders in June 2023, and a second interim dividend of Rs 52.40 per share was paid in January 2024, bringing the total dividend paid for this financial year to Rs 81.24 per share.

On 31st of December Ranil Goonetilleke, our long-standing CFO, retired from the Group after 25 exceptional years with the business. A key leader who helped shape the Group's contemporary history, Ranil provided leadership not just in finance but across the business and his guidance was ever present during the many crises the Group faced. Ranil continues to serve the Lion Brewery board in a non-executive capacity, and we will benefit from his counsel. Jehan Goonaratne, previously the Deputy CFO, succeeded Ranil as CFO. Jehan, 36, has been with the Group for 9 years and has a deep understanding of the business. He will play a key role as we capitalise on future business opportunities.

I extend my heartfelt gratitude to the entire Team for their unwavering commitment and exceptional service to customers throughout the year. I also thank our business partners, Carlsberg, our bankers, consignment agents, and suppliers for their unstinted support and assistance.

In conclusion, I express my sincere gratitude to the Audit Committee, Remuneration Committee, Related Party Committee, and Nominations Committee, along with my esteemed colleagues on the Board, for their invaluable advice and guidance. I eagerly anticipate our continued collaboration to uphold Ceylon Beverage Holding's success.

(Sgd.)

D. A. Cabraal

Chairman of the Board of Directors

Colombo

10th June 2024

CHIEF EXECUTIVE'S REVIEW

The operating environment of 23/24 was extremely challenging from a macro environmental perspective which has being detailed out in the Chairman's review. I will pick up some points which I would like to elaborate, but will mainly focus on our long-term growth trajectory with a snapshot of our operations during the year.

Taxes account for 69% of the consumer price of beer. During the year under review there were multiple excise increases which were passed on to the consumer through price increases which impacted the affordability of the category vs the illicit sector. In the next couple of years, it is important to take into account that real incomes will grow, but at a slow pace and if pricing increases above inflation it will result in a long-term decline of this sector. It has been stated that future excise increases will be aligned to inflation which we as a Group support wholeheartedly, but the mechanism must be transparent, with increases equal to inflation. Countries such as Australia, Canada and others have implemented such schemes and GoSL should look to mirror these proven schemes.

The Government Policy on access liberalization was well thought through and has to be commended. This is in a context of there being only one off premise licensed outlet every 45 sqkm on average, while in the Northern districts this stands at one outlet per 167 sqkm. Clearly, this opens the door for informal activity as these distances are simply beyond reasonable. It is another lever which the Government should use to curb illicit by increasing access to legal products. The issuance of licenses in areas where poor licensed outlet penetration is prevalent has resulted in a positive direction. We hope these steps will continue, which will pave the way for a more consistent policy in respect of the alcoholic beverage category.

In the year under review the Senior Management Team spent time to envision your Group's future growth trajectory and levers. The future goal of the Group would be to grow both volume and value which will be a balancing act as straying to

one extreme will compromise the other. To deliver on this objective the KEY LEVERS which were identified:

- 1) Building a segmented and differentiated brand portfolio to drive premiumization in beer
- 2) Drive International Business
- 3) Explore adjacent categories for growth
- 4) Cost and cash optimisation

were seen as the focus areas around which our Group strategies would be woven, and a brief summary of these variables are given next.

Bringing excitement and energy to the category by expanding consumer choice is the key deliverable of our ambition in building a consumer segmented and differentiated brand portfolio. In the last two years Lion Brewery has launched Carlsberg Smooth Draught, Guinness, Lion Ice and two variants of Somersby into the market. This has brought about new consumption occasions to the consumer. New styles of beer and flavours will continue to be introduced to drive premiumization and create consumer experience. The commencement of the construction of the innovation brewery during 23/24 will be completed this year and will give added impetus to this task.

As our portfolio expands building a flexible and agile supply chain to meet the challenges, will be a critical part of the alignment of the total organisation around consumer choice. In 23/24 the Lion master brand strategy revamp was completed, which will set our iconic brand into good stead for future growth. In order to ensure consumer affordability, a key concern during the year, we launched the 500ml returnable glass bottle for both Lion Strong and Carlsberg Special Brew at a 15% -20% lower price to the 625ml bottle & 500ml can SKUs. This clearly demonstrates the Group's focus on both volume and value. Our volumes for the year declined, but the above initiatives have mitigated a steeper decline.

Our international business continued its double-digit growth (20%) with strong performance in all key markets. Our strategy shift from a broad spectrum to a few key focus markets was a big step taken during the year. With this move we have exited a large number of markets thereby enabling us to channel resources into the three focused geographies of Africa, Middle East & South Asia. At an overall level we will be more proactive in obtaining consumer insights, fashioning portfolios based on deep market understanding, working with strong partners with market knowledge in our way forward in respect of International Business.

In the next five-year period cost optimisation and cash release will be a critical area. Future profitability will have to be balanced with cost as it will not be possible to put all the weight on to pricing without impacting consumer affordability. Lion Brewery's premiumization strategy will support mix but managing cost of sales and overheads will be an important aspect going into the next five years. Already Lion Brewery's procurement team under supply chain has started looking at the area of direct, which constitute mainly cost of sales and our aggressively identifying opportunities to bring down the cost per dozen by bringing in new suppliers, better category buying, localisation of imported materials and so on. Indirect materials are also being scrutinized to look at opportunities for cost optimisation. All cost related projects carry a principle that we will not embark on reduction if it compromises consumer quality and long-term health of Lion Brewery. Technology infusion is being considered proactively as a key enabler to manage the growth of our future overhead costs. All in all every element will be looked at to take out non-value added cost out of the business. In 23/24 the LION team delivered Rs 875 Mn on cost savings covering both cost of sales and overheads which is a remarkable achievement.

Optimisation of working capital to release cash is also a focus, but all risks will be considered when decisions are made in this regard due to the prevailing uncertainty.

The areas discussed above will rest on a set of key enablers outlined in our five-year long-term plan which are People & Talent, Sustainability, Digital LION & Corporate Reputation.

As a Group we will continue to set up benchmark HR practices, creating a Great Place to Work and investing in our people as agreed in our long-term corporate direction. People and Talent will be a big challenge in the coming years due to migration. Our rewards & recognition and workplace transformation will be keeping this in mind. As our organisation commences implementing our long-term plan, building new capabilities will also take centre stage and necessary interventions will be made to ensure alignment.

The Group has given due emphasis to sustainability by elevating this all-pervasive business area to a Senior Management role which gives added impetus to drive these initiatives across all areas of the business. We have identified all focus areas based on materiality and have developed detailed action plans in this regard.

Finally, on Digital Lion we have identified process automation, smart factory, Marktech, data analytics, cyber security and infrastructure as areas we will drive within a five-year horizon. During the year under review further strengthening of our ERP platform can be seen by Lion Brewery's SAP utilisation standing at 75%. There is further work which must be done, but we are taking the right steps forward in this regard. The Production System revamp was a major project undertaken during the year which successfully integrated Brewhouse data with SAP information feeds. This integration now provides us with dynamic visibility into our production processes.

CHIEF EXECUTIVE'S REVIEW

I hope the above sections give you an idea about our long-term strategy and its integration into our operations. This is a divergence from just a review of 23/24, but I thought it is important that our valued shareholders have a glimpse of our future trajectory.

Our financial performance has been reasonable with Group revenue standing at Rs 111.9 Bn. During the year, Fitch Ratings affirmed Lion Brewery's National Long Term Rating at 'AAA(lka)'. The Group contributed Rs 82.5 Bn in taxes for the year 23/24.

Ranil Goonetilleke, our longstanding CFO retired from the Group during the year, many lost a good friend and a worthwhile colleague. His contribution to LION over a long tenure will not be forgotten, and he also goes into the hall of fame like Suresh Shah who retired earlier.

I wish to thank the whole team for the delivery of these outstanding results which would have not been possible if not for the team's commitment and hard work. Our valued business partners and their employees cannot be forgotten as they hold our frontlines. Finally, the support from the Chairman and the Board of Directors has been a great source of strength for the team during this challenging period.

(Sgd.)

R. H. Meewakkala

Director/Chief Executive Officer

Colombo
10th June 2024

PROFILE OF DIRECTORS

AMAL CABRAAL

(Chairman)

Amal Cabraal is an accomplished business leader with over four decades of management experience in both local and international markets. He currently serves as the Chairman of Lion Brewery (Ceylon) PLC, Ceylon Beverage Holdings PLC, Sunshine Holdings PLC, Silvermill Investment Holdings, and CIC Feeds Group of Companies. In addition to his numerous leadership roles, he also serves as a Non-Executive Director of John Keells Holdings PLC and is a business advisor to several other companies.

Previously, Cabraal served as the Chairman and Chief Executive Officer of Unilever Sri Lanka, where he gained extensive knowledge and expertise in the consumer goods industry. He has also completed the stipulated maximum nine-year tenure as a Non-Executive Director of Hatton National Bank PLC, providing him with deep insights into the banking sector.

Cabraal is a member of the Board of the Ceylon Chamber of Commerce, and also serves on the Management Committee of the Mercantile Services Provident Society. As a marketer by profession and a Fellow of the Chartered Institute of Marketing-UK, he brings a wealth of marketing and branding expertise to his leadership roles. Cabraal holds an MBA from the University of Colombo, and is an executive education alumnus of INSEAD-France.

HARI SELVANATHAN

(Deputy Chairman)

Hari Selvanathan is the Chairman of Bukit Darah PLC and Deputy Chairman of Carson Cumberbatch PLC. He is the Deputy Chairman/ Group Chief Executive Officer of Goodhope Asia Holdings Ltd., Singapore.

He is the President Commissioner of the palm oil related companies in Indonesia, Director of Sri Krishna Corporation (Private) Limited.

He was the Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He holds a Bachelor's Degree in Commerce.

MANO SELVANATHAN

Mano Selvanathan is the Chairman of Sri Krishna Corporation (Private) Limited and Selinsing Limited. He is a Director of most of the 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 the National Honours in Sri Lanka the 'DESAMANYA' title by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation in November 2005.

PROFILE OF DIRECTORS

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.

He holds a Bachelor's Degree in Commerce.

RAJIV MEEWAKKALA

(Director/CEO)

Rajiv's management experience spans across both private and public sector organisations, and his core expertise are in marketing and general management. His career commenced in the private sector, working for a multinational group for 19 years, post which, he led three large state sector businesses in retail, construction and banking.

In the private sector, Rajiv was the Marketing Director of Ceylon Tobacco Company (fully owned subsidiary of British American Tobacco - BAT) where he managed a diverse brand portfolio. His responsibilities included building both global and local brands by strengthening brand values through targeted communication, innovation in product and packaging whilst being responsible for the trade marketing and sales function. He was a member of the South Asia Marketing Leadership team of BAT, and was also Head of Brand Marketing for BAT Cambodia & Laos.

Post BAT, Rajiv worked as a Brand Consultant with Interbrand, a global brand consultancy group. He also had a short work tenure in the Public Sector.

Rajiv holds a PHD (Management) from the University of Honolulu, MSc in International Marketing from the University of Strathclyde (Glasgow) and a Post Graduate Diploma in Marketing from the Chartered Institute of Marketing (UK).

CHANDIMA GUNAWARDENA

Chandima Gunawardena currently serves as a Non-Independent, Non-Executive Director of the Company, having joined the Board in 1998. During his tenure at Carson's group, he has served on the Boards of most of its subsidiaries in Sri Lanka and overseas and continues to serve on some of the subsidiary boards as of date.

Mr. Gunawardena has over five decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions.

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

MRS. SUSAN EVANS

Director of Lion Brewery (Ceylon) PLC and Ceylon Beverage Holdings PLC. Counts over 35 years' experience in strategy and marketing, largely with multi-national consumer product companies, Gillette, GlaxoSmithKline and Whirlpool. Whilst based in the UK, she held an international strategic marketing position and managed a global nutritional drinks brand portfolio with a turnover of £330 million worldwide.

For the past 25 years she has been working as a Senior Consultant in India and Sri Lanka on a wide variety of assignments covering industries as diverse as soft drinks, retail, passenger cars and industrial export products. Also serves as a Trustee on Ayati Trust Sri Lanka and Hemas Outreach Foundation, both national charities involved in improving the potential of disabled and underprivileged children.

Holds a Bachelor of Arts (Hons) degree from the University of Wales, UK.

STEFANO CLINI

Mr. Clini is the Managing Director of Carlsberg Brewery Malaysia Berhad. He is a Director on the Board of Carlsberg Marketing Sdn. Bhd. and Carlsberg Singapore Pte. Ltd., both are wholly owned subsidiaries of Carlsberg Brewery Malaysia Berhad. Mr. Clini also serves on the Board of Maybev Pte. Ltd. (a 51% owned subsidiary of Carlsberg Singapore Pte. Ltd.), Lion Brewery (Ceylon) PLC and Ceylon Beverage Holdings PLC.

He is also a member of the Governing Council of the Confederation of Malaysian Brewers Berhad.

SENIOR MANAGEMENT TEAM

Left to Right >>

1. Steve Wijeyaratna

Vice President Operations -
Luxury Brands (Private) Limited

2. Jehan Goonaratne

Chief Financial Officer

3. Ruwandhi Thantrige

Senior Vice President - Legal

4. Sashreeka Chandra Mohotti

Vice President - Pubs 'N Places (Private) Limited

5. Channa Senaratne

Chief External Affairs Officer

6. Eshantha Salgado

Chief Sustainability Officer



Left to Right >>

7. Sampath Perumbuli

Chief Information Officer

8. Rajiv Meewakkala

Chief Executive Officer

9. Madhushanka Ranatunga

Chief Sales & Marketing Officer

10. Thusith Gunawarnasuriya

Chief Supply Chain Officer

11. Niranjan Perera

Chief People Officer

12. Nishantha Hulangamuwa

Chief International Business Officer



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 2024.

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 10th June 2024.

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 activities of the Group are 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

Details of significant events during the year are contained in the Chief Executive’s Review on pages 06 to 08 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 to the Financial Statements for the financial year ended 31st March 2024.

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 2024 are set out on pages 46 to 114 of this Report.

RESERVES

After the above mentioned appropriations, the total Group Reserves stand at Rs. 14,080Mn (2023 - Rs. 11,448Mn) comprising Capital Reserves of Rs. 1,492Mn (2023 - Rs. 1,103Mn) and Revenue Reserves of Rs. 12,591Mn (2023 - Rs. 10,345Mn) Translation reserve of Rs. -3.6 Mn (2023 - Nil). The movements are shown in the Statement of Changes in Equity and Notes 20 and 22 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 2024 was Rs. 40,563Mn (2023 - Rs. 30,526Mn) as disclosed under Note 13 to the Financial Statements.

CAPITAL EXPENDITURE

The total expenditure on the purchase of capital assets by the Group during the year amounted to Rs. 5,440Mn (2023 - Rs. 4,304Mn). The movements in capital assets during the year are set out in Notes 09 and 11 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 09 (c) and 10.3 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.

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

OUTSTANDING LITIGATION

In the opinion of the Directors and in consultation with the Company lawyers, litigations currently pending against the Company will not have material impact on the reported financial results of future operations of the Company. 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 2024.

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 40 to 45 of this Report.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in Notes 01 to 08 in the notes to the Financial Statements on pages 54 to 72.

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 2024 is given in Note 32 to the Financial Statements, on pages 97 to 98.

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.

Directors	No. of shares as at	
	31st March 2024	31st March 2023
Mr. D. A. Cabraal (Chairman)	1,500	1,500
Mr. H. Selvanathan (Deputy Chairman)	690	690
Mr. M. Selvanathan (resigned as an Alternate Director to Mr. H. Selvanathan w.e.f 31st December 2023)	690	690
Mr. D. C. R. Gunawardena	15	15
Mr. R. H. Meewakkala (Director/CEO)	-	-
Mr. S. Clini	-	-
Mrs. S. J. F. Evans	-	-

DIRECTORS

The name 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. H. Selvanathan (Deputy Chairman) and Mr. M. Selvanathan who were Executive Directors of the Company were designated by the Board as Non-Executive Directors of the Company with effect from 06th November 2023.

Mr. M. Selvanathan ceased to be an Alternate Director of Mr. H. Selvanathan with effect from 31st December 2023 in terms of Section 9.9 of the Listing Rules of Colombo Stock Exchange.

Directors to retire by rotation

In terms of Rule 9.11.5 (ii) of the Listing Rule of the Colombo Stock Exchange, the Nomination Committee recommended the re-election of Mrs. S.J.F. Evans who retires by rotation. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Mrs. S.J.F. Evans is fit and proper based on the 'Fit and Proper Criteria' stipulated in the Listing Rules.

Accordingly, in terms of Articles 72, 73 and 74 of the Articles of Association of the Company, shareholder approval is sought to re-elect Mrs. S.J.F. Evans, who retires by rotation and, being eligible, offer herself for re-election.

Appointment of Directors who are over 70 years of age

Messrs. H. Selvanathan, M. Selvanathan and D. C. R. Gunawardena - Non-Executive Directors who were over 70 years of age were appointed as Directors of the Company in terms of Section 210 of the Companies Act, No.07 of 2007 at the AGM held on 18th July 2023 for a period of one year commencing from the conclusion of the said AGM, i.e. till 17th July 2024.

In terms of Rule 9.11.5 (ii) of the Listing Rule of the Colombo Stock Exchange, the Nomination Committee recommended the re-election of Messrs. H. Selvanathan, M. Selvanathan and D. C. R. Gunawardena who are over 70 years of age. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Messrs. H. Selvanathan, M. Selvanathan and D. C. R. Gunawardena are fit and proper based on the 'Fit and Proper Criteria' stipulated in the Listing Rules.

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

Accordingly, Messrs. H. Selvanathan, M. Selvanathan and D. C. R. Gunawardena who are over 70 years of age are to be reappointed 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 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.

Related Party Transactions Review Committee Members	Executive/ Non-Executive/ Independent
Mr. W. M. R. S. Dias (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. R. Theagarajah	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. H. Selvanathan	Executive Director of CCPLC / Non-Executive Director of CCPLC w.e.f. 06th November 2023
Mr. M. Selvanathan	Executive Director of CCPLC / Non-Executive Director of CCPLC w.e.f. 06th November 2023
Mr. S. K. Shah	Non-Executive Director of CCPLC

The Related Party Transactions Review Committee Report is given on pages 37 to 38 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 2024, that exceed 10% of Equity or 5% of the Total Assets of the Company are listed below.

1. NON-RECURRENT RELATED PARTY TRANSACTIONS

There were no Non-Recurrent Related Party Transactions entered in to by the Company, where the aggregate value of the Non-Recurrent Related Party Transactions exceeds 10% of the Shareholders' equity or 5% of the total assets, whichever is lower, of the Company as per the audited Financial Statements of at 31st March 2024.

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 31 March 2024 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	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	184,894,335/-	8%	As per the royalty agreement
Lion Brewery (Ceylon) PLC	Subsidiary	Dividend Income	2,106,867,909/-	92%	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 09 to 11 of the Annual Report.

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

Directors	Executive/ Non-Executive / Independent
Mr. D. A. Cabraal (Chairman)	Non-Executive/ Independent *
Mr. H. Selvanathan (Deputy Chairman)	Executive/ Non-Executive w.e.f. 06th November 2023
Mr. M. Selvanathan (resigned as an Alternate Director to Mr. H. Selvanathan w.e.f 31st December 2023)	Executive/ Non-Executive w.e.f. 06th November 2023
Mr. D. C. R. Gunawardena	Non-Executive
Mr. R. H. Meewakkala (Director/CEO)	Executive
Mr. S. Clini	Non-Executive
Mrs. S. J. F. Evans	Non-Executive/ Independent **

The Company obtained an annual declaration from the Directors as per Rule 9.7.3 and 9.7.4 of the Listing Rules of the Colombo Stock Exchange (CSE) confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria set out in the Rules during the Financial Year and as at the reporting date. Therefore, no Director was identified as a person who has failed to fulfil the required assessment criteria during the year under review.

Each of the Independent Directors of the Company have submitted a signed declaration on Independence/ Non-Independence as per Rule 9.8.5 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 28th May 2024, in order to enable the Board of Directors to determine the Independence/ Non-Independence of each of the Independent Directors, in terms of Rule 9.8.3. of the Listing Rules of the CSE.

*Mr. D.A. Cabraal has served as a Director for over 9 aggregate years and the Board has determined that since he does not exert control over the Company and is able to make unfettered judgments and act impartially, he is nevertheless independent.

**Mrs. S.J.F. Evans has served as a Director of the Listed Entity for an aggregate period exceeding 9 years from the date of her first appointment and the Board has determined that since she does not exert control over the Company and is able to make unfettered judgments and act impartially, she is nevertheless independent.

Directors' Meetings Attendance

During the period under review, the Board of Directors had 04 Board Meetings and the attendance of the Directors were as follows;

Directors	Meetings Attended
Mr. D. A. Cabraal (Chairman)	4/4
Mr. H. Selvanathan (Deputy Chairman)	4/4
Mr. M. Selvanathan	4/4
Mr. D. C. R. Gunawardena	4/4
Mr. R. H. Meewakkala (Director/CEO)	4/4
Mr. S. Clini	3/4
Mrs. S. J. F. Evans	3/4

Board Evaluation

Each Director individually appraises the Board's performance to ensure discharging its

responsibilities satisfactorily. This process takes in to account and evaluates all aspects in relation to Board responsibilities.

Independent observations made by the Directors are collated and addressed by the Nomination Committee of the Company and recommended as relevant, to the Board of Directors for consideration.

Audit Committee

As per 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.

Audit Committee Members	Executive / Non-Executive/ Independent
Mr. A. S. Amaratunga (Chairman)	Non-Executive/Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. Y.H. Ong	Non-Executive/Independent Director of CCPLC

The Audit Committee Report is given on page 35 to 36 of this Annual Report.

Remuneration Committee

As per 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.

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

Remuneration Committee Members	Executive / Non-Executive/ Independent
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 Remuneration Committee has established a formal and transparent procedure for the development of a remuneration policy, which will be reviewed by the Committee when deemed necessary.

The remuneration policy has been formulated based on market and industry factors with appropriate incentives to encourage enhanced performance and also in a fair and responsible manner 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 Charter requires the Committee to meet at least twice a year.

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

Accordingly, the Committee held 02 meetings during the period under review.

Remuneration Committee Members	Attended Meetings
Mr. T. de Zoysa (Chairman)	2/2
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 97 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.

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	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 nomination of members to represent the Company in group companies/ investee companies.

Functions and Proceedings

The Nomination Committee recommends new appointments as well as reviews and recommends re-election and re-appointment 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 Charter requires the Committee to meet at least twice a year. The Committee held two (02) meetings during the period under review.

Nomination Committee Members	Meetings Attended
Mr. T. de Zoysa (Chairman)	2/2
Mr. D. C. R. Gunawardena	2/2
Mr. R. Theagarajah	2/2
Mr. W. M. R. S. Dias	2/2

BOARD SUB COMMITTEES

The Company is in the process of establishing four (04) Board Sub-Committees which is a mandatory requirement as per the amended Section 9.1.4 (4) of the Listing Rules, which is effective from 01st October 2024. Accordingly, the Company will establish its own Audit Committee, Remuneration Committee, Nomination and Governance Committee and Related Party Transaction Review Committee. All Sub-Committees will function under the oversight of its respective Chair and function as per the Committee Charter.

Compliance with the Section 9 of Listing Rules of the Colombo Stock Exchange on Corporate Governance as at date

Rule No.	Subject	Criteria	Compliance Status	Details
9.1.3.	Applicability of Corporate Governance Rules	All Listed Entities shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity	Compliant	Please refer to corporate governance point of page 19 of the Annual Report of the Board of Directors
9.2	Policies	Policies	Not Applicable	Considering the effective date of 01st October 2024, the Company is in the process of reviewing existing policies and establishing new policies to comply with the stipulated timeline.

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

Rule No.	Subject	Criteria	Compliance Status	Details
9.3	Board Committees	Board Committees	Compliant	Please refer to pages 18 to 23 of the Annual Report of the Board of Directors. Considering the effective date of 01st October 2024, the Company is in the process of establishing Board Sub committees.
9.4.1.	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Listed Entities shall maintain records of all resolutions and information pertaining to its adoption	Compliant	The Company Secretaries maintain records of all resolutions and requisite information.
9.4.2	Communication and relations with shareholders and investors	Communication and relations with shareholders and investors	Compliant	Please refer to page 32 of the Annual Report of the Board of Directors. Considering the effective date of 01st October 2024, the Company is in the process of introducing policies to comply with the stipulated timeline.
9.5	Policy on matters relating to the Board of Directors	Policy on matters relating to the Board of Directors	Compliant	Considering the effective date of 01st October 2024, the Company is in the process of introducing policies to comply within the stipulated timeline.
9.6.1	Chairperson and CEO	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual.	Compliant	Chairman is an Independent Non-Executive Director

Rule No.	Subject	Criteria	Compliance Status	Details
9.6.2	Chairperson and CEO	Where the Chairperson of a Listed Entity is an Executive Director and/ or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement	Not Applicable	Chairman is an Independent Non-Executive Director and the positions of the Chairperson and CEO are not held by the same individual
9.6.3. and 9.6.4.	The Requirement for a SID	SID to be appointed in the following instances; i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties.	Not Applicable	Chairman is an Independent Non-Executive Director, the positions of the Chairperson and CEO are not held by the same individual and the Chairman and CEO are not Close Family Members or Related Parties.
9.7	Fitness of Directors and CEO	Fitness of Directors and CEO	Compliant	The Company obtained annual declaration from the Directors confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria. All Directors met the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.
9.8.1	Board Composition	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Compliant	The Board comprises of 07 Directors.
9.8.2/9.8.3 and 9.8.5.	Independent Directors	Minimum no. of Independent Directors/ Criteria for defining independence and declaration & disclosures relating to Directors	Compliant	Please refer to page 20 of the Annual Report of the Board of Directors.

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

Rule No.	Subject	Criteria	Compliance Status	Details
9.9	Alternate Director	Alternate Director	Compliant	No Alternate Directors were appointed to the Board throughout the reporting period. The Company has set out Special Resolutions in the Notice of Meeting to change the Articles of Association of the Company to align with the Listing Rule requirement.
9.10.4.(a) and 9.10.4(b)	Disclosure relating to Directors	Company shall publish a brief resume in the Annual Report including expertise in relevant functional areas of each Director	Compliant	Please refer the Profile of the Directors on pages 09 to 11
9.10.4.(c)	Disclosure relating to Directors	Whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity	Compliant	As at the conclusion of the last AGM and throughout the financial year, none of the Directors or Close Family Members have had any material business relationship with other directors of the Company.
9.10.4.(d) /9.10.4.(e)/ 9.10.4.(f)/ 9.10.4.(g) and 9.10.4.(h)	Disclosure relating to Directors	Disclosure relating to Directors	Compliant	Please refer to pages 20 and 29 to 31 of the Annual Report of the Board of Directors.
9.11	Nomination and Governance Committee	Nomination and Governance Committee	Compliant	Please refer to page 22 of the Annual Report of the Board of Directors. Considering the effective date of 01st October 2024, the Company is in the process of establishing Board Sub-committees.
9.12	Remuneration Committee	Remuneration Committee	Compliant	Please refer to page 21 of the Annual Report of the Board of Directors.

Rule No.	Subject	Criteria	Compliance Status	Details
9.13	Audit Committee	Audit Committee	Compliant	Please refer to page 21 of the Annual Report of the Board of Directors. Considering the effective date of 01st October 2024, the Company is in the process of establishing Board Sub-committees.
9.14	Related Party Transaction Review Committee	Related Party Transaction Review Committee	Compliant	Please refer to pages 37 to 38 of the Annual Report of the Board of Directors. Considering the effective date of 01st October 2024, the Company is in the process of establishing Board Sub-committees.
9.16.(i)	Additional Disclosures	Board of Directors should declare all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested	Compliant	Directors declared at a board meeting that they have no material interests in contracts with the Company and there were no matters in which they were materially interested.
9.16.(ii)	Additional Disclosures	Board of Directors should conduct a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith	Compliant	The Board, having reviewed the system of internal controls covering financial, operational and compliance controls and risk management, is satisfied with the Company's adherence to and effectiveness of these controls for the period up to the date of signing the Financial Statements.

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

Rule No.	Subject	Criteria	Compliance Status	Details
9.16(iii)	Additional Disclosures	A declaration by the Board of Directors that they made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.	Compliant	The Board of Directors have declared that the Company and the Board of Directors have complied with applicable laws, rules and regulations and also are aware of changes particularly to the Listing Rules of the Colombo Stock Exchange including the new rules on Corporate Governance initially issued in October 2023 and all other applicable capital market provisions.
9.16(iv)	Additional Disclosures	A disclosure by the Board of Directors of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	Compliant	The Board of Directors have no disclosures to be made of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Company has operations.

Disclosures relating to the Directors as per Section 9.10.4 (e) of the Listing Rules of the Colombo Stock Exchange

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.

Name of the Director	Name of the Company, functioning Capacity, Listed/Unlisted
<p>Mr. D. A. Cabraal (Total No. of Directorships - 18) (Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. D.A.Cabraal is a Key Management Personnel but not a Director - 04)</p>	<p>Carson Cumberbatch PLC Group of companies; He is an Independent Non-Executive Director and Key Management Personnel in the mentioned Listed Companies -Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC.</p> <p>Other companies; He is an Independent Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - John Keells Holdings PLC and Sunshine Holdings PLC.</p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Companies - CIC Poultry Farms (Pvt) Ltd, CIC Bio Security Breeder Farms (Pvt) Ltd, CIC Feeds (Pvt) Ltd, CIC Vetcare (Pvt) Ltd, Sunshine Consumer Lanka Ltd, Sunshine Healthcare Lanka Ltd, Sunshine Foundation for Good , Sunshine Tea (Pvt) Ltd, Healthguard Pharmacy Ltd, Lina Manufacturing (Pvt) Ltd, Lina Spiro (Pvt) Ltd, Moose Clothing Colombo (Pvt) Ltd, Asiavet Lifesence (Private) Ltd and Silvermill Investment Holdings (Pvt) Ltd.</p>
<p>Mr. H. Selvanathan (Total No. of Directorships - 26) (Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. H. Selvanathan is a Key Management Personnel but not a Director - 07)</p>	<p>Carson Cumberbatch PLC Group of companies; He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Carson Cumberbatch PLC, Bukit Darah PLC, Ceylon Beverage Holdings PLC, Lion Brewery (Ceylon) PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies - Ceylon Guardian Investment Trust PLC and Pegasus Hotels of Ceylon PLC.</p> <p>He is a Director and/or Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group.</p> <p>Other companies; He is a Director and Key Management Personnel in the mentioned Unlisted Companies - Riverside Resorts (Private) Limited, Hambros Investments (Pvt) Ltd, Interkrish Investment Co. (Pvt) Ltd, Ceylon Securities and Investments (Pvt) Ltd, Eskaycee Travels Limited, Krish Investment Co. (Pvt) Ltd, Korea Lanka Garments (Pvt) Ltd, S. Kanapathy Chetty (Pvt) Ltd, Sri Krishna Corporation (Pvt) Ltd, Skan Investments (Pvt) Ltd, Tower Investments (Pvt) Ltd, Bukit Investments (Pvt) Ltd, Fulcrum (Pvt) Limited, Goodhope Holdings (Pvt) Ltd, Goodhope Investments (Pvt) Ltd and Boutique Resorts (Pvt) Ltd.</p>

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

Name of the Director	Name of the Company, functioning Capacity, Listed/Unlisted
<p>Mr. M. Selvanathan (Total No. of Directorships - 22)</p> <p>(Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. M. Selvanathan is a Key Management Personnel but not a Director - 08)</p>	<p>Carson Cumberbatch PLC Group of companies; He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Carson Cumberbatch PLC, Bukit Darah PLC, Ceylon Beverage Holdings PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies - Ceylon Guardian Investment Trust PLC and Pegasus Hotels of Ceylon PLC.</p> <p>He is a Director and/or Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group.</p> <p>Other companies; He is a Director and Key Management Personnel in the mentioned Unlisted Companies - Hambros Investments (Pvt) Ltd, Interkrish Investment Co. (Pvt) Ltd, Ceylon Securities and Investments (Pvt) Ltd, Eskaycee Travels Limited, Krish Investment Co. (Pvt) Ltd, Korea Lanka Garments (Pvt) Ltd, S. Kanapathy Chetty (Pvt) Ltd, Sri Krishna Corporation (Pvt) Ltd, Skan Investments (Pvt) Ltd, Tower Investments (Pvt) Ltd, Bukit Investments (Pvt) Ltd, Fulcrum (Pvt) Limited and Goodhope Holdings (Pvt) Ltd.</p>
<p>Mr. D.C.R. Gunawardena (Total No. of Directorships - 11)</p> <p>(Total No. of Companies within the Carson Cumberbatch PLC Group where</p> <p>Mr. D.C.R. Gunawardena is a Key Management Personnel but not a Director - 04)</p>	<p>Carson Cumberbatch PLC Group of companies; He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Ceylon Beverage Holdings PLC, Bukit Darah PLC, Carson Cumberbatch PLC and Lion Brewery (Ceylon) PLC.</p> <p>He is a Director and Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group.</p> <p>Other companies; He is a Director and Key Management Personnel on the mentioned Unlisted Companies - Carino (Pvt) Ltd and Noorani Estates Limited.</p>
<p>Mr. R. H. Meewakkala (Total No. of Directorships - 06)</p>	<p>Carson Cumberbatch PLC Group of companies; He is an Executive Director and Key Management Personnel in the mentioned Listed Companies - Lion Brewery (Ceylon) PLC and Ceylon Beverage Holdings PLC.</p> <p>He is a Director and Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group.</p>

Name of the Director	Name of the Company, functioning Capacity, Listed/Unlisted
<p>Mrs. S. J. F. Evans (Total No. of Directorships - 03)</p> <p>(Total No. of Companies within the Carson Cumberbatch PLC Group where Mrs. S. J. F. Evans is a Key Management Personnel but not a Director - 04)</p>	<p>Carson Cumberbatch PLC Group of companies; She is an Independent Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Lion Brewery (Ceylon) PLC and Ceylon Beverage Holdings PLC.</p> <p>Other companies; She is a Director and Key Management Personnel on the mentioned Unlisted Company - Kum Kum & Company (Pvt) Ltd.</p>
<p>Mr. S. Clini (Total No. of Directorships - 02)</p> <p>(Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. S. Clini is a Key Management Personnel but not a Director - 04)</p>	<p>Carson Cumberbatch PLC Group of companies; He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Lion Brewery (Ceylon) PLC and Ceylon Beverage Holdings PLC.</p>

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

EQUITABLE TREATMENT TO SHAREHOLDERS

The Company ensures that the rights of all shareholders are preserved and has established procedures to ensure the fair and equitable treatment of all shareholders, also, an array of measures is also in place to ensure that shareholder views are identified and fully considered.

Shareholders' concerns are brought to the attention of the Board of Directors through the Company Secretaries who serve as a point of contact for all shareholders.

DIVIDEND

1. First Interim Dividend of Rs.28/84 per ordinary share for the financial year ended 31st March 2024 was announced on 13th June 2023. Shareholders of the Company who had provided accurate bank account details were paid on 04th July 2023 and to the Shareholders who have not provided accurate bank account details or have not provided any bank account details, the dividend were paid on 14th July 2023 via cheques.
2. Second Interim Dividend of Rs.52/40 per ordinary share for the financial year ended 31st March 2024 was announced on 06th December 2023. Shareholders of the Company who had provided accurate bank account details were paid on 22nd December 2023 and to the Shareholders who have not provided accurate bank account details or have not provided any bank account details, the dividends were paid on 08th January 2024 via cheques.
3. First Interim Dividend of Rs. 21/15 per ordinary share for the year ending 31st March 2025 was announced on 03rd June 2024 and will be paid on 19th June 2024 to the Shareholders of the Company who had provided accurate bank account details and to the Shareholders who had not provided accurate bank account details or had not provided any bank account details, the dividends will be paid on 03rd July 2024 via cheques.

SOLVENCY TEST

At the time of approving the above distributions, 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 said distributions.

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

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2024 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

Further, to the Note 40 Events Occurring After the reporting date, no circumstances have arisen which would require adjustments to or disclosure in the Financial Statements.

SHARE INFORMATION

Information relating to share trading are given on pages 127 to 128 of this Report.

Name of Shareholders	31 March 2024		31 March 2023	
	No. of shares	%	No. of shares	%
1 CARSON CUMBERBATCH PLC A/C NO. 02	15,726,912	74.93	15,726,912	74.93
1 CARSON CUMBERBATCH PLC A/C NO. 01	144,423	0.69	144,423	0.69
2 GF CAPITAL GLOBAL LIMITED	2,096,858	9.99	2,096,858	9.99
3 CARLSBERG A/S	1,676,440	7.99	1,676,440	7.99
4 SERENDIP INVESTMENTS LIMITED	644,000	3.07	644,000	3.07
5 DEUTSCHE BANK AG SINGAPORE A/C 2 (DCS CLT ACC FOR DEUTSCHE BANK AG SINGAPORE - PVMWM CLIENT)	128,833	0.61	130,000	0.62
6 TRANZ DOMINION,L.L.C.	82,020	0.39	75,748	0.36
7 MRS. J.K.P. SINGH	31,485	0.15	31,485	0.15
8 GUINNESS MORISON INTERNATIONAL LIMITED	20,953	0.10	20,953	0.10
9 SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	13,650	0.07	13,650	0.07
MRS. P.D. RATNAGOPAL	212	0.00	212	0.00
10 MISS A. RADHAKRISHNAN	12,239	0.06	12,239	0.06
11 MISS M.P. RADHAKRISHNAN	10,257	0.05	10,257	0.05
12 MR. N.J. GAMADIA	8,786	0.04	8,786	0.04
13 MR. L.R.Y. WAIDYARATNE	8,499	0.04	5,489	0.03
14 MR. R. MAHESWARAN (DECD)	8,134	0.04	8,134	0.04
15 ADMIN OF A.C. ABDEEN (DECD)	7,725	0.04	7,725	0.04
16 MRS. M.C. ABEYSEKERA	7,622	0.04	7,622	0.04
17 MRS. C.S. THENABADU	7,370	0.04	7,370	0.04
18 MRS. M.L. PAIVA	6,006	0.03	6,006	0.03
19 MR. N.J.H.M. COORAY	6,000	0.03	6,000	0.03
20 EST.OF LAT S. MAHADEVA	5,660	0.03	5,660	0.03

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

AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY

The Board of Directors have proposed that the Articles 4(1), 16(2), 17, 47(2), 47(4), 59, 74, 82, 88(1), 92 and 102, and the requisite Special Resolutions to give effect to the above is set out in the Notice Convening the Annual General Meeting on pages 131 to 136 of the Annual Report.

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 10th June 2024. 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 113th Annual General Meeting of the Company will be held on Monday, 08th July 2024 at 10.30 a.m. at the Auditorium of The Institute of Chartered Accountants of Sri Lanka (Ground Floor), 30A, Malalasekara Mawatha, Colombo 07, Sri Lanka.

The Notice of the Annual General Meeting, setting out the business, which will be transacted thereat is on pages 131 to 136 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)

M. Selvanathan
Director

(Sgd.)

R. H. Meewakkala
CEO/Director

(Sgd.)

K. D. De Silva (Mrs)
Director

Carsons Management Services (Private) Limited
Secretaries

Colombo
10th June 2024

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.

The Members of the Audit Committee are as follows:

1. MR.A.S. AMARATUNGA (CHAIRMAN)

A Non-Executive, Independent Director of CCPLC, is also a Non-Executive, Independent Director of Hemas Holdings PLC, Chairman of Hemas Holdings PLC-Audit Committee, Member of MAS Holdings Audit Committee and a Commissioner of PT Agro Indomas, Indonesia, a subsidiary of CCPLC.

2. MR.D.C.R. GUNAWARDENA

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

3. MR.Y.H. ONG

A Non-Executive, Independent Director of CCPLC. He is also an Independent Non-Executive Director, Chairman of the Audit Committee and Member of the Nominating Committee of Singapore Power Ltd. and Capitaland Group Pte Ltd. He has served as an Independent Director of United Overseas Bank Ltd., Singapore. Mr.Ong had also served at Ernst & Young, Singapore for 30 years and was involved in audit and financial advisory work.

MEETINGS OF THE AUDIT COMMITTEE

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

CCPLC-Audit Committee held ten (10) Meetings during the financial year to discuss matters relating to the Company.

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

Audit Committee Members	Meetings (physical & virtual) attended (out of 10)
Mr.A.S. Amaratunga (Chairman)	10/10
Mr.D.C.R. Gunawardena	10/10
Mr.Y.H. Ong	10/10

The Chief Executive Officer-Beverage Sector, Head of Finance/ Chief Financial Officer of the Company, internal auditors and senior management staff members also attended the Audit Committee Meetings by invitation.

The Audit Committee met the External Auditors, Messrs. KPMG, twice during the year to discuss the audit plan, scope and outcomes from the review, including Key Audit Matters and to deliberate the draft Financial Report and Accounts at the completion stage of the audit. Committee also provides the opportunity to the External Auditors to provide matters of importance via a private audience.

Minutes/extracts of the Minutes of Audit Committee Meetings are circulated to the Board of Directors. The Chairman-Audit Committee also issues a written update for circulation to the Board, as relevant, indicating the important matters discussed and decisions taken in respect of the Company, following the Audit Committee Meetings.

PURPOSE OF THE AUDIT COMMITTEE

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. Also, to select the Company's External Auditors and implement a direct reporting relationship with them and ensuring their independence.

An Audit Committee Charter is in place.

FINANCIAL STATEMENTS

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

AUDIT COMMITTEE REPORT

The financial statements, audit opinion and external audit matters of Ceylon Beverage Holdings PLC for the year ended 31st March 2024 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 management 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.

INTERNAL AUDIT

The objectives of the Group Internal Audit work is to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-a-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 Audit Committee approved the audit plan for the financial year 2023/2024 and the Group Internal Audit carried out relevant reviews 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.

RISK MANAGEMENT

The Committee reviews the Risk Management Reports, Dash board/Risk Register and the activities of the risk management function, especially the processes adopted with management to identify, assess and mitigate risks through appropriate and timely action.

EXTERNAL AUDIT

The External Auditors' Letter of Engagement was reviewed and discussed by the Committee with them and management prior to the commencement of the

audit and the Committee followed up on all matters raised by the External Auditors after the final review.

The Members of the Audit Committee have determined that the independence of Messrs.KPMG, Chartered Accountants has not been impaired by any event or service that gives rise to a conflict of interest. The Committee also reviewed the arrangements made by the Auditors to maintain their independence and written confirmation has been received from the Auditors of their compliance, with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

Messrs.KPMG have been the External Auditors of the Company since 1911 and the Audit Engagement Partner for the financial year ended 31st March 2024 is Mr.Suren Rajakarier, who was appointed in 2019 following the rotation of the previous partner.

The Committee reviews the Non-audit services obtained from Messrs. KPMG and the fees paid to them for such services, at quarterly Audit Committee Meetings.

The Members of the Audit Committee have 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 2025, subject to the approval of the shareholders of Ceylon Beverage Holdings PLC at the Annual General Meeting.

The Committee is aware of the new Colombo Stock Exchange Listing Rules which were initially released in October 2023 and had several deliberations on same and on its impact to the Company. The Company is in the process of taking necessary steps to ensure compliance with Section 9.13 of the said Rules by 1st October 2024.

(Sgd.)

A.S. Amaratunga
Chairman – Audit Committee
Carson Cumberbatch PLC

10th June 2024

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 :

RPTRC Members	Executive/ Non-Executive/ Independent
Mr.W.M.R.S. Dias (Chairman)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.H. Selvanathan	Non-Executive (CCPLC)*
Mr.M. Selvanathan	Non-Executive (CCPLC)*
Mr.S.K. Shah	Non-Executive (CCPLC)
Mr.R. Theagarajah	Non-Executive, Independent (CCPLC)

**Mr.H. Selvanathan – Non-Executive Director
w.e.f. 6th November 2023*

**Mr.M. Selvanathan – Non-Executive Director
w.e.f. 6th November 2023*

The RPTRC is compliant with Rule 9.14.2(1) of the Listing Rules of the Colombo Stock Exchange.

MEETINGS OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

CCPLC-RPTRC held One (01) Meeting in each calendar quarter and a total of Four (04) RPTRC Meetings were held during the financial year. In addition, the approval of the RPTRC Members

were sought via 21 Circular Resolutions during the financial year.

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

RPTRC Members	Meetings (physical & virtual) attended (out of 4)
Mr.W.M.R.S. Dias (Chairman)	4/4
Mr.D.C.R. Gunawardena	4/4
Mr.H. Selvanathan	4/4
Mr.M. Selvanathan	4/4
Mr.S.K. Shah	3/4
Mr.R. Theagarajah	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 Carsons Group 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.

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

- ▶▶ 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 Carsons Group 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 Carsons Group RPT 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 the KMPs so designated, as relevant.

The Related Party Transactions of the Company for the period 1st April 2023 to 31st March 2024 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.

In accordance with Rule 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange, there were no Non-Recurrent Related Party Transactions where the aggregate value of the Non-Recurrent Related Party Transactions exceeded 10% of the equity or 5% of the total assets, whichever is lower as per the Audited Financial Statements as at 31st March 2024.

Further, as per Rule 9.14.8(2) the details of the Recurrent Related Party Transactions where the aggregate value of the Recurrent Related Party Transactions exceeded 10% of the Gross Revenue/ Income of the Company are disclosed in the Annual Report of the Board of Directors on the Affairs of the Company (Page 19).

The Committee is aware of the new Colombo Stock Exchange Listing Rules which were initially released in October 2023 and had several deliberations on same and on its impact to the Company. The Company is in the process of taking necessary steps to ensure compliance with Section 9.14 of the said Rules with effect from 1st October 2024.

The Company is in compliance with the existing Rules pertaining to RPTs.

(Sgd.)

W.M.R.S. Dias

Chairman – Related Party Transactions Review Committee

Carson Cumberbatch PLC

Colombo
10th June 2024

FINANCIAL CALENDAR

Financial Year	31st March 2024
Announcement of Results	
1st Quarter	30th June 2023
Issued to Colombo Stock Exchange	14th August 2023
2nd Quarter	30th September 2023
Issued to Colombo Stock Exchange	14th November 2023
3rd Quarter	31st December 2023
Issued to Colombo Stock Exchange	14th February 2024
4th Quarter	31st March 2024
Issued to Colombo Stock Exchange	17th May 2024
Meetings	
112th Annual General Meeting	18th July 2023
113th Annual General Meeting	08th July 2024

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
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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 2024, 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 material accounting policies and other explanatory information as set out on pages 46 to 114 of the Annual Report.

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 2024, 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 for professional Accountants 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 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.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Abshakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK)



Revenue Recognition	
Refer Note 4.1 for accounting policy and Note 30 for information.	
Risk Description	Our response
<p>The Company recorded revenue of Rs. 2.2 Bn for year ended 31 March 2024 and the Group recorded revenue of Rs. 111.9 Bn for the year ended 31st March 2024.</p> <p>Whilst revenue recognition and measurement is not complex for the Company, the Group operates in a market which is affected by different customer behavior and the various discounts and locally imposed duties and fees in regard to revenue recognition introduce an inherent risk to the revenue recognition process and determines the respective accounting treatment. This, together with the focus on volumes and revenue as key performance measures resulted in revenue being selected as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▶▶ Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management’s key internal controls in relation to revenue recognition from sales transactions. ▶▶ Testing the operating effectiveness of key IT application controls over revenue, in addition to evaluating the integrity of the general IT control environment with the assistance of IT specialists. ▶▶ Obtaining an understanding and testing design, implementation and operating effectiveness of controls over journal entries and post-closing adjustments on a sample basis. ▶▶ Comparing revenue transactions recorded during the current year, on a sample basis, with invoices, sales contracts, underlying goods delivery and acceptance notes, where appropriate, to assess whether the related revenue was recognised in accordance with the Group’s revenue recognition accounting policies. ▶▶ Agreeing the monthly sales system reports to the general ledger to ensure that the revenue is accounted accurately and completely in the general ledger. ▶▶ On a sample basis, testing that sales have been recognised in the correct accounting period and evaluating whether there are any significant product returns after year end.

INDEPENDENT AUDITOR’S REPORT



Impairment assessment of investments in subsidiaries	
Refer Note 2.5 for Use of Estimates and Judgments, Note 3.10 for accounting policy and Note 13 for information.	
Risk Description	Our response
<p>We identified the impairment assessment of investments in subsidiaries as a key audit matter due to the subjectivity in the assessment of the recoverable amounts which requires estimation and the use of assumptions.</p> <p>Further the assessment involves consideration of future events which are inherently uncertain prevailing uncertain and volatile macro-economic environment, and effect of those differences may significantly impact the resulting accounting estimates.</p> <p>Due to impairment conditions identified, the Company tested its investment in Pubs 'N Places (Pvt) Limited, Luxury Brands (Pvt) Limited using a discounted forecast cash flow model and the related receivables for impairment.</p> <p>This model uses several key assumptions which resulted in this matter being identified as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▶▶ Examining the indications of possible impairment of investments in subsidiary. ▶▶ Evaluating the appropriateness and consistency of underlying assumptions in determining forecasted cash flows, which includes future sales, expenses volume growth rates, terminal growth rates and the cost of equity (discount rate). ▶▶ On a sample basis, testing the accuracy and relevance of the input data to supporting evidence such as approved budgets and considering the reasonableness of these budgets to historical results and subsequent period actuals. ▶▶ Performing sensitivity analysis in consideration of the potential impact of reasonably possible downside changes in these key assumptions. ▶▶ Assessing the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgments.



Carrying value of Brands acquired	
Refer Note 2.5 for Use of Estimates and Judgments, Note 3.8 for accounting policy and Note 11 for information.	
Risk Description	Our response
<p>The Company has recognized an intangible asset relating to Brands acquired with a carrying value of Rs. 0.61 Bn as at the reporting date.</p> <p>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.</p> <p>The recoverable amount of the CGU, which is based on the higher of the value in use or fair value less costs of disposal, has been derived from a discounted forecast cash flow model. This model uses several key assumptions, including estimates of future sales volumes, contribution growth rate, terminal value growth rates and the cost of equity (discount rate).</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▶▶ Evaluating the appropriateness of the impairment testing methodology 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 including the prevailing uncertain and volatile environment within the country including our own assessment based on the knowledge of the Company and the industry. ▶▶ 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.

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.

INDEPENDENT AUDITOR'S REPORT



Responsibilities of Management and Those Charged with Governance for the 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.

Auditor's Responsibilities for the Audit of the 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 relevant ethical requirements 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, actions taken to eliminate threats or safeguards applied.

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.

Chartered Accountants
Colombo, Sri Lanka
10th June 2024

STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	Company		Group	
		2024	2023	2024	2023
In Rs.'000s					
ASSETS					
Non-current assets					
Property, plant & equipment	9	-	-	27,161,069	22,996,451
Investment properties	10	815,200	810,200	815,200	810,200
Intangible assets	11	-	-	768,925	458,843
Right of use assets	12	-	-	223,969	209,947
Deferred tax assets	25	-	-	46,716	26,378
Investments in subsidiaries	13	2,128,583	2,060,084	-	-
Total non-current assets		2,943,783	2,870,284	29,015,879	24,501,819
Current assets					
Inventories	14	-	-	9,123,121	7,451,345
Trade & other receivables	15	31,147	7,614	6,022,460	5,530,902
Amounts due from related companies	16	121,669	175,000	-	-
Current taxation	17	-	-	-	639
Cash and cash equivalents	18	42,877	20,368	12,571,174	11,348,046
Total current assets		195,693	202,982	27,716,755	24,330,932
Total assets		3,139,476	3,073,266	56,732,634	48,832,751
EQUITY AND LIABILITIES					
Equity					
Stated capital	19	533,384	533,384	533,384	533,384
Capital reserves	20	19,924	19,924	1,491,952	1,103,358
Revenue reserves	22	1,742,907	1,352,682	12,591,143	10,345,024
Translation reserve	21	-	-	(3,660)	-
Equity attributable to equity holders of the company		2,296,215	1,905,990	14,612,819	11,981,766
Non controlling interest	13.5	-	-	13,178,793	11,090,491
Total equity		2,296,215	1,905,990	27,791,612	23,072,257

As at 31st March	Notes	Company		Group	
		2024	2023	2024	2023
In Rs.'000s					
Non current liabilities					
Loans and borrowings	23	-	-	1,373,569	1,924,442
Lease liabilities	12	-	-	233,800	216,501
Employee benefits	24	-	-	293,935	257,730
Deferred tax liabilities	25	145,182	143,682	6,581,796	5,687,986
Total non- current liabilities		145,182	143,682	8,483,100	8,086,659
Current liabilities					
Trade and other payables	26	36,383	27,968	4,567,905	4,829,899
Amounts due to related companies	27	438,811	372,791	123,606	76,041
Refundable deposits	28	-	-	2,996,694	2,742,490
Current tax liabilities	29	30,930	75,051	6,918,504	2,855,295
Loans and borrowings	23	-	400,000	3,219,699	5,080,158
Lease liabilities	12	-	-	44,166	45,054
Bank overdraft	18	191,955	147,784	2,587,348	2,044,898
Total current liabilities		698,079	1,023,594	20,457,922	17,673,835
Total liabilities		843,261	1,167,276	28,941,022	25,760,494
Total equity and liabilities		3,139,476	3,073,266	56,732,634	48,832,751
Net assets per ordinary share (Rs.)		109.41	90.81	696.25	570.89

The notes to the Financial Statements from pages 54 to 114 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.)

J.N. Goonaratne
Chief Financial Officer

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

Approved and signed on behalf of the Managers

Approved and signed on behalf of the Board

(Sgd.)

V. R. Wijesinghe
Director

(Sgd.)

M.Selvanathan
Director

(Sgd.)

R.H.Meewakkala
Director

Carsons Management Services (Private) Limited
10th June 2024
Colombo

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Notes	Company		Group	
		2024	2023	2024	2023
In Rs.'000s					
Revenue	30	2,291,762	1,491,410	111,930,270	96,938,522
Cost of sales		-	-	(84,863,456)	(73,755,671)
Gross profit		2,291,762	1,491,410	27,066,814	23,182,851
Other income	31	-	-	530,383	304,414
Net gains arising from changes in fair value of investment properties	10	5,000	163,100	5,000	163,100
		2,296,762	1,654,510	27,602,197	23,650,365
Distribution expenses		-	-	(7,513,637)	(6,017,299)
Administrative expenses		(34,637)	(34,363)	(4,159,701)	(3,099,889)
Other expenses		-	-	(562,631)	(715,125)
Reversal / (provision) - impairment of intercompany receivable		44,403	(44,403)	-	-
Impairment of investments in subsidiaries	13	(66,450)	(175,000)	-	-
Reversal / (provision) - impairment of intangible assets	11	-	-	291,063	(353,229)
Profit before finance cost		2,240,078	1,400,744	15,657,291	13,464,823
Finance income	33	33,173	39,833	1,152,128	1,411,521
Finance costs	33	(115,050)	(97,124)	(2,786,126)	(3,615,441)
Net finance income / (costs)		(81,877)	(57,291)	(1,633,998)	(2,203,920)
Profit before taxation		2,158,201	1,343,453	14,023,293	11,260,903
Income tax expenses	34	(61,553)	(228,781)	(5,654,767)	(4,091,422)
Deferred taxation	34	(1,500)	(112,098)	(392,917)	(423,377)
Profit after taxation		2,095,148	1,002,574	7,975,609	6,746,104

For the year ended 31st March In Rs.'000s	Notes	Company		Group	
		2024	2023	2024	2023
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Re-measurement of employee benefit obligation	24	-	-	(38,146)	(50,899)
Deferred tax on actuarial loss	34	-	-	15,258	20,360
Revaluation gain on land & buildings	9	-	-	1,239,533	-
Deferred tax charge on land and building revaluation	34	-	-	(495,813)	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation loss from foreign operation		-	-	(7,005)	-
Total other comprehensive income for the year net of tax		-	-	713,827	(30,539)
Total comprehensive income for the year		2,095,148	1,002,574	8,689,436	6,715,565
Profit/(loss) attributable to					
- Equity holders of the company		2,095,148	1,002,574	3,962,948	3,407,614
- Non controlling interest		-	-	4,012,661	3,338,490
Profit available for appropriation		2,095,148	1,002,574	7,975,609	6,746,104
Total comprehensive income attributable to					
- Equity holders of the company		2,095,148	1,002,574	4,335,923	3,391,657
- Non controlling interest		-	-	4,353,513	3,323,908
Profit available for appropriation		2,095,148	1,002,574	8,689,436	6,715,565
Earnings per Ordinary Share (Rs.)	35	99.83	47.77	188.82	162.36

The notes to the Financial Statements from Pages 54 to 114 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						Non-controlling interest	Total equity
	Stated capital	Revaluation reserve	General reserve	Revenue reserves fair value	Translation reserve	Revenue retained earnings		
In Rs.: '000s								
COMPANY								
Balance as at 1st April 2022	533,384	-	19,924	601,227	-	891,338	-	2,045,873
Surcharge tax	-	-	-	-	-	(35,754)	-	(35,754)
Adjusted Balance as at 1st April 2022	533,384	-	19,924	601,227	-	855,584	-	2,010,119
Transfers	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	51,002	-	951,572	-	1,002,574
Profit for the period	-	-	-	51,002	-	951,572	-	1,002,574
Total comprehensive income for the period	-	-	-	51,002	-	951,572	-	1,002,574
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Forfeiture of unclaimed dividends	-	-	-	-	-	419	-	419
Dividends	-	-	-	-	-	(1,107,122)	-	(1,107,122)
Balance as at 31st March 2023	533,384	-	19,924	652,229	-	700,453	-	1,905,990
Balance as at 1st April 2023	533,384	-	19,924	652,229	-	700,453	-	1,905,990
Total comprehensive income	-	-	-	3,500	-	2,091,648	-	2,095,148
Profit for the period	-	-	-	3,500	-	2,091,648	-	2,095,148
Total comprehensive income for the period	-	-	-	3,500	-	2,091,648	-	2,095,148
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Forfeiture of unclaimed dividends	-	-	-	-	-	150	-	150
Dividends	-	-	-	-	-	(1,705,073)	-	(1,705,073)
Balance as at 31st March 2024	533,384	-	19,924	655,729	-	1,087,178	-	2,296,215

The notes to the Financial Statements from pages 54 to 114 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

	Attributable to equity holders of the parent					Non-controlling interest	Total equity		
	Stated capital	Revaluation reserve	General capital reserve	Revenue reserves fair value	Translation Reserve			Revenue reserves retained earnings	Total
GROUP									
Balance as at 1st April 2022	533,384	1,083,434	19,924	601,227	-	8,119,481	10,357,450	9,515,171	19,872,621
Surcharge tax	-	-	-	-	-	(660,638)	(660,638)	(670,118)	(1,230,756)
Adjusted Balance as at 1st April 2022	533,384	1,083,434	19,924	601,227	-	7,458,843	9,696,812	8,945,053	18,641,865
Transfers	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	51,002	-	3,356,612	3,407,614	3,338,490	6,746,104
Other comprehensive income/ (loss) for the period	-	-	-	-	-	(15,957)	(15,957)	(14,582)	(30,539)
Total comprehensive income for the period	-	-	-	51,002	-	3,340,655	3,391,657	3,323,908	6,715,565
Transactions with owners, recorded directly in equity contribution by and distribution to owners									
Forfeiture of unclaimed dividends	-	-	-	-	-	419	419	-	419
Dividends	-	-	-	-	-	(1,107,122)	(1,107,122)	(1,178,470)	(2,285,592)
Balance as at 31st March 2023	533,384	1,083,434	19,924	652,229	-	9,692,795	11,981,766	11,090,491	23,072,257
Balance as at 1st April 2023	533,384	1,083,434	19,924	652,229	-	9,692,795	11,981,766	11,090,491	23,072,257
Profit for the period	-	-	-	3,500	-	3,959,448	3,962,948	4,012,661	7,975,609
Other comprehensive income/ (loss) for the period	-	-	-	-	-	(7,005)	(7,005)	344,197	713,827
Transfers	-	388,594	-	-	3,345	3,345	3,345	(3,345)	-
Total comprehensive income for the period	-	388,594	-	3,500	(3,660)	3,947,489	4,335,923	4,353,513	8,689,436
Transactions with owners, recorded directly in equity contribution by and distribution to owners									
Forfeiture of unclaimed dividends	-	-	-	-	-	203	203	49	252
Dividends	-	-	-	-	-	(1,705,073)	(1,705,073)	(2,265,260)	(3,970,333)
Balance as at 31st March 2024	533,384	1,472,028	19,924	655,729	(3,660)	11,935,414	14,612,819	13,178,793	27,791,612

The notes to the Financial Statements from pages 54 to 114 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

For the year ended 31st March In Rs.'000s	Notes	Company		Group	
		2024	2023	2024	2023
Cash flows from operating activities					
Profit before taxation		2,158,201	1,343,453	14,023,293	11,260,903
Adjustments for:					
Finance costs	33	115,050	97,124	2,600,191	3,606,900
Depreciation of right of use assets	12	-	-	63,516	65,766
Gain on de-recognition of right of use assets		-	-	(14,330)	(1,839)
Depreciation on property, plant & equipment	9	-	-	2,359,441	1,796,689
Amortisation of intangible assets	11	-	-	13,463	12,101
Net Inventory provisions/(reversal)	14.1	-	-	(50,310)	49,011
Provision for employee benefit obligations	24	-	-	71,786	41,659
Impairment of property plant & equipment	9	-	-	84,888	38,460
Provision / (reversal) - impairment of Intangible assets	11	-	-	(291,063)	353,229
Impairment of doubtful debtors	15.1	-	-	1,976	9,930
Provision / (reversal) - impairment of receivable from intercompany	16.1	(44,403)	44,403	-	-
Impairment of Investments	13	66,450	175,000	-	-
Finance income	33	(33,173)	(39,833)	(1,152,128)	(1,411,521)
Net gain arising from changes in fair value of investment properties	10	(5,000)	(163,100)	(5,000)	(163,100)
Loss/(gain) on disposal of property, plant & equipment		-	-	(168,417)	36,372
Loss on disposal of intangible asset		-	-	8,740	5,600
Lease interest expense	12.1	-	-	45,105	43,670
Unrealised foreign exchange gain		-	-	(7,694)	(459,624)
Operating cash flow before working capital changes		2,257,125	1,457,047	17,583,457	15,284,206
Increase in inventories	14	-	-	(1,621,465)	(2,963,245)
(Increase)/decrease in trade & other receivables		(23,533)	(7,043)	(480,105)	(3,201,632)
(Increase)/decrease in amounts due from related companies		(4,043)	(45,479)	-	-
Increase/(decrease) in amounts due to related companies	27	(737)	(27,887)	47,565	(79,716)
Increase/(decrease) tax payables		1,726	1,405	3,087,004	(363,065)
Increase/(decrease) in trade & other payables	26	(953)	1,087	(266,623)	1,478,820

For the year ended 31st March In Rs.'000s	Notes	Company		Group	
		2024	2023	2024	2023
Cash generated from operations		2,229,585	1,379,130	18,349,833	10,155,368
Finance expenses paid		(48,293)	(34,187)	(2,769,859)	(3,462,910)
Tax paid		(107,399)	(193,026)	(4,308,380)	(4,037,060)
Surcharge tax paid		-	(35,754)	-	(1,230,756)
Retirement benefits paid	24	-	-	(73,727)	(17,824)
Net cash generated from operating activities		2,073,893	1,116,163	11,197,867	1,406,818
Cash Flows from Investing Activities					
Purchase and construction of property, plant & equipment	9	-	-	(5,398,293)	(4,295,928)
Purchase of intangible assets	11	-	-	(41,222)	(7,815)
Agent deposits received	28	-	-	451,251	441,309
Interest received		-	-	1,152,128	1,411,521
Investment in subsidiaries	13	-	(400,000)	-	-
Net cash used in investing activities		-	(400,000)	(3,836,136)	(2,450,913)
Cash Flows from Financing Activities					
Proceeds from loans & borrowings	23.1	-	400,000	1,900,000	2,400,000
Repayment of loans & borrowings	23.1	(400,000)	-	(4,141,667)	(1,187,400)
Repayment Lease rental	12.1	-	-	(91,901)	(102,316)
Forfeiture of unclaimed dividends		150	419	252	419
Dividends paid net of tax		(1,695,705)	(1,100,766)	(4,326,807)	(2,278,002)
Net cash generated from/(used in) financing activities		(2,095,555)	(700,347)	(6,660,123)	(1,167,299)
Net increase/(decrease) in cash & cash equivalents		(21,662)	15,816	701,608	(2,211,394)
Cash & cash equivalents at the beginning of the year		(127,416)	(143,232)	9,303,148	11,137,550
Effect of movements in exchange rate on translation reserve		-	-	(7,005)	-
Effect of exchange rate changes on cash and cash equivalents		-	-	(13,925)	376,992
Cash & cash equivalents at the end of the year	18	(149,078)	(127,416)	9,983,826	9,303,148
Analysis of cash and cash equivalents					
Cash and cash equivalents	18	42,877	20,368	12,571,174	11,348,046
Bank overdraft	18	(191,955)	(147,784)	(2,587,348)	(2,044,898)
		(149,078)	(127,416)	9,983,826	9,303,148

The notes to the Financial Statements from pages 54 to 114 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 2024 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%	
Lion Beer (Ceylon) Pte Ltd, SG.	52.25%	Wholly owned subsidiary of LBCPLC
Millers Brewery Limited	52.25%	Wholly owned subsidiary of LBCPLC
Pubs 'N Places (Private) Limited	99.9%	
Retail Spaces (Private) Limited	100%	
Luxury Brands (Private) Limited	100%	

The principal activities of the Group are brewing and marketing of high-quality beers for both local and export markets and retailing of beer and alcohol products through its owned/managed wine shops and pubs. Additionally, the Group is engaged

in the import and marketing of globally renowned high quality beer and spirits brands.

The Group had 352 (2023 – 348) employees at the end of the financial year. The Company had no employees as at the reporting date (2023 – Nil).

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of Ceylon Beverage Holdings PLC, (Company) and the consolidated Financial Statements of the Company and its subsidiaries (Group), comprise the Statements of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows 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 LKAS/ SLFRS) 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.

The Financial Statements were authorised for issue by the Board of Directors on 10th June 2024.

2.2 Basis of Measurement

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

- » Land and Building - Fair Value
- » Investment Properties - Fair Value
- » Employee defined benefit - Actuarially valued and obligation recognised at present value of the defined benefit obligation.

2.3 Going Concern

In preparing the Financial Statements for the year ended 31 March 2024, the management has assessed the possible effects of the prevailing macroeconomic conditions, on the businesses of the Company and its subsidiaries, to determine their ability to continue as a going concern.

Based on currently available information, the management is satisfied that having taken into consideration factors that could impact the revenue, supply chain, cash flows, accessibility to funds & costs, the Company and its subsidiaries would continue as a going concern. Consequent to giving due consideration to the presentations by management, the Directors are satisfied that the Company & its subsidiaries have adequate resources to continue as a going concern for the foreseeable future.

The Company had positive net assets, 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.

2.4 Functional Currency and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency.

All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand rupees.

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 09 – Revaluation of land & building
- » Note 10 – Investment properties
- » Note 11 – Impairment test on Intangible Assets
- » Note 15 – Provision for impairment of debtors
- » Note 24 – Employee benefit obligations
- » Note 25 – Net deferred tax liabilities
- » Note 39 – Commitments and contingencies

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS

2.7 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:

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

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).

Level 3 : Inputs for the asset or liability that is 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 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in these Consolidated Financial Statements and have been applied consistently by Group entities, unless otherwise indicated.

3.1 Changes in Material Accounting Policies

Amendments to LKAS 1 and SLFRS Practice Statement 2 - Disclosure of accounting policies

The group has adopted Amendments to LKAS 1 with effect from 01st January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

In certain instances, the amendments had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in these financial statements.

Amendments to LKAS 12 - Deferred tax related to assets and liabilities arising from a Single Transaction

The group has adopted to Amendments to LKAS 1 with effect from 01st January 2023. The amendments to LKAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated Financial Statements.

3.2 Basis of Consolidation

(I) Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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 measures goodwill at the acquisition date as:

- ▶▶ the fair value of the consideration transferred; plus
- ▶▶ the recognised amount of any non-controlling interests in the acquiree; plus
- ▶▶ if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- ▶▶ the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

(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 Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

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 the Company has held the following subsidiaries:

Subsidiary	Controlling Interest	Principal activities
Lion Brewery (Ceylon) PLC	52.25%	Beverage
Lion Beer (Ceylon) Pte Ltd, SG.	52.25%	Beverage
Pubs 'N Places (Private) Limited	99.9%	Beverage
Retail Spaces (Private) Limited	100%	Beverage
Luxury Brands (Private) Limited	100%	Beverage
Millers Brewery Limited	52.25%	Beverage

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

NOTES TO THE FINANCIAL STATEMENTS

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 de-recognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the 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 Group. Non-controlling Interest in the Profit or Loss of the Group is disclosed separately in the Consolidated Statement of Profit or Loss and other Comprehensive Income.

(V) *Financial Period*

The Group 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.

3.2.1 Merger accounting for common control combination

The Group adopted the Statement of Recommended Practice (SoRP) for Merger Accounting for Common Control Combinations approved by the Council of the Institute of Chartered Accountants of Sri Lanka on 19th December 2012, applicable for annual periods beginning on or after 01st April 2012. The

SoRP is applicable for Consolidated Financial Statements. Due to the absence of clear guidance of accounting for amalgamation in the separate Financial Statements, the Group adopted the SoRP for Merger Accounting for Common Control Combinations.

3.2.2 Consolidated Financial Statements/ separate Financial Statements

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity or business should be recorded at the book values as stated in the Financial Statements of the controlling party. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party or parties interests; and Comparative amounts in the Financial Statements are presented using the principles as set out above as if the entities or businesses had been combined at the previous balance sheet date unless the combining entities or businesses first came under common control at a later date.

The Consolidated Income Statement includes the results of each of the combining entities or businesses from the earliest date presented (i.e. including the comparative period) or since the date when the combining entities or businesses first came under the control of the controlling party or parties, where this is a shorter period, regardless of the date of the common control combination. The Consolidated Income Statement also takes into account the profit or loss attributable to the minority interest recorded in the Consolidated Financial Statements of the controlling party. Expenditure incurred in relation to a common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred. Consolidation is performed in accordance with LKAS 27.

The principal consolidation entries are as follows: (a) the effects of all transactions between the combining entities or businesses, whether occurring before or after the common control combination, are eliminated; and (b) since the combined entity will present one set of Consolidated Financial Statements, a uniform set of accounting policies is adopted which may result in adjustments to the assets, liabilities and equity of the combining entities or businesses.

3.3.1 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 Group'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 and 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.

3.3.2 Foreign operations

The assets and liabilities of foreign operations are translated to Sri Lanka Rupees at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Sri Lanka Rupees at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve in equity.

3.4 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.

3.4.1 Financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

- ▶ 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 and 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.

The Group does not have any financial assets classified and measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI).

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 Group'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 de-recognition 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.

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 de-recognition is recognised in profit or loss.
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The Group enters into transactions whereby it transferred assets recognised in its statement of financial position, but retained either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets were not de-recognised.

3.4.2 Financial liabilities Classification, subsequent measurement and gain and losses

Financial liabilities were classified as measured at amortised cost or FVTPL. A financial liability is classified as 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 were measured at fair value and gains and losses, including any interest expense, were recognised in profit or loss. Other financial liabilities were subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses were recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

3.4.3 De-recognition

Financial assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expired, or it transferred 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 were 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.

Financial liabilities

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also de-recognises 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 de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) was recognised in profit or loss.

3.4.4 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.

3.4.5 Impairment

Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

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

NOTES TO THE FINANCIAL STATEMENTS

- ▶ 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.

Credit-impaired financial assets

The Group considers a financial asset to be in default when:

The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to further actions of recovery.

At each reporting date, the Group assesses whether financial assets carried at amortised cost 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;
- ▶ a breach of contract such as a default;
- ▶ it is probable that the debtor will enter bankruptcy or other financial reorganisation

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 the profit or loss.

3.4.6 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 irrevocable 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.

3.4.7 Impairment of non-financial assets

The carrying amounts of the Group'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 asset 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. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's 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.

3.5 Property, plant and equipment

Recognition and Measurement

Property, plant and 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 and 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

An item of Property, Plant and Equipment that qualifies for recognition as an asset is initially measured at its cost.

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.

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

(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 and 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 de-recognised. The cost of the day-to-day servicing of property, plant and equipment are recognised in the Profit or Loss as and when the expense is incurred.

(IV) Revaluation of land and buildings

The freehold land and buildings of the Group 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 reverses 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 statement of Profit or Loss except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS

(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.

	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	-	2-50	9-50	-	-	40
Plant and machinery	-	3-22	-	-	-	20
Furniture and fittings	-	5-10	5	-	5	5
Office equipment	5-10	3-10	5	-	5	5
Computer equipment	-	2-5	3	3	3	3
Returnable containers	-	5	-	-	-	-
Motor vehicles	-	4-5	-	-	-	5
Laboratory equipment	-	4-5	-	-	-	-

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 de-recognised.

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 Costs 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 and returnable containers

Returnable containers are classified under Property, Plant and Equipment. All purchases of returnable containers except empty bottles meant for Exports and specific local brands are 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 or 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 Non - 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.

(VIII) Capital work-in-progress

The cost of self-constructed assets includes the cost of materials, direct labour, and direct overheads including any other costs directly attributable to bring 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 and 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 exceeds 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 de-recognised.

3.6 Investment properties

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale on the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment

properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in Profit or Loss.

Investment properties are de-recognised when either they have been disposed of or when the Investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in Profit or Loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by commencement/ end of owner occupation, commencement of development with a view to sale, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in Profit or Loss.

When the Company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Profit or Loss.

NOTES TO THE FINANCIAL STATEMENTS

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assess whether:

The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has substantive substitution right, then the asset is not identified;

The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

The Group has the right to direct the use of the asset. The Group has the right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for leases of land and buildings in which it is a lease, the Group has elected not to separate non lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low-value Assets

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

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- ▶ fixed payments, including in-substance fixed payments;
- ▶ the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in assessment of whether the Group will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'Right of Use Asset' and lease liabilities in 'Lease Liability' in the statement of financial position.

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

3.8 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. The useful lives of intangible assets are assessed as either finite or indefinite.

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, is recognised in the Profit or Loss as incurred.

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. Amortisation methods useful lives and residual values are reviewed at each financial year. The estimated useful life of a trademark is 20 years.

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 de-recognition of such Intangible Assets is included in the Profit or Loss when the item is de-recognised.

3.9 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.

NOTES TO THE FINANCIAL STATEMENTS

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 and packing materials	Cost of purchase together with any incidental expenses. The cost of the inventories is based on the weighted average principle.
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.

3.10 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 of the Company at cost less accumulated impairment losses, if any.

3.11 Cash and 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.

3.12 Liabilities and Provisions

3.12.1 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.

3.12.2 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.

3.12.3 Provisions

A provision is recognised if, as a result of a past event, the Group 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.

3.13 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.

The contribution to the Employee Provident Fund is recognised as an expense in the Profit or Loss as incurred.

Employees' trust fund

The companies of the Group contribute 3% of the salary of each employee to the Employees' Trust Fund.

The contribution to 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 method (PUC). The net obligation in respect of defined benefit 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, 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gain or losses on the settlement of a defined plan when the settlement occurs

3.14 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 commitments and contingent liabilities of the Group are disclosed in the respective notes to the Financial Statements.

3.15 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 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

4.1 Revenue recognition

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 to 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 and sales taxes.

Royalty

Royalty Income arising from the use of the Company's brands is recognised in the statement of profit or loss based on volume sold.

Dividend

Dividend income is recognised in statement of profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex- dividend date.

Interest

Interest income is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

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.

4.2 Expenditure recognition

(i) Operating expenditure

All expenditure incurred in running of the business and in maintaining the Property, Plant and 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. 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 in finance cost.

(iii) Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred, except those that are directly attributable to the acquisition/construction of Property, Plant and Equipment which are capitalised as a part of the cost of the asset during the period of construction/development.

4.3 Income tax

Income tax comprises of current and deferred tax. Income tax is recognised directly in the Profit or Loss except to the extent that if it relates to items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, contingent Liabilities and Continent Assets.

(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. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No 24 of 2017 and subsequent amendments thereto, including any amendments legislated by Inland Revenue (Amendment) Act No. 45 of 2022, and notices as explained under Note 34.

(ii) Deferred taxation

Deferred tax is provided using the balance sheet 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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. 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. Interim Dividends are recognised when approved by the board of directors

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

5.1 Cash and 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.

For the purpose of statement of cash flow, cash and cash equivalents comprise of cash in hand, cash in bank and deposits held for less than 6 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.

NOTES TO THE FINANCIAL STATEMENTS

7 NEW ACCOUNTING STANDARDS NOT EFFECTIVE AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued the following new and amended Sri Lanka Accounting Standards (SLFRSs/LKASs) which will become applicable from annual periods beginning on or after 1st January 2024. Accordingly, the Group has not early adopted the amended standards in preparing these Financial Statements.

The Group does not expect that the adoption of the below listed Standards will have a material impact on the financial statements of the Group and Company.

- ▶ Amendments to LKAS 1: Classification of liabilities as current or non-current
- ▶ Amendments to LKAS 7 and SLFRS 7: Supplier Finance Arrangements
- ▶ Amendments to LKAS 12: International Tax Reform-Pillar Two Model Rule
- ▶ Amendments to SLFRS 16: Lease Liability in a Sale and Leaseback
- ▶ Amendment to LKAS 21: Lack of Exchangeability
- ▶ General Requirements for Disclosure of Sustainability related Financial Information (SLFRS S1)
- ▶ Climate-related Disclosures (SLFRS S2)

8 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.

9 PROPERTY, PLANT & EQUIPMENT

(a) Company

In Rs.'000s	Freehold land	Freehold buildings	Plant and machinery	Furniture and fittings	Office equipment	Computer equipment	Motor vehicles	Laboratory equipment	Returnable containers	Capital work-in-progress	31st March 2024	31st March 2023
Cost / Valuation												
As at 1st April 2023	-	-	-	-	2,384	-	-	-	-	-	2,384	2,384
As at 31st March 2024	-	-	-	-	2,384	-	-	-	-	-	2,384	2,384
Accumulated Depreciation												
As at 1st April 2023	-	-	-	-	2,384	-	-	-	-	-	2,384	2,384
As at 31st March 2024	-	-	-	-	2,384	-	-	-	-	-	2,384	2,384
Net Book Value												
As at 31st March 2024	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2023	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

9 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

In Rs.'000s	(b) Group	Freehold land	Freehold buildings	Plant and machinery	Furniture and fittings	Office equipment	Computer equipment	Motor vehicles	Laboratory equipment	Returnable containers	Capital work-in-progress	31st	31st
												March 2024	March 2023
Cost / Valuation													
As at 1st April 2023		4,724,053	3,910,775	17,318,498	95,125	122,234	395,881	75,374	93,627	5,692,496	468,158	32,896,221	29,589,036
Additions		482,246	284,263	857,803	11,641	25,472	83,296	-	11,555	2,020,375	1,621,642	5,398,293	4,295,928
Transfers to PPE/Intangible assets		-	106,475	294,175	1,891	5,123	-	-	15,548	-	(423,212)	-	(2,413)
Impairment		-	-	(83,431)	(637)	(250)	(370)	-	-	-	-	(84,888)	(38,460)
Revaluations gain		550,851	688,682	-	-	-	-	-	-	-	-	1,239,533	-
Depreciation adjustment on revaluation		-	(286,471)	-	-	-	-	-	-	-	-	(286,471)	-
Disposals/ Breakages		-	-	-	-	(2,765)	(13,364)	(30,042)	-	(631,125)	(17,350)	(394,646)	(947,870)
As at 31st March 2024		5,757,150	4,703,724	18,387,045	107,820	149,814	465,443	45,332	120,730	7,381,746	1,649,238	38,768,042	32,896,221
Accumulated Depreciation													
As at 1st April 2023		-	240,387	6,616,345	61,961	69,584	312,119	46,943	76,454	2,453,996	21,984	9,899,770	9,014,578
Charge for the year		-	175,703	980,608	5,404	16,110	39,505	14,288	10,164	1,117,659	-	2,359,441	1,796,689
Depreciation adjustment on revaluation		-	(286,471)	-	-	-	-	-	-	-	-	(286,471)	-
Disposals/ Breakages		-	-	-	-	(92)	(11,924)	(29,686)	-	(321,216)	(2,849)	(365,767)	(911,497)
As at 31st March 2024		-	129,619	7,596,953	67,365	85,602	339,700	31,545	86,618	3,250,439	19,135	11,606,973	9,899,770
Net Book Value													
As at 31st March 2024		5,757,150	4,574,105	10,790,092	40,455	64,212	125,743	13,787	34,112	4,131,307	1,630,103	27,161,069	-
As at 31st March 2023		4,724,053	3,670,388	10,702,153	33,164	52,650	83,762	28,431	17,173	3,238,500	446,174	-	22,996,451

- (c) Freehold land and buildings of Lion Brewery (Ceylon) PLC and Millers Brewery Ltd were revalued in the books to confirm with the market values as at 31st March 2024, which were assessed on market basis by Arthur Perera & Co. independent professional valuer at a value of Rs. 10,316 Mn and the resultant surplus transferred to the Revaluation Reserves in the said period.
- (d) Carrying value of the revalued assets of the Group as at 31st March 2024, if they were carried at cost are given below:

In Rs.'000s	Group	
	Land	Buildings
Cost - As at 1st April 2023	1,986,179	3,170,703
Additions/ Transfers during the year	482,246	390,738
Disposal during the year	-	-
Cost as at 31st March 2024	2,468,425	3,561,441
Accumulated depreciation	-	(927,910)
Carrying value of assets at cost - As at 31st March 2024	2,468,425	2,633,531
Carrying value of assets at cost - As at 31st March 2023	1,986,179	2,343,701

- (e) The Group property plant and equipment's has not been pledged as security against borrowings during the period (2023 – Nil).
- (f) Borrowing cost has not been capitalised during the financial year (2023 – Nil).
- (g) The Group property, plant and equipment with a cost / valuation of Rs. 2,799 Mn (2023- Rs. 2,707 Mn) have been fully depreciated and continue to be in use by the Group. The cost / valuation of fully depreciated assets of the Company amounts to Rs. 2.4 Mn. (2023-Rs. 2.4 Mn)

NOTES TO THE FINANCIAL STATEMENTS

9 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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

Company	Location	2024						2023					
		Extent of Lands			Valuation of lands	Number of buildings/ blocks	Cost/valuation of Buildings	Extent of lands			valuation of lands	Number of buildings/ blocks	Cost/valuation of buildings
		A	R	P				A	R	P			
A	R	P	Rs.'000s	Rs.'000s	Rs.'000s	A	R	P	Rs.'000s	Rs.'000s	Rs.'000s		
Lion Brewery (Ceylon) PLC	Lands at Biyagama	29	0	23,78	3,628,450	49	3,769,149	28	3	19,20	3,032,000	49	3,145,005
	Land - Kaduwela	3	-	27	431,000	1	3,360	3	-	27	304,200	1	12,930
	Land - Tangalle	3	2	-	32,200	1	5,205	3	2	-	28,000	-	-
	Land - Kurunegala	3	-	34,25	252,000	1	67,950	3	-	34,25	192,844	-	-
	Land - Nuwara Eliya	-	3	36,67	96,998	0	-	-	3	36,67	82,813	-	-
				4,440,649		3,845,664				3,639,857		3,157,935	
Millers Brewery Limited	Factory & Office Premises	22	3	16,45	1,316,501	12	713,826	22	3	16,45	1,084,196	12	608,606
				1,316,501		713,826				1,084,196		608,606	
Pubs N° Places (Private) Limited	No Lands	-	-	-	-	32	144,234	-	-	-	-	32	144,234
Total - Group		62	3	18,15	5,757,150	96	4,703,724	62	2	13,57	4,724,053	94	3,910,775

A: Acres R: Roods P: Perches

(i) Fair Value measurement

(i) Fair Value Hierarchy

The fair value of the land and buildings was determined by external independent property valuer, having appropriate recognised professional qualifications for the category of the property being valued. 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.

Property	Method of valuation	Estimated price per perch	Estimated price per square foot	Effective date of valuation	Correlation to fair value
Lion Brewery Ceylon PLC, Biyagama	OMV	LKR 675,000/- LKR 1,000,000/-	LKR 2,500/- - LKR 16,250/-	31.03.2024	Positive
Lion Brewery Ceylon PLC, Kaduwela	OMV	LKR 850,000/-	LKR 4,250/- - LKR 5,500/-	31.03.2024	Positive
Lion Brewery Ceylon PLC, Tangalle	OMV	LKR 57,500/-	LKR 7,500/-	31.03.2024	Positive
Lion Brewery Ceylon PLC, Kurunegala	OMV	LKR 490,000/-	LKR 4,000/- - LKR 8,000/-	31.03.2024	Positive
Lion Brewery Ceylon PLC, Nuwara Eliya	OMV	LKR 560,000/-	LKR 5,500/-	31.03.2024	Positive
Millers Brewery Limited, Meegoda	OMV	LKR 4,375/- LKR 425,000/-	LKR 2,750/- - LKR 7,750/-	31.03.2024	Positive

Open market value (OMV) method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

10 INVESTMENT PROPERTIES

10.1 Details of investment properties - Company

	Freehold land	Freehold buildings	2024	2023
Balance as at the beginning of the year	775,995	34,205	810,200	647,100
Change in fair value of investment properties	4,105	895	5,000	163,100
Balance as at the end of the year	780,100	35,100	815,200	810,200

10.2 Valuation of investment properties

Property	Method of valuation	Extent of land	Extent building	Estimated price per perch	Estimated price per square foot	Effective date of valuation	Correlation to fair value
Ceylon Beverage Holdings PLC, Nuwara Eliya	OMV	3A, 2R, 35P	6,720 sq. ft	LKR 1,250,000/-	LKR 7,500/- - LKR 12,500/-	31.03.2024	Positive
Ceylon Beverage Holdings PLC, Trincomalee	OMV	36.7P	2,428 sq. ft	LKR 1,000,000/-	LKR 9,000/-	31.03.2024	Positive

NOTES TO THE FINANCIAL STATEMENTS

10 INVESTMENT PROPERTIES (CONTD.)

The property at Nuwara Eliya is valued at Rs.772.2 Mn whilst the property at Trincomalee is valued at Rs. 43 Mn. Changes in fair value adjustments on investment properties (gain/loss), which are unrealised, are recognised in the statement of profit or loss. Accordingly, the total net gain on changes in fair value, net of related deferred tax, is recorded in the fair value adjustment reserve as at the reporting date.

No rental income was generated during the period (2023 – Nil) and direct operating expenses of Rs. 11.6Mn (2023 – Rs. 12.5Mn) was incurred during the period in relation to the above investment properties.

10.3 Fair value hierarchy

The fair value of the investment property was determined by external, independent property valuer, Arthur Perera & Co. having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair values were determined based on recent market transactions for similar properties in the same location as the Company's investment properties.

The fair value measurement for the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Description	Location	Valuation technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurements
Land & Building	Nuwara Eliya	OMV	Valuer has used market price per perch for excess land in existing location using a range of prices for similar lands based on adjusted fair value taking in to account of other valuation considerations.	Market value per perch was higher/(lower)
	Trincomalee			

Open market value (OMV) method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

10.4 Restrictions on title and investment properties pledged as security for liabilities

There were no restrictions on titles of the investment properties as at the reporting date (2023 - Rs. Nil).

No items of the investment properties were pledged as security for liabilities as at the reporting date (2023 - Rs. Nil).

10.5 Capitalisation of borrowing costs into investment properties

No borrowing cost capitalised for the year ended 31st March 2024 (2023 - Rs. Nil).

10.6 Contractual obligations to construct and develop investment properties

There were no contractual obligations entered to construct and develop investment properties as at the reporting date (2023 - Rs. Nil).

11 INTANGIBLE ASSETS - GROUP

	Brands	Computer software	Excise licenses	Trademark	31st March 2024	31st March 2023
In Rs.'000s						
Cost						
Beginning of the year	4,000,000	426,077	102,672	-	4,528,749	4,524,121
Additions for the year	-	-	-	41,222	41,222	7,815
Transfers during the year	-	-	-	-	-	2,413
Disposals during the year	-	-	(8,740)	-	(8,740)	(5,600)
End of the year	4,000,000	426,077	93,932	41,222	4,561,231	4,528,749
Amortisation/Impairment						
Beginning of the year	3,679,271	390,013	622	-	4,069,906	3,704,576
Amortisation for the year	-	12,604	-	859	13,463	12,101
Impairment / (reversal) during the year	(291,063)	-	-	-	(291,063)	353,229
End of the year	3,388,208	402,617	622	859	3,792,306	4,069,906
Net Book Value	611,792	23,460	93,310	40,363	768,925	458,843

NOTES TO THE FINANCIAL STATEMENTS

11 INTANGIBLE ASSETS - GROUP (CONTD.)

11.1 Brands - Lion Brewery (Ceylon) PLC

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.

11.2 Impairment assumptions of Brands - Lion Brewery (Ceylon) PLC

An impairment test was carried out for the brands acquired from Millers Brewery Ltd as at 31st March 2024 as per the accounting standard LKAS 36. The Company computed its recoverable amount 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 5-year treasury bond at 12.40% 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 growth was determined based on the historical records (rate not disclosed due to commercial sensitivity) along with a zero-volume growth rate. Accordingly, the carrying value of the said brands as at 31st March 2024 stands at Rs. 611,792,845/- resulting an impairment reversal of Rs. 291,062,762/- which has been charged to Profit or Loss.

11.3 Computer Software

Computer software represent the costs incurred for the Group Enterprise Resource Planning ("ERP") systems, its related licenses and other software application that are used to generate financial and management information. Software with a finite life is amortised over the period of expected economic benefit.

11.4 Excise Licenses

Excise licenses contains liquor licenses held by the Group. Licenses 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. The licenses are tested for impairment annually.

Impairment assumptions of Excise licenses - Pubs 'N Places (Private) Limited

The Company assessed the fair value of liquor licenses based on fair value less costs to sell method. As a result, market observable data was scrutinised but not available. Hence, the Company assessed fair value less costs to sell based on the asset's revenue generation capability. The value in use was estimated with a consistent revenue growth, cost estimates and by assuming a discount factor of 17.40%. Accordingly, no impairment was required during the year.

11.5 Trademark

Trademarks contains intellectual property owned by the Company. Trademarks with a finite life are amortised over the period of expected economic benefit.

12 RIGHT OF USE ASSETS

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Recognition of right of use assets on 1st April	-	-	209,947	207,281
Additions during the period	-	-	91,930	76,046
De-recognition of asset			(14,392)	(7,614)
Depreciation charge for the period	-	-	(63,516)	(65,766)
Balance as at 31st March	-	-	223,969	209,947

12.1 Lease Liability

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Recognition of lease liability on 1st April	-	-	261,555	253,608
Leases obtained	-	-	91,929	76,046
Interest expenses for the period	-	-	45,105	43,670
Derecognition of lease liability	-	-	(28,722)	(9,453)
Lease rentals paid	-	-	(91,901)	(102,316)
Balance as at 31st March	-	-	277,966	261,555

NOTES TO THE FINANCIAL STATEMENTS

12 RIGHT OF USE ASSETS (CONTD.)

Analysis of lease liabilities by period of repayment

As at 31st March 2024	Company			Group		
	Contractual CF	Interest	Present value of lease payments	Contractual CF	Interest	Present value of lease payments
In Rs.'000s						
Current	-	-	-	92,216	(48,050)	44,166
Non current	-	-	-	372,339	(138,539)	233,800
	-	-	-	464,555	(186,589)	277,966

Analysis of lease liabilities by period of repayment

As at 31st March 2023	Company			Group		
	Contractual CF	Interest	Present value of lease payments	Contractual CF	Interest	Present value of lease payments
In Rs.'000s						
Current	-	-	-	85,366	(40,312)	45,054
Non current	-	-	-	348,760	(132,259)	216,501
	-	-	-	434,126	(172,571)	261,555

Following are the amounts recognised in Statement of profit or loss and Statement of Cash Flows.

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Depreciation of right of use assets	-	-	63,516	65,766
Interest expenses on lease liability	-	-	45,105	43,670
Total amount recognised in profit or loss	-	-	108,621	109,436

There were no expenses relating to short term leases and leases of low value assets during the financial year (2023 - Nil).

13 INVESTMENT IN SUBSIDIARIES

	No. of Shares	% holding	Cost as at 31st March 2024	Market Value/ Directors Value as at 31st March 2024	No. of Shares	% holding	Cost as at 31st March 2023	Market Value/ Directors Value as at 31st March 2023
			Rs.'000s	Rs.'000s			Rs.'000s	Rs.'000s
Lion Brewery (Ceylon) PLC								
- Ordinary shares	41,798,788	52.25	1,410,084	39,844,695	41,798,788	52.25	1,410,084	29,875,684
Pubs 'N Places (Private) Limited								
- Ordinary shares	64,683,079	99.90	646,830	68,500	51,188,102	99.90	511,880	-
- Impairment Provision	-	-	(578,330)	-	-	-	(511,880)	-
			68,500	68,500			-	-
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	65,000,001	100.00	650,000	650,000	65,000,001	100.00	650,000	650,000
			650,000	650,000				
			2,128,584	40,563,195			2,060,084	30,525,684

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

NOTES TO THE FINANCIAL STATEMENTS

13 INVESTMENT IN SUBSIDIARIES (CONTD.)

13.2 During the year, the Company capitalised Rs. 134,949,770/- in exchange for 13,494,977 ordinary shares in Pubs 'N Places (Pvt) Ltd. This entity is a fully owned subsidiary of Ceylon Beverage Holdings PLC.

13.3 The recoverable amount of investment in Pubs 'N Places (Private) Limited was estimated based on the present value of the future cash flows expected to be derived from the investment (value in use). The value in use was estimated by assuming a discount factor of 17.40%. In doing so, the recoverable value to Ceylon Beverage Holdings PLC of its investment in Pubs 'N Places (Private) Limited, was ascertained to be Rs. 68,500,000/-, necessitating an adjustment for impairment of Rs.66,450,000/- during the year.

13.4 The recoverable amount of investment in Luxury Brands (Private) Limited was estimated based on the present value of the future cash flows expected to be derived from the investment (value in use). The value in use was estimated by assuming a discount factor of 17.40%. In doing so, the recoverable value to Ceylon Beverage Holdings PLC of its investment in Luxury Brands (Private) Limited was estimated to be higher than its carrying amount (i.e., Rs.650,000,000/-), hence it was concluded that no impairment was required during the year.

13.5 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	
	2024	2023
NCI - percentage	47.75%	47.75%
Non - current assets	13,386,023	11,237,918
Current assets	13,044,968	11,382,186
Non - current liabilities	(3,957,337)	(3,770,002)
Current liabilities	(9,294,861)	(7,759,611)
Net assets	13,178,793	11,090,491
Carrying amount of NCI	13,178,793	11,090,491

As at 31st March	Group	
	2024	2023
In Rs.'000s		
Revenue	109,755,568	94,969,346
Profit	8,403,478	6,991,603
Other comprehensive income	713,827	(30,539)
Total comprehensive income	9,117,305	6,961,064
Profit Allocated to NCI	4,012,661	3,338,490
Other comprehensive income allocated to NCI	340,852	(14,582)
Cash flow from operating activities	5,424,870	715,473
Cash flow used in investing activities	(1,791,159)	(1,132,172)
Cash flow used in financing activities	(3,169,403)	(816,672)
Net increase/ (decrease) in cash and cash equivalents	464,308	(1,233,370)

14 INVENTORIES

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Raw and Packing materials	-	-	1,796,065	2,435,500
Work in progress	-	-	968,151	882,799
Finished goods	-	-	4,757,317	3,173,433
Maintenance spares & others	-	-	1,664,334	1,072,669
	-	-	9,185,867	7,564,401
Impairment provision for inventory (Note 14.1)	-	-	(62,746)	(113,056)
	-	-	9,123,121	7,451,345

14.1 Impairment provision for inventory

Balance as at the beginning of the year	-	-	113,056	64,045
Provisions during the year	-	-	61,099	319,361
Reversals / written off during the year	-	-	(111,409)	(270,350)
Balance as at the end of the year	-	-	62,746	113,056

NOTES TO THE FINANCIAL STATEMENTS

15 TRADE AND OTHER RECEIVABLES

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Trade receivables	-	-	3,976,991	1,081,298
Impairment provision for doubtful debts (Note 15.1)	-	-	(69,280)	(67,304)
	-	-	3,907,711	1,013,994
Advances given to business partners	-	-	148,755	166,064
Other advances	-	-	1,120,933	3,786,562
Prepayments	-	-	643,882	418,608
Other receivables	31,147	7,614	201,179	145,674
	31,147	7,614	6,022,460	5,530,902

15.1 Impairment provision for doubtful debts

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Balance at the beginning of the year	-	-	67,304	57,374
Provisions during the year	-	-	1,976	9,930
Balance at the end of the year	-	-	69,280	67,304

16 AMOUNTS DUE FROM RELATED COMPANIES

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Pubs 'N Places (Private) Limited	121,636	219,403	-	-
Retail Spaces (Private) Limited	20	-	-	-
Lion Beer (Ceylon) Pte Ltd	13	-	-	-
Impairment Provision for receivable from intercompany (Note 16.1)	-	(44,403)	-	-
Balance as at end of the year	121,669	175,000	-	-

16.1 Impairment Provision for receivable from intercompany

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Balance at the beginning of the year	44,403	-	-	-
Provisions / (reversal) during the year	(44,403)	44,403	-	-
Balance at the end of the year	-	44,403	-	-

17 CURRENT TAXATION

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Income tax (recoverable)	-	-	-	639
	-	-	-	639

18 CASH AND CASH EQUIVALENTS

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Fixed deposits with financial institutions	-	-	6,574,827	7,109,322
Savings accounts	-	-	1,679,026	99,479
Cash at bank	42,807	20,298	4,306,182	4,083,890
Cash in hand	70	70	11,139	55,355
	42,877	20,368	12,571,174	11,348,046

Cash and cash equivalents includes the following for the purpose of Statement of Cash Flows

Cash and cash equivalents	42,877	20,368	12,571,174	11,348,046
Bank overdrafts	(191,955)	(147,784)	(2,587,348)	(2,044,898)
	(149,078)	(127,416)	9,983,826	9,303,148

NOTES TO THE FINANCIAL STATEMENTS

19 STATED CAPITAL

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
20,988,090 ordinary shares	533,384	533,384	533,384	533,384

The Stated Capital of the Company as at 31st March 2024 was Rs.533,384,288/- consisting of 20,988,090 ordinary shares

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.

20 CAPITAL RESERVES

The capital reserve relates to revaluation of land and buildings. It comprises of the increase in the fair value of land and buildings at the date of revaluation net of deferred tax.

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Balance as at beginning of the year	19,924	19,924	1,103,358	1,103,358
Deferred tax charge on land and building revaluation	-	-	(259,062)	-
Revaluation of land and buildings	-	-	647,656	-
Balance as at end of the year	19,924	19,924	1,491,952	1,103,358
Represented by :				
Revaluation reserve	-	-	1,472,028	1,083,434
General capital reserve (Note 20.1)	19,924	19,924	19,924	19,924
	19,924	19,924	1,491,952	1,103,358

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

21 TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. An amount of Rs. 3,660,000/- was recognised in the Group Statement of Financial Position as at 31st March 2024

22 REVENUE RESERVES

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Retained earnings	1,742,907	1,352,682	12,591,143	10,345,024
Represented by:				
Retained profits	1,087,178	700,453	11,935,414	9,692,795
Fair value adjustment reserve (note 22.1)	655,729	652,229	655,729	652,229
	1,742,907	1,352,682	12,591,143	10,345,024

The movement of the above reserves are given in the Statement of Changes in Equity.

22.1 Fair value adjustment reserve

Gains arising, net of related deferred taxes, from fair value adjustment of investment properties will be transferred from retained earnings to fair value adjustment reserve and any losses arising, net of related deferred taxes, will be transferred to fair value adjustment reserve to the extent that loss does not exceed the balance held in the said reserve as at 31st March 2024.

23 LOANS AND BORROWINGS

23.1 Loans and borrowings

As at 31st March	Group			
	2024	2023	2024	2023
In Rs.'000s				
Balance as at the beginning of the year	400,000	-	6,075,000	4,862,400
Loan obtained during the year	-	400,000	1,900,000	2,400,000
Repayments during the year	(400,000)	-	(4,141,667)	(1,187,400)
	-	400,000	3,833,333	6,075,000
Interest Payable	-	-	759,935	929,600
Balance at the end of the year	-	400,000	4,593,268	7,004,600

NOTES TO THE FINANCIAL STATEMENTS

23 LOANS AND BORROWINGS (CONTD.)

23.2 Details of Borrowings

Name of the Lender	31 st March 2024 Rs. '000s	31 st March 2023 Rs. '000s	Repayment terms	Security offered	Type of interest
Ceylon Beverage Holdings PLC					
HNB	-	400,000	06 months - Renewable	Unsecured	Floating
		400,000			
Lion Brewery (Ceylon) PLC					
Commercial Bank - Rs. 1.5 Bn (2020)	187,500	562,500	Payable in 16 equal quarterly instalments commencing from December 2021	Unsecured	Fixed
NDBIB - Rs. 1.5Bn (2019)	562,500	862,500	Payable in 8 years commencing from July 2019	Unsecured	Fixed
Commercial Bank (2024)	1,500,000	4,000,000	Payable in 1 month - Renewable	Unsecured	Fixed
Bank of China - Rs. 1.9 Bn (2023)	1,583,333	-	Payable in 12 equal quarterly instalments commencing from November 2023	Unsecured	Floating
Total	3,833,333	5,675,000			
	3,833,333	6,075,000			

23.3 Composition of loans and borrowings repayment

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Classified under non current liabilities				
Loans and borrowings falling due after one year	-	-	1,137,500	1,050,000
Interest payable	-	-	236,069	874,442
	-	-	1,373,569	1,924,442
Classified under current liabilities				
Loans and borrowings falling due within one year	-	400,000	2,695,833	5,025,000
Interest payable	-	-	523,866	55,158
Total Loans and borrowings falling due within one year	-	400,000	3,219,699	5,080,158
Balance as at the end of the year	-	400,000	4,593,268	7,004,600

24 EMPLOYEE BENEFITS

The amounts recognised in the Statement of Financial Position are as follows:

Present value of unfunded obligation	-	-	293,935	257,730
Liability in the Statement of Financial Position	-	-	293,935	257,730

The movement in the defined benefit obligation over the year is as follows:

As at 1 April	-	-	257,730	182,996
Interest cost	-	-	44,958	26,055
Current service cost	-	-	26,828	15,604
Actuarial gain	-	-	38,146	50,899
Benefits paid	-	-	(73,727)	(17,824)
As at 31st March	-	-	293,935	257,730

The amounts recognised in the Statement of Profit or Loss are as follows:

Interest cost	-	-	44,958	26,055
Current service cost	-	-	26,828	15,604
Total included under staff cost	-	-	71,786	41,659

The amount recognised in the Statement of Other Comprehensive Income are as follows:

Actuarial gain	-	-	38,146	50,899
	-	-	38,146	50,899

NOTES TO THE FINANCIAL STATEMENTS

24 EMPLOYEE BENEFITS (CONTD.)

24.1 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.

24.2 The gratuity liability of Lion Brewery (Ceylon) PLC as at 31st March 2024 was Rs. 285,268,218/- (2023 - Rs. 249,766,759/-) 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 liabilities of Pubs N' Places (Pvt) Limited, Luxury Brands (Pvt) Limited and Retail Spaces (Pvt) Limited as at 31st March 2024 amounting to Rs. 3,525,696/- (2023 - Rs.1,747,444/-), Rs. 5,140,698/- (2023 - Rs.4,779,817/-) and Nil (2023 - Rs. 1,435,618/-), respectively have been computed based on formula method by multiplying half month's salary into number of years in service, which is in line with LKAS 19.

The principal assumptions made are given below:

- ▶▶ Rate of discount 12% p.a. (2023 - 18% p.a)
- ▶▶ Rate of pay increase 11% p.a. (2023-15% p.a)
- ▶▶ Weighted average duration (years) of defined benefit obligation 6 (2023 - 5.3)
- ▶▶ Retirement age 60 years (2023 - 60 years)
- ▶▶ The company will continue in business as a going concern.

A long-term treasury bond rate of 12 % p.a. (2023 – 18% p.a.) has been used to discount future liabilities taking into consideration remaining working life of eligible employees.

24.3 The above provisions are not externally funded.

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;

24.4 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;

In Rs.'000s	Group	
	Discount rate	Salary increment
Increase by one percentage	(15,708)	18,466
Decrease by one percentage	17,276	(17,041)

25 NET DEFERRED TAX LIABILITIES

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Deferred tax asset	-	-	(46,716)	(26,378)
Deferred tax liability	145,182	143,682	6,581,796	5,687,986
Balance as at the end of the year	145,182	143,682	6,535,080	5,661,608

Movement in deferred tax balances - Company

As at 31st March	Balance as at 1st April 2023	Recognised in profit or loss	Recognised in OCI	Balance as at 31st March 2024
In Rs.'000s				
Deferred tax liability				
Investment property	143,682	1,500	-	145,182
Net deferred tax liabilities	143,682	1,500	-	145,182

Movement in deferred tax balances - Group

As at 31st March	Balance as at 1st April 2023	Recognised in profit or loss	Recognised in OCI	Balance as at 31st March 2024
In Rs.'000s				
Deferred tax liability				
Property plant and equipments	5,619,432	351,879	495,813	6,467,124
Investment property	143,682	1,500	-	145,182
Intangible assets	117,303	33,096	-	150,399
Right of use assets	68,435	11,657	-	80,092
Unrealised exchange differences	-	3,078	-	3,078
Deferred tax assets				
Employee benefit	(102,249)	1,343	(15,258)	(116,164)
Lease liabilities	(86,214)	(14,333)	-	(100,547)
Inventory and trade receivable provision	(76,844)	20,673	-	(56,171)
Unrealised exchange differences	-	(7,871)	-	(7,871)
Brought forward tax losses	(21,937)	(8,105)	-	(30,042)
Net deferred tax liabilities	5,661,608	392,917	480,555	6,535,080

NOTES TO THE FINANCIAL STATEMENTS

25 NET DEFERRED TAX LIABILITIES (CONTD.)

Movement in deferred tax balances - Company

As at 31st March	Balance as at 1st April 2022	Recognised in profit or loss	Recognised in OCI	Balance as at 31st March 2023
In Rs.'000s				
Deferred tax liability				
Investment property	31,584	112,098	-	143,682
Net deferred tax liabilities	31,584	112,098	-	143,682

Movement in deferred tax balances - Group

As at 31st March	Balance as at 1 April 2022	Recognised in Profit or Loss	Recognised in OCI	Balance as at 31 March 2023
In Rs.'000s				
Deferred tax liability				
Property plant and equipment	5,207,681	411,751	-	5,619,432
Investment property	31,584	112,098	-	143,682
Intangible assets	141,400	(24,097)	-	117,303
Right of use assets	62,704	5,731	-	68,435
Deferred tax assets				
Employee benefit	(71,164)	(10,725)	(20,360)	(102,249)
Lease liabilities	(76,478)	(9,736)	-	(86,214)
Inventory provision	(37,135)	(39,709)	-	(76,844)
Brought forward tax losses	-	(21,937)	-	(21,937)
Net tax liabilities	5,258,592	423,376	(20,360)	5,661,608

As at 31st March 2024, the subsidiaries, namely Millers Brewery Limited and Pubs 'N Places (Private) Limited have not recognised deferred tax assets amounting to Rs. 680 Mn on brought forward tax losses of Rs. 1,786 Mn, since the utilisation against future taxable profits is not certain.

26 TRADE AND OTHER PAYABLES

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Trade payables	-	-	2,619,028	3,119,165
Trade discounts	-	-	139,567	254,569
Accruals	-	-	1,141,572	935,816
Other payables	36,383	27,968	667,738	520,349
	36,383	27,968	4,567,905	4,829,899

27 AMOUNTS DUE TO RELATED COMPANIES

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Lion Brewery (Ceylon) PLC	438,811	372,791	-	-
Carlsberg A/S	-	-	123,606	76,041
	438,811	372,791	123,606	76,041

28 REFUNDABLE DEPOSITS

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Balance as at the beginning of the year	-	-	2,742,490	2,301,181
Deposits received during the year	-	-	451,251	441,309
Empty deposit write back during the year			(197,047)	-
Balance as at the end of the year	-	-	2,996,694	2,742,490

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

NOTES TO THE FINANCIAL STATEMENTS

29 CURRENT TAX LIABILITIES

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Excise duty	-	-	2,974,930	812,892
Value added tax	3,107	1,405	1,748,623	884,209
Income tax	27,823	73,646	1,930,231	956,296
Social security contribution levy	-	-	264,720	201,898
	30,930	75,051	6,918,504	2,855,295

30 REVENUE

30.1 Revenue streams

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Dividend income	2,106,868	1,289,493	-	-
Royalty income	184,894	201,917	-	-
Brewery income	-	-	108,906,905	94,232,960
Retail trade income	-	-	3,023,365	2,705,562
	2,291,762	1,491,410	111,930,270	96,938,522

30.2 Geographic revenue

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Local revenue	2,291,762	1,491,410	107,033,659	92,707,538
Export revenue	-	-	4,896,611	4,230,984
	2,291,762	1,491,410	111,930,270	96,938,522

31 OTHER INCOME

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Profit on disposal of property, plant & equipment and right of use assets	-	-	168,417	14,675
Other income	-	-	361,966	289,739
	-	-	530,383	304,414

32 PROFIT FROM OPERATIONS

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Profit from operations is stated after charging all expenses including the following;				
Directors' fees and emoluments (Note 38.2)	2,400	2,358	47,075	46,786
Auditors' remuneration				
- Audit Fee and related expenses	1,005	895	5,600	5,125
- Audit related services	494	385	1,208	1,515
- Non audit services	-	-	-	600
Depreciation on property, plant equipment (Note 9)	-	-	2,359,441	1,796,689
Depreciation on right of use assets (Note 12.1)	-	-	63,516	65,766
Amortisation of intangible assets (Note 11)	-	-	13,463	12,101
Impairment of property, plant equipment (Note 9)	-	-	84,888	38,460
Royalty	-	-	415,474	271,469
Impairment / (reversal) of intangible assets (Note 11)	-	-	(291,063)	353,229
Impairment / (reversal) of intercompany receivable	(44,403)	44,403	-	-
Impairment of investment subsidiary (Note 13)	66,450	175,000	-	-
Provision of Impairment of doubtful debts (Note 15.1)	-	-	1,976	9,930
Supporting service fees	628	1,134	923,951	629,343
Personnel expenses (Note 32.1)	-	-	2,270,197	1,536,943

NOTES TO THE FINANCIAL STATEMENTS

32 PROFIT FROM OPERATIONS (CONTD.)

32.1 Personnel expenses

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Salaries, wages and other related expenses	-	-	2,071,901	1,397,289
Defined benefit plan costs-gratuity	-	-	71,786	41,659
Defined contribution plan costs- EPF & ETF	-	-	126,510	97,995
	-	-	2,270,197	1,536,943

33 NET FINANCE COSTS

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Finance income:				
Interest income - fixed deposit	-	-	1,072,935	1,356,757
Interest income - intercompany loans	33,173	39,833	-	-
Interest income - savings & call deposit	-	-	79,193	54,764
Total Finance income	33,173	39,833	1,152,128	1,411,521
Finance cost :				
Interest expenses - term loans	-	-	393,458	395,160
Interest expenses - bank overdrafts	48,293	34,187	245,152	337,340
Interest on lease	-	-	45,105	43,670
Interest expenses - intercompany loans	66,757	62,937	-	-
Interest expenses - short term loans & agent finance cost	-	-	1,916,476	2,830,730
Finance cost	115,050	97,124	2,600,191	3,606,900
Net foreign exchange gain/ (loss)	-	-	185,935	8,541
Total finance cost (net of exchange gain or loss)	115,050	97,124	2,786,126	3,615,441
Net finance cost	81,877	57,291	1,633,998	2,203,920

34 INCOME TAX / DEFERRED TAX

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
The amounts recognised in the Statement of Profit or Loss are as follows:				
Income tax (Note 34.1)	61,553	228,781	5,279,948	4,091,422
Dividend tax	-	-	374,819	-
Deferred tax charge/ (reversal)	1,500	112,098	392,917	423,377
	63,053	340,879	6,047,684	4,514,799

The amount recognised in the Statement of Other Comprehensive Income are as follows:

Re-measurement of employee benefit obligation	-	-	(15,258)	(20,360)
Revaluation gain on land & buildings	-	-	495,813	-
	-	-	480,555	(20,360)

NOTES TO THE FINANCIAL STATEMENTS

34 INCOME TAX / DEFERRED TAX (CONTD.)

34.1 Reconciliation of the accounting profit and tax expenses

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In Rs. '000s				
Profits before taxation	2,158,201	1,343,453	14,023,293	11,260,903
Consolidation adjustments	-	-	2,084,885	1,070,127
Remeasurement of employee benefit obligations (Note 24)	-	-	(38,146)	(50,899)
Adjusted profit before tax	2,158,201	1,343,453	16,070,032	12,280,131
Aggregate of disallowable expenses	158,843	201,304	2,825,519	3,167,018
Aggregate of allowable claims	(38,173)	(202,933)	(4,385,269)	(4,887,279)
Dividend Income	(2,106,868)	-	(2,106,868)	-
Operating losses Incurred during the Year	-	-	109,332	103,692
Tax adjusted profit	172,003	1,341,824	12,512,746	10,663,562
Investment income -interest	33,173	39,833	1,201,970	1,479,749
Total statutory Income	205,176	1,381,657	13,714,716	12,143,311
Utilisation of tax loss	-	-	(72,287)	(46,291)
Assessable/ taxable income	205,176	1,381,657	13,642,429	12,097,020
Tax on local operations (Note 34.3)	51,601	217,796	4,742,803	3,585,427
Tax on export profits (Note 34.3)	-	-	160,148	99,757
Tax on interest income (Note 34.3)	9,952	10,985	359,650	406,238
Under/ (over) provision in respect of prior years	-	-	17,347	-
Total current tax expense	61,553	228,781	5,279,948	4,091,422

34.1.1 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	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Profit before taxation	2,158,201	1,343,453	14,023,293	11,260,903
Tax charge on profit	63,053	340,879	6,047,684	4,514,799
Effective tax rate	2.9%	25.4%	43.1%	40.1%

For the year ended 31st March	Company				Group			
	%	2024	%	2023	%	2024	%	2023
In Rs.'000s								
Profit before tax		2,158,201		1,343,453		14,023,293		11,260,903
Tax calculated	30.0%	647,460	27.0%	362,732	40.0%	5,609,317	40.0%	4,504,361
The effect of tax								
Aggregate of disallowable expenses	2.2%	47,653	4.0%	54,352	8.1%	1,130,208	11.2%	1,266,807
Aggregate of allowable claims	-0.5%	(11,452)	-4.1%	(54,792)	-12.5%	(1,754,108)	-17.4%	(1,954,912)
Investment income	0.5%	9,952	0.8%	10,755	3.4%	480,788	5.3%	591,900
Operating losses incurred during the year	0.0%	-	0.0%	-	0.3%	43,733	0.4%	41,477
Rate differential & over/under Provision LY	0.0%	-	-10.7%	(144,266)	-2.9%	(402,969)	-6.8%	(767,746)
Transactions adjusted on consolidation	0.0%	-	0.0%	-	5.9%	833,954	3.8%	428,051
Dividend Income	-29.3%	(632,060)	0.0%	-	-4.5%	(632,060)	0.0%	-
Divided tax	0.0%	-	0.0%	-	2.7%	374,819	0.0%	-
Tax loss utilised	0.0%	-	0.0%	-	-0.2%	(28,915)	-0.2%	(18,516)
Deferred tax charge	0.1%	1,500	8.3%	112,098	2.8%	392,917	3.8%	423,377
Tax charge	2.9%	63,053	25.4%	340,879	43.1%	6,047,684	40.1%	4,514,799

NOTES TO THE FINANCIAL STATEMENTS

34 INCOME TAX / DEFERRED TAX (CONTD.)

34.2 Analysis of tax losses

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Tax losses brought forward	-	-	1,741,326	1,683,925
Adjustment on losses brought forward	-	-	83,497	-
Tax losses incurred during the Year	-	-	109,332	103,692
Utilisation of tax losses during the Year	-	-	(72,287)	(46,291)
Tax losses carried forward	-	-	1,861,868	1,741,326

34.3 Income Tax

Company

- (a) In terms of the provisions of the Inland Revenue Act No 24 of 2017 and amendments thereto, including any amendments legislated by Inland Revenue (Amendment) Act No. 45 of 2022, the Company is liable to taxation at 30% (2023 - 24% and 30% respectively for the first six months and last six months).
- (b) As per the First Schedule of the Inland Revenue Act No 24 of 2017 and amendments thereto, including any amendments legislated by Inland Revenue (Amendment) Act No. 45 of 2022, dividend income received by the company which is liable to 15% WHT is not liable to tax (2023 - liable to income tax at 14% for first six months and 15% for the second six months)

Group

- (a) The Group tax expenses is based on the taxable profit of individual companies within the Group. At present, the tax laws of Sri Lanka do not provide for Group taxation.
- (b) In terms of the provisions of the Inland Revenue Act, No. 24 of 2017 and amendments thereto, including any amendments legislated by Inland Revenue (Amendment) Act No. 45 of 2022, companies within the Group except The Lion Brewery Ceylon PLC, Luxury Brands Private Limited and Millers Brewery Pvt Limited are liable to taxation at a tax rate of 30% (2023 - 24% for first six months and 30% for second six months).
- (c) In terms of provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto, including any amendments legislated by Inland Revenue (Amendment) Act No. 45 of 2022, the Lion Brewery Ceylon PLC, Luxury Brands Private Limited and Millers Brewery Limited are liable to income tax at 40% and profits attributable to export is taxable at 30% (2023 - 40% & export profit 14% for first six months and 30% for second six months)
- (d) As per section 19 of the Inland Revenue Act No. 24 of 2017 and amendments thereto, including any amendments legislated by Inland Revenue (Amendment) Act No. 45 of 2022, any unclaimed tax losses B/F or losses incurred during the year could be carried forward for further 6 years subjecting to maximum of 6 years based on the year in which such losses were incurred. Such losses can be set off against the profits without any limitation but subjecting to source of income as provided in the Act.

Tax on Overseas Operation

Lion Beer (Ceylon) Pte.Ltd is liable for income tax in accordance with the provisions of the Singapore income tax law. The corporate income tax rate applicable to Lion Beer (Ceylon) Pte.Ltd is 17%.

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. There were no potentially dilutive ordinary shares outstanding at any time during the year /previous year, therefore, diluted earnings per share is same as basic earnings per share.

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Net Profit/(loss) attributable to equity holders of the company (as the Numerator)	2,095,148	1,002,574	3,962,948	3,407,614
Number of ordinary shares (as denominator-'000s)	20,988	20,988	20,988	20,988
Earnings per ordinary share basic and diluted (Rs.)	99.83	47.77	188.82	162.36

36 DIVIDENDS

For the year ended 31st March	Company	
	2024	2023
In Rs.'000s		
On ordinary shares Rs. 81.24 per share - (2023 - Rs. 52.75)	1,705,072	1,107,122
Total dividend	1,705,072	1,107,122

36.1 As required by Section 56 of the Companies Act No 7 of 2007, the Board of Directors were satisfied that the solvency of the Company is in accordance with the Section 57, prior to approving the interim dividends. A statement of solvency was compiled and was duly signed by the Board of Directors.

36.2 The Board of Directors have approved a first interim dividend of Rs. 28.84 per share for the year ended 31st March 2024 on 13th June 2023. In Accordance with Sri Lanka Accounting Standards LKAS 10 Events after the reporting period, this dividend has not been recognised as a liability in the Financial Statements as at 31st March 2023.

36.3 The Board of Directors have approved a second interim dividend of Rs. 52.40 per share for the year ended 31st March 2024 on 06th December 2023. In Accordance with Sri Lanka Accounting Standards LKAS 10 Events after the reporting period, this dividend has not been recognised as a liability in the Financial Statements as at 31st March 2023.

NOTES TO THE FINANCIAL STATEMENTS

36.4 The Board of Directors approved a first interim dividend of Rs. 21.15 per share for the year ending 31st March 2025 on 03rd June 2024. In Accordance with Sri Lanka Accounting Standards LKAS 10 Events after the Reporting period, this dividend has not been recognised as a liability as at 31st March 2024.

37 FINANCIAL INSTRUMENTS - 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. 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).

As at 31st March Financial Instrument Category In Rs.'000s	Company					
	2024			2023		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial assets						
Trade and other receivables	31,147	-	-	7,614	-	-
Amounts due from related companies	121,669	-	-	175,000	-	-
Cash and cash equivalent	42,877	-	-	20,368	-	-
Financial liabilities						
Loans and borrowings	-	-	-	400,000	-	-
Trade and other payables	36,383	-	-	27,968	-	-
Amounts due to related companies	438,811	-	-	372,791	-	-
Refundable deposits	-	-	-	-	-	-
Bank overdraft	191,955	-	-	147,784	-	-

As at 31st March Financial Instrument Category In Rs.'000s	Group					
	2024			2023		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial assets						
Trade and other receivables	4,108,890	-	-	1,159,668	-	-
Amounts due from related companies	-	-	-	-	-	-
Cash and cash equivalent	12,571,174	-	-	11,348,046	-	-
Financial liabilities						
Loans and borrowings	4,593,268	-	-	7,004,600	-	-
Trade and other payables	4,567,905	-	-	4,829,899	-	-
Amounts due to related companies	123,606	-	-	76,041	-	-
Lease liabilities	277,966	-	-	261,555	-	-
Refundable deposits	2,996,694	-	-	2,742,490	-	-
Bank overdraft	2,587,348	-	-	2,044,898	-	-

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.

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
- C. Market risk

This note presents information about the Group's 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.

NOTES TO THE FINANCIAL STATEMENTS

37 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

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 including fixed deposits

The 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.
Amounts Due from related companies	Monitoring the balance outstanding regularly.
Cash & Cash equivalents	Monitors the balance outstanding regularly. Balances are with reputed and established banks with a rating of "BBB+" 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.

As at 31st March In Rs.'000s	Company		Group	
	2024	2023	2024	2023
Trade and other receivables	31,147	7,614	4,108,890	1,159,668
Amounts due from related companies	121,669	175,000	-	-
Cash and cash equivalents	42,807	20,298	12,560,035	11,292,691
	195,623	202,912	16,668,925	12,452,359

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

As at 31st March In Rs.'000s	Company		Group	
	2024	2023	2024	2023
Financial institutions	42,807	20,298	12,560,035	11,292,691
Customers and other parties	31,147	7,614	4,108,890	1,159,668
Related parties	121,669	175,000	-	-
	195,623	202,912	16,668,925	12,452,359

37.4.3 Trade & other receivable

The Group has a well established credit policy covering 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 amounts whilst the balance is covered through a facility from a bank. This banking facility is extended to all agents except for those who are out of the scheme.

In the case of international customers, credit terms are offered after evaluation by senior management.

The bank guarantees and the facility from the bank cover 86% (2023 - 85%) of the trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

37 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

37.4.4 Impairment losses

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

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Age				
0 - 365 days	-	-	3,907,995	1,013,994
More than 365 days	-	-	69,280	67,304
	-	-	3,977,275	1,081,298

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 strategy in 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 in managing its liquidity risk is as follows:

- Regular monitoring of the group's assets and liabilities in order to forecast cash flows for future periods.
- Arrange adequate facilities with banks as contingency measures.
- Daily monitoring the facility limits i.e. overdrafts with banks.

37.5.2 The maturity analysis of liabilities

The tables below summarises the maturity profile of financial liabilities on contractual undiscounted (principal plus interest) payments.

As at 31st March 2024 (Current and non current)	Company			Group		
	Total	Current (Up to Year 1)	Non-Current (Above year 1)	Total	Current (Up to Year 1)	Non-Current (Above year 1)
In Rs.'000s						
Bank overdrafts	191,955	191,955	-	2,587,348	2,587,348	-
Loans and borrowings	-	-	-	4,593,268	3,219,699	1,373,569
Trade & other payables	36,383	36,383	-	4,567,905	4,567,905	-
Amount payable to related parties	438,811	438,811	-	123,606	123,606	-
Lease liabilities	-	-	-	464,555	92,216	372,339
Refundable deposits				2,996,694	2,996,694	
	667,149	667,149	-	15,333,376	13,587,468	1,745,908

As at 31st March 2023 (Current and non current) In Rs.'000s	Company			Group		
	Total	Current (up to year 1)	Non- current (above year 1)	Total	Current (up to year 1)	Non- Current (above year 1)
	Bank overdrafts	147,784	147,784	-	2,044,898	2,044,898
Loans and borrowings	400,000	400,000	-	7,004,600	5,080,158	1,924,442
Trade & other payables	27,968	27,968	-	4,829,899	4,829,899	-
Amount payable to related parties	372,791	372,791	-	76,041	76,041	-
Lease liabilities	-	-	-	434,126	85,366	348,760
Refundable deposits				2,742,490	2,742,490	
	948,543	948,543	-	17,132,054	14,858,852	2,273,202

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

Interest rates of most borrowings are linked to AWPLR. Hence, any movement will be in line with the market and has a corresponding impact.

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.

NOTES TO THE FINANCIAL STATEMENTS

37 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

The following significant exchange rates were applied during the year:

	Closing exchange rates		Average exchange rates	
	2024	2023	2024	2023
In Rs.				
US Dollar (USD)	305.33	336.01	323.91	355.54
Great Britain Pound (GBP)	387.24	416.44	408.52	428.50
Euro (EUR)	332.11	366.71	352.98	370.29

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. 113.23 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.

37.6.4 Fixed and variable rated instruments

As at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Fixed rate instruments				
- Financial assets	-	-	6,574,827	7,109,322
- Financial liabilities	-	1,687,500	1,965,466	5,074,055
Variable rate instruments				
- Financial assets	-	-	1,679,026	99,479
- Financial liabilities	191,955	147,784	4,733,181	3,307,398

37.6.5 Sensitivity analysis on interest rate fluctuation

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

Instrument	Company		Group	
	Increase by one percentage	Decrease by one percentage	Increase by one percentage	Decrease by one percentage
In Rs.'000s				
BOCC - Rs. 1.9 Bn	-	-	15,833	(15,833)
NDBIB Loans- Rs.1.5 Bn	-	-	5,625	(5,625)
Potential impact	-	-	21,458	(21,458)

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 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

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 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.

(ii) Compensation paid to the Key Management Personnel of the Company comprises the following;

For the year ended/as at 31st March	Company		Group	
	2024	2023	2024	2023
In Rs.'000s				
Short term employee benefits	2,400	2,358	47,075	46,786
	2,400	2,358	47,075	46,786

As at 31st March 2024 an amount of Rs. 48,307,500/- was paid towards gratuity of Key Management Personnel in the Group whilst a Company maintained vehicle is provided for both official & private use.

NOTES TO THE FINANCIAL STATEMENTS

38 RELATED PARTY DISCLOSURES (CONTD.)

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.

Transactions with related parties are carried out on an arm's length basis. Outstanding balances as at year end are unsecured, interest free (except for Lion Brewery (Ceylon) PLC and Pubs 'N Places (Private) Limited) and all related-party dues are on demand and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables for the year ended 31st March 2024 and the Group has not recorded any impairment for receivables relating to amount owed by Group entities except as disclosed under Note 32.

Non-recurrent related party transactions

There were no non-recurrent related party transactions during the year which in aggregate value exceeds 10% of the equity or 5% of the total assets, whichever is lower, of the Company as per 31 March 2024 audited financial statements, which required additional disclosures in the Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

Recurrent related party transactions

All the Recurrent Related Party transactions which in aggregate value exceeded 10% of the gross revenue/income of the Company as per 31st March 2024 audited Financial Statements are disclosed under page 19 in the directors report, as required by Colombo Stock Exchange Listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission.

38.2.1 Transactions with subsidiary companies

In Rs.'000s

Name of the company	Relationship	Nature of the transaction	Company		Group	
			2024	2023	2024	2023
Lion Brewery (Ceylon) PLC.	Subsidiary	Interest Expenses	66,757	62,937	-	-
		Royalty Income	184,881	201,917	-	-
		Dividend Income	2,106,868	1,289,493	-	-
Lion Beer (Ceylon) Pte Ltd	Subsidiary	Royalty Income	13	-	-	-
Pubs N Places (Private) Limited	Subsidiary	Interest Income	33,173	39,833	-	-
		Impairment of intercompany receivables	-	44,403	-	-
Carsons Management Services (Private) Limited	Related entity	Support service fee paid	628	605	923,951	629,343
		Secretarial & other fee paid	523	528	159,515	95,967
S K C Management Services Ltd.	Related entity	Reimbursement of Casual Wages	2,109	1,618	2,109	1,618

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 to 2001 and Rs.25,059,553/86 as its penalty. The Company and the Directors filed a Writ an application in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued to the Company 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. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86.

Subsequently the CA Application was dismissed and the Company appealed against the Order to the Supreme Court. The Supreme Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. Supreme Court Judgment was delivered in December 2022 where the Company's Appeal was upheld and Certificate of Excise Duty in default issued by the Director General of Customs and Excise Duty in the Magistrates' Court of Fort was quashed.

The Director General of Excise was directed to consider the representations made by the Company and make a determination under section 9(2) of the said Act, pursuant to an inquiry which was to be concluded within six months from the date of the judgment. Despite the lapse of six months, inquiry is still pending.

- (ii) Contingent liabilities as at 31st March 2024 amounts to Rs. 781 Mn (2023 - Rs. 78 Mn), 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 Group as at 31st March 2024 amounts to Rs. 1,308 Mn (2023 - Rs. 1,657 Mn).

39 CONTINGENT LIABILITIES AND COMMITMENTS (CONTD.)

39.3 Capital Commitments

Capital expenditure committed by the Group for which a provision has not been made in the Financial Statements amounts to Rs. 1,249 Mn at 31st March 2024 (2023 - Rs. 700 Mn).

NOTES TO THE FINANCIAL STATEMENTS

40 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Interim dividend

The Board of Directors approved a first interim dividend of Rs. 21.15 per share for the year ending 31st March 2025 on 03rd June 2024. In Accordance with Sri Lanka Accounting Standards LKAS 10 Events after the Reporting period, this dividend has not been recognised as a liability as at 31st March 2024.

41 COMPARATIVE FIGURES

Where required certain comparative figures have been reclassified to give proper presentations as at 31st March 2024.

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	2024	2023
In Rs.'000s		
VALUE ADDED		
Revenue	111,930,270	96,938,522
Other income	530,383	304,414
Finance income	1,152,128	1,411,521
Value added tax	17,677,535	12,786,669
	131,290,316	111,441,126
Cost of material and services bought from outside	(31,627,663)	(25,915,850)
	99,662,653	85,525,276

For the year ended 31st March	2024	%	2023	%
In Rs.'000s				
DISTRIBUTED AS FOLLOWS:				
To Employees				
As remuneration and other employee costs	2,270,197	2.28	1,536,943	1.80
To Government				
As Excise duty	52,553,869	52.73	47,713,370	55.79
As Excise levies	721,510	0.72	731,512	0.86
As Import duty	4,325,927	4.34	3,303,176	3.86
As Value added tax	17,677,535	17.74	12,786,669	14.95
As Income tax	4,881,605	4.90	3,830,083	4.48
As Surcharge Tax	-	-	1,230,756	1.44
As Social Security Contribution Levy	2,328,784	2.34	1,049,545	1.23
To Providers' of Capital				
As Dividends to shareholders	1,705,072	1.71	1,107,122	1.29
As Finance expenses	2,786,126	2.80	3,615,441	4.23
Retained in the Business				
As Depreciation/amortisation	2,436,419	2.44	1,874,556	2.19
As Minority interest	4,012,661	4.03	3,338,490	3.90
As Profit for the year	3,962,948	3.98	3,407,614	3.98
	99,662,653	100.00	85,525,276	100.00

VALUE ADDED STATEMENT

Notes:

- 1 The Statement of Value Added shows the quantum of wealth generated by the activities of the Group and its applications.
- 2 The total tax liability/ payment made to the Government during the year include the following:

	2024	2023
In Rs.'000s		
Value added tax	17,677,535	12,786,669
Excise duty	52,553,869	47,713,370
Excise levies	721,510	731,512
Import duty	4,325,927	3,303,176
Income tax	4,881,605	3,830,083
Surcharge tax	-	1,230,756
Social security contribution levy	2,328,784	1,049,545
Total tax liabilities / payments made to the Government	82,489,230	70,645,111

FIVE YEAR SUMMARY

Year ended 31st March	2024	2023	2022	2021	2020
In Rs.'000s					
OPERATING RESULTS					
Revenue	111,930,270	96,938,522	60,211,220	51,172,154	49,215,361
Other income	530,383	304,414	193,922	343,869	153,337
Net gains arising from changes in fair value of investment properties	5,000	163,100	160,230	-	155,609
	112,465,653	97,406,036	60,565,372	51,516,023	49,524,307
Total expenditure	(97,099,425)	(83,587,984)	(54,389,494)	(46,194,221)	(43,550,492)
Reversal / (provision) impairment of intangible assets	291,063	(353,229)	(463,578)	(449,084)	(740,315)
Profit before finance cost	15,657,291	13,464,823	5,712,300	4,872,718	5,233,500
Net finance income/(costs)	(1,633,998)	(2,203,920)	172,876	(588,211)	(739,260)
Profit before taxation	14,023,293	11,260,903	5,885,176	4,284,507	4,494,240
Income tax expense	(6,047,684)	(4,514,799)	(2,063,378)	(1,850,010)	(1,677,977)
Profit for the year	7,975,609	6,746,104	3,821,798	2,434,497	2,816,263
Total other comprehensive income/ (cost) for the year	713,827	(30,539)	731,086	672	288,632
Total comprehensive income for the year	8,689,436	6,715,565	4,552,884	2,435,169	3,104,895
Dividends - Ordinary	1,107,118	1,107,118	655,456	287,537	209,881
Excise duty	52,553,869	47,713,370	39,049,818	30,739,354	29,233,357

FIVE YEAR SUMMARY

As at 31st March	2024	2023	2022	2021	2020
In Rs.'000s					
STATEMENT OF FINANCIAL POSITION					
Stated capital	533,384	533,384	533,384	533,384	533,384
Capital reserve	1,491,952	1,103,358	1,103,358	735,712	735,712
Translation reserve	(3,660)	-	-	-	-
Revenue reserve	12,591,143	10,345,024	8,720,708	7,290,140	6,321,790
	14,612,819	11,981,766	10,357,450	8,559,236	7,590,886
Minority interest	13,178,793	11,090,491	9,515,171	8,104,994	7,230,325
	27,791,612	23,072,257	19,872,621	16,664,230	14,821,211
Loans, borrowings and leases	4,593,268	7,004,600	5,648,007	5,390,787	12,646,497
Less - net cash	(9,983,826)	(9,303,148)	(11,137,550)	(7,686,214)	(10,181,555)
Capital Employed	22,401,054	20,773,709	14,383,078	14,368,803	17,286,153
Represented by:					
Non-current assets	29,015,879	24,501,819	22,249,932	20,909,285	21,727,839
Current assets excluding cash and cash equivalents	15,145,581	12,982,886	6,943,244	5,520,462	4,933,671
Current liabilities excluding borrowings & overdrafts	(14,650,875)	(10,548,779)	(9,170,853)	(6,492,972)	(3,758,648)
Lease liabilities	(233,800)	(216,501)	(196,109)	(218,088)	(274,532)
Retirement benefit obligations	(293,935)	(257,730)	(182,996)	(243,171)	(207,333)
Deferred tax liabilities	(6,581,796)	(5,687,986)	(5,260,140)	(5,106,713)	(5,134,844)
	22,401,054	20,773,709	14,383,078	14,368,803	17,286,153
Year ended 31st March					
	2024	2023	2022	2021	2020
In Rs.'000s					
Cash Flow Statistics					
Net cash (outflows)/inflows from operating activities	11,197,856	1,406,818	4,990,359	5,650,184	1,964,068
Net cash (outflows)/inflows from investing activities	(3,836,125)	(2,450,913)	(1,057,948)	(157,919)	(647,748)
Net cash inflows/ (outflows) from financing activities	(6,660,123)	(1,167,299)	(1,216,479)	(8,025,983)	196,474
Net cash movement for the year	701,608	(2,211,394)	2,715,932	(2,533,718)	1,512,794

As at 31st March	2024	2023	2022	2021	2020
RATIOS & STATISTICS					
Operational Ratios					
Return on shareholders' funds (%)	27.11	28.44	19.99	14.66	19.41
Return on capital employed (ROCE) (times)	69.90	64.82	39.72	33.91	30.28
Equity to total assets (times)	2.04	2.12	2.13	2.17	2.70
Assets turnover (times)	1.97	1.99	1.42	1.42	1.23
Gearing ratio (%)	-	-	-	-	14.26
Interest cover (times)	9.58	6.11	-	8.28	7.08
Current ratio (times)	1.35	1.38	1.38	1.46	1.08
Quick asset ratio (times)	0.91	0.96	1.07	1.11	0.90
Price earnings ratio (times)	4.13	4.80	7.90	13.04	11.40
Dividends per share (Rs.)	81.24	52.75	31.23	13.70	10.00
Dividend payout ratio (%) (company)	81.38	110.43	82.18	90.55	53.64

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - USD

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In USD '000s				
Revenue	7,075	4,195	345,560	272,652
Cost of sales	-	-	(261,997)	(207,447)
Gross profit	7,075	4,195	83,563	65,205
Progressive insurance receipts on business interruption	-	-	-	-
Other income	-	-	1,637	856
Net gains arising from changes in fair value of investment properties	15	459	15	459
	7,090	4,654	85,215	66,520
Distribution expenses	-	-	(23,197)	(16,924)
Administrative expenses	(107)	(97)	(12,842)	(8,719)
Other expenses	-	-	(1,737)	(2,011)
Reversal / (provision) impairment of intangible assets	-	-	899	(994)
Impairment provision for receivable from intercompany	137	(125)	-	-
Impairment of investments in subsidiaries	(205)	(492)	-	-
Profit from operations	6,915	3,940	48,338	37,872
Profit before finance cost	6,915	3,940	48,338	37,872
Finance income	102	112	3,557	3,970
Finance costs	(355)	(273)	(8,602)	(10,169)
Net finance costs	(253)	(161)	(5,045)	(6,199)
Profit before taxation	6,662	3,779	43,293	31,673
Income tax expenses	(195)	(959)	(18,672)	(12,699)
Profit after taxation	6,467	2,820	24,621	18,974

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In USD '000s				
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Remeasurement of employee benefit obligation	-	-	(118)	(143)
Deferred tax adjustment	-	-	47	57
Change in revaluation of property plant & equipment	-	-	3,827	-
Deferred tax adjustment	-	-	(1,531)	-
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation gain/(loss) from foreign operation	-	-	-	-
	-	-	(22)	-
Total other comprehensive income for the year	-	-	2,203	(86)
Total comprehensive income	6,467	2,820	26,824	18,888
Profit attributable to				
- Equity holders of the company	6,467	2,820	12,233	9,584
- Non controlling interest	-	-	12,388	9,390
Profit available for appropriation	6,467	2,820	24,621	18,974
Total comprehensive income attributable to				
- Equity holders of the company	6,467	2,820	13,383	9,539
- Non controlling interest	-	-	13,441	9,349
Profit available for appropriation	6,467	2,820	26,824	18,888

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION - USD

As at 31st March	Company		Group	
	2024	2023	2024	2023
In USD '000s				
ASSETS				
Non-current assets				
Property, plant & equipment	-	-	88,956	68,440
Investment properties	2,670	2,411	2,670	2,411
Right of use assets	-	-	734	625
Intangible assets	-	-	2,518	1,366
Deferred tax assets	-	-	153	79
Investments in subsidiaries	6,971	6,131	-	-
Total non-current assets	9,641	8,542	95,031	72,921
Current assets				
Inventories	-	-	29,880	22,176
Trade & other receivables	102	23	19,724	16,461
Amounts due from related companies	398	521	-	-
Current taxation	-	-	-	2
Cash and cash equivalents	140	61	41,172	33,773
Total current assets	640	605	90,776	72,412
Total assets	10,281	9,147	185,807	145,333
EQUITY AND LIABILITIES				
Equity				
Stated capital	9,198	9,198	9,198	9,198
Capital reserves	65	59	4,886	3,284
Revenue reserves	(1,743)	(3,583)	33,785	23,180
Translation reserve	-	-	(12)	-
Equity attributable to equity holders of the company	7,520	5,674	47,857	35,662
Non - controlling interest	-	-	43,162	33,006
Total equity	7,520	5,674	91,019	68,668

As at 31st March	Company		Group	
	2024	2023	2024	2023
In USD '000s				
Non - current liabilities				
Debentures	-	-	-	-
Loans and borrowings	-	-	4,499	5,727
Lease liabilities	-	-	766	644
Employee benefits	-	-	963	767
Deferred tax liabilities	475	428	21,556	16,928
Total non- current liabilities	475	428	27,784	24,066
Current liabilities				
Trade and other payables	119	83	14,961	14,374
Amounts due to related companies	1,437	1,109	405	226
Refundable deposits	-	-	9,815	8,162
Tax liabilities	101	223	22,659	8,498
Loans and borrowings	-	1,190	10,545	15,119
Lease liabilities	-	-	145	134
Bank overdraft	629	440	8,474	6,086
Total current liabilities	2,286	3,045	67,004	52,599
Total liabilities	2,761	3,473	94,788	76,665
Total equity and liabilities	10,281	9,147	185,807	145,333

NOTES TO THE FINANCIAL STATEMENTS - USD

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		2024	2023
In Rs.			
Income statement	Average rate	323.91	355.54
Monetary assets and liabilities	Closing rate	305.33	336.01
Non-current assets and liabilities	Closing rate	305.33	336.01
Ordinary share capital	Historical rate	57.99	57.99

2 REVENUE

For the year ended 31st March	Company		Group	
	2024	2023	2024	2023
In USD '000s				
(A) Revenue streams				
Dividend income	6,504	3,627	-	-
Royalty income	571	568	-	-
Brewery income	-	-	336,226	265,042
Retail trade income	-	-	9,334	7,610
	7,075	4,195	345,560	272,652
(B) Geographic revenue				
Local revenue	7,075	4,195	330,443	260,752
Export revenue	-	-	15,117	11,900
	7,075	4,195	345,560	272,652

FIVE YEAR SUMMARY - USD

Year ended 31st March	2024	2023	2022	2021	2020
In USD '000s					
Revenue	345,560	272,652	293,398	271,635	274,222
Other income	1,637	856	945	1,825	854
Net gains arising from changes in fair value of investment properties	15	459	781	-	867
	347,212	273,967	295,124	273,460	275,943
Total expenditure	(299,770)	(235,101)	(265,030)	(245,211)	(242,658)
Impairment of intangible assets	899	(994)	(2,259)	(2,384)	(4,125)
Profit before finance cost	48,341	37,872	27,835	25,865	29,160
Net finance costs	(5,045)	(6,199)	842	(3,122)	(4,119)
Profit before taxation	43,296	31,673	28,677	22,743	25,041
Income tax expense	(18,672)	(12,699)	(10,054)	(9,821)	(9,349)
Profit for the year	24,624	18,974	18,623	12,922	15,692
Total other comprehensive Income for the year	2,203	(86)	3,562	4	1,608
Total comprehensive Income for the year	26,824	18,888	22,185	12,926	17,300
Dividends - Ordinary	5,264	3,114	3,194	766	804
Excise duty paid	162,248	134,200	190,283	163,169	162,887

FIVE YEAR SUMMARY - USD

As at 31st March	2024	2023	2022	2021	2020
In USD '000s					
STATEMENT OF FINANCIAL POSITION					
Share capital	9,198	9,198	9,198	9,198	9,198
Capital reserves	4,886	3,284	3,690	3,641	3,823
Revenue reserves	33,785	23,180	21,754	29,524	26,423
Translation reserve	(12)	-	-	-	-
	47,857	35,662	34,642	42,363	39,444
Minority interest	43,162	33,006	31,823	40,116	37,569
	91,019	68,668	66,465	82,479	77,013
Loans, borrowings and leases	15,044	20,846	18,890	26,682	65,712
Less - Cash	(32,698)	(27,687)	(37,249)	(38,042)	(52,904)
Capital employed	73,365	61,827	48,106	71,119	89,821
Represented by:					
Non-current assets	95,031	72,920	74,414	103,491	112,899
Current assets excluding cash and cash equivalents	49,604	38,640	23,224	27,324	25,636
Current liabilities excluding borrowings & overdrafts	(47,984)	(31,394)	(30,672)	(32,137)	(19,530)
Lease liabilities	(766)	(644)	(656)	(1,079)	(1,426)
Retirement benefit obligations	(963)	(767)	(612)	(1,204)	(1,077)
Deferred tax liabilities	(21,556)	(16,928)	(17,592)	(25,276)	(26,681)
	73,365	61,827	48,106	71,119	89,821

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 2024 was Rs. 1,532.75 per share (31st March 2023 - Rs.1,134.00)

2 ORDINARY SHAREHOLDERS

As at 31st March	2024	2023
Number of Shareholders	997	960

3 FREQUENCY DISTRIBUTION OF SHAREHOLDINGS AS AT 31ST MARCH 2024

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	822	104,857	0.50	60	14,639	0.07	882	119,496	0.57
1001-10,000	72	198,154	0.95	31	82,370	0.39	103	280,524	1.34
10,001-100,000	3	36,146	0.17	3	134,458	0.64	6	170,604	0.81
100,001-1,000,000	1	144,423	0.69	2	772,833	3.68	3	917,256	4.37
Above 1,000,000	1	15,726,912	74.93	2	3,773,298	17.98	3	19,500,210	92.91
Grand Total	899	16,210,492	77.24	98	4,777,598	22.76	997	20,988,090	100.00

4 CATEGORIES OF SHAREHOLDERS

As at 31st March 2024	No. of Shareholders	No. of Shares	%
Individual	933	426,777	2.03
Institutions	64	20,561,313	97.97
Total	997	20,988,090	100.00

5 The number of shares held by non-residents as at 31st March 2024 was 4,777,598 (2023 - 4,772,493) which amounts to 22.76% (2023 - 22.74%) of the total number of shares in issue.

INFORMATION TO SHAREHOLDERS & INVESTORS

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 (i) (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 2024

Float Adjusted Market Capitalisation (Rs.)	Rs.7,813,970,322/75
Percentage of ordinary shares held by the public	24.29%
Number of Public Shareholders	978

7 MARKET PERFORMANCE - ORDINARY SHARES

For The year ended 31st March	2024	2023
Highest (Rs.)	1,550.00	1,150.00
Lowest (Rs.)	903.00	531.00
Last Traded (Rs.)	1,532.75	1,134.00
Value of Shares Traded (Rs.Mn)	21.70	6.44
No. of shares traded	17,448	7,633

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. 32,169,495,000/- as at 31st March 2024 (31st March 2023 - Rs. 23,800,494,000/-).

9 DIVIDEND

First Interim Dividend of Rs.28/84 per ordinary share for the financial year ended 31st March 2024 was announced on 13th June 2023. Shareholders of the Company who had provided accurate bank account details were paid on 04th July 2023 and to the Shareholders who have not provided accurate bank account details or have not provided any bank account details, the dividend were paid on 14th July 2023 via cheques.

Second Interim Dividend of Rs.52/40 per ordinary share for the financial year ended 31st March 2024 was announced on 06th December 2023. Shareholders of the Company who had provided accurate bank account details were paid on 22nd December 2023 and to the Shareholders who have not provided accurate bank account details or have not provided any bank account details, the dividends were paid on 08th January 2024 via cheques.

A First Interim Dividend of Rs. 21/15 per ordinary share for the year ending 31st March 2025 was announced on 03rd June 2024 will be paid on 19th June 2024 to the Shareholders of the Company who had provided accurate bank account details and to the Shareholders who had not provided accurate bank account details or had not provided any bank account details, the dividends will be paid on 03rd July 2024 via cheques.

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 twelve 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 interest bearing loans (including bank OD less interest bearing deposits).

DIVIDEND COVER (ORDINARY)

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.

PRICE EARNINGS RATIO - (P/ E)

Market price of a share divided by earnings per share

RELATED PARTIES

One party has ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

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).

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 113th Annual General Meeting of **CEYLON BEVERAGE HOLDINGS PLC** will be held on **Monday, 08th July 2024 at 10.30 a.m.** at the Auditorium of The Institute of Chartered Accountants of Sri Lanka (Ground Floor), 30A, Malalasekara Mawatha, Colombo 07, 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 2024 together with the Report of the Auditors thereon.
2. To re-elect Mrs. S. J. F. Evans 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 77 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 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. H. Selvanathan who is 75 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 Mr. D. C. R. Gunawardena 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. D. C. R. Gunawardena who is 73 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.”

6. 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 authorise the Directors to determine their remuneration.
7. To amend the Articles of Association of the Company and to consider and if deemed fit to pass the following Resolutions as Special Resolutions;

Special Resolution (1)

“That the first paragraph of Article 4(1) to be amended by deleting the word “Special” and replacing the same with the word “Ordinary” in line 4 thereof. The amended Article would read as follows:

NOTICE OF MEETING

"4 (1) Subject to the provisions of the Act, paragraphs (2) and (3) of this Article and in accordance with the provisions of the rules and regulations of the Colombo Stock Exchange in force for the time being and from time to time, the Shares of the Company shall be issued with the approval of the Shareholders by Ordinary Resolution as shall have been recommended by the Board. The Shares may be divided into several classes and there may be attached any preferential, deferred or other special rights, privileges, conditions or restrictions whether with regard to distributions, voting, return of capital or otherwise. The Company may also issue":-

Special Resolution (2)

"That Article 16(2) to be amended by deleting the words "an interim dividend" and replacing the same with the words "interim and final dividends", appearing between the words "of" and "to" in lines 1 and 2 thereof.

The amended Article would read as follows;

"16(2) The Board may from time to time approve the payment of interim and final dividends to Shareholders, where that appears to be justified by the Company's profits, without the need for approval by an Ordinary Resolution of the Shareholders."

The side note to Article 16(2) to be deleted and replaced with "interim and final dividends".

Special Resolution (3)

"That Article 17 to be amended by inserting the words within brackets "(which shall include a particular class of shares in the Company)," between the words "Shares" and "from" in line 1 thereof and inserting the words "without the need for approval of Shareholders" in between the words "Board" and "and" in line 3 thereof. The amended Article would read as follows;

"17. The Company may agree to purchase or otherwise acquire its own Shares (which shall include a particular class of shares in the Company), from one or more of the Shareholders or from all of the Shareholders with the approval of the Board without the need for approval of the Shareholders and in accordance with the provisions of the Act".

Special Resolution (4)

" That Article 47(2) to be amended by adding the phrase "or any other method of expression as may be used in the context of and allowed by the electronic platform and/or application used by the Company to conduct such meeting" at the end of it. The amended Article 47(2) would read as follows;

"47(2)In the case of a meeting of Shareholders held under paragraph (b) of Article 43, unless a poll is demanded, voting at the meeting shall be by Shareholders signifying individually their assent or dissent by voice or any other method of expression as may be used in the context of and allowed by the electronic platform and/or application used by the Company to conduct such meeting."

Special Resolution (5)

"That Article 47(4) to be amended by insertion of a new item "(i) the chairman of the meeting; or" and renumbering the balance items as (ii) and (iii). The amended Article would read as follows;

“47(4) At a meeting of Shareholders, a poll may be demanded by :

- (i) the chairman of the meeting; or
- (ii) not less than five (05) Shareholders (present in person or by proxy) having the right to vote at that meeting; or
- (iii) by a Shareholder or Shareholders representing not less than one-tenth (1/10th) of the total voting rights of all the Shareholders having the right to vote at the meeting.”

Special Resolution (6)

“That Article 59 to be amended by the deletion of words and numbers “three (03)” and replacing the same with the words and numbers “five (05)” and by the deletion of the words and numbers “eight (08)” and replacing the same with the words and numbers “nine (09)”, appearing in line 3 thereof. The amended Article 59 would read as follows;

“59. Subject to the provisions of section 201 of the Act and unless otherwise determined by a Special Resolution of Shareholders, the Board shall consist of a minimum of five (05) and a maximum of nine (09) members.”

Special Resolution (7)

“That Article 74 to be amended by inserting the phrase “subject to being recommended by the Board” in between the words “re-election” and “and” in line 1 thereof. The amended Article would read as follows;

“74. Every retiring Director shall be eligible for re-election subject to being recommended by the Board and shall act as a Director throughout the meeting at which he retires”.

Special Resolution (8)

“That Article 82 to be amended as follows:

- Article 82(1) to be deleted in its entirety and replaced with the following Article;

“82 (1) Alternate directors shall only be appointed in exceptional circumstances as determined by the Board. Any director who wishes to appoint one of his co-directors or any other person as an alternate director to act in his place shall obtain the prior approval of the Board and appoint such alternate director by notice in Writing left at the Office. The provisions contained in the following sub-Articles shall apply to any such alternate director”.

- Article 82(5) to be deleted in its entirety and be replaced with the following new Article;

“82(5) An alternate director shall be appointed for a maximum period of one (01) year unless provided otherwise in the Listing Rules of the Colombo Stock Exchange, but he shall *ipso facto* cease to be an alternate director in any one of the following events prior to completion of his term:-“

- The following sub-articles will be introduced immediately after Article 82(7);

NOTICE OF MEETING

82(8) If an alternate director is appointed for a Non-Executive Director such alternate should not be an executive of the Company.

82(9) If an alternate director is appointed by an Independent Director, the person so appointed should meet the criteria for independence specified in any applicable rules of the Company including the Listing Rules of the Colombo Stock Exchange and shall satisfy the requirements relating to the minimum number of Independent Directors specified therein. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.

82(10) The Company shall make an immediate Market Announcement regarding the appointment of an alternate director. Such Market Announcement shall include the following:-

- a) the exceptional circumstances leading to such appointment;
- b) the information on the capacity in which such alternate director is appointed, i.e. whether as an Executive Director, Non-Executive Director or Independent Director;
- c) the time period for which he is appointed, which shall not exceed one (01) year from the date of appointment; and
- d) a statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company.

82(11) The attendance of any alternate director at any meeting, including a board committee meeting shall be counted for the purpose of quorum.

82(12) The words "Executive Director", "Independent Director", "Non-Executive Director", "Market Announcement" and "Nominations and Governance Committee" shall have the meanings and definitions applicable to them in the Listing Rules of the Colombo Stock Exchange."

Special Resolution (9)

" That the sub Article (iv) of Article 88(1) , "(iv) issue shares as per Article 4;" to be deleted in its entirety and sub Articles from (v) to (xii) to be renumbered accordingly as a corresponding amendment to the amendment proposed to Article 4(1) above in Special Resolution (1)"

Special Resolution (10)

" That the existing Article 92 to be deleted in its entirety and be replaced by the following;

"92. The Board may, from time to time by Resolution, appoint any person or persons as its attorney for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such periods and subject to such conditions as the Board may from time to time think fit."

Special Resolution (11)

“ That Article 102 to be amended by the introduction of a new sub article as follows;

“102(3) Notwithstanding the above, the Board may by Resolution authorise any contract or other enforceable obligation executed in terms of Section 19 of the Act to be entered into on behalf of the Company in writing, without the Common Seal being affixed thereon, and signed under the name of the Company by:

- (i) any two Directors of the Company;
- (ii) any one Director signing together with the Company Secretary or any other person or class of persons duly authorised by the Board; or
- (iii) one or more Attorneys appointed by the Company.”

By Order of the Board

(Sgd.)

K. D. De Silva (Mrs)

Director

CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED

Secretaries

Colombo

10th June 2024

NOTICE OF MEETING

Notes:

1. The Annual Report 2023/24 will be made available on the Colombo Stock Exchange website **www.cse.lk** and on the Group's website **www.carsoncumberbatch.com**.
2. A Shareholder is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
3. The completed Form of Proxy should be submitted to the Company **not later than 4.45 p.m. on 06th July 2024**,
 - via email to CBHAGM2024@carcumb.com, or
 - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 767 410 683, or
 - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.
4. A person representing a Corporation is required to submit a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.
5. The transfer books of the Company will remain open.
6. Security Check

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

FORM OF PROXY

* I/We.....
of.....
being *a Shareholder/Shareholders of **CEYLON BEVERAGE HOLDINGS PLC**
hereby appointof
.....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,
DON CHANDIMA RAJAKARUNA GUNAWARDENA	Or failing him,
RAJIV HERATH MEEWAKKALA	Or failing him,
STEFANO CLINI	Or failing him,
SUSAN JULIET FARRINGTON EVANS (MRS)	

as *my/our proxy to attend at the 113th Annual General Meeting of the Company to be held on **Monday, 08th July 2024 at 10.30 a.m.** at the Auditorium of The Institute of Chartered Accountants of Sri Lanka (Ground Floor), 30A, Malalasekara Mawatha, Colombo 07, Sri Lanka and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To re-elect Mrs. S. J. F. Evans who retires by rotation in terms of Articles 72, 73 and 74 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-appoint Mr. M. Selvanathan who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-appoint Mr. H. Selvanathan who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint Mr. D. C. R. Gunawardena who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input type="checkbox"/>	<input type="checkbox"/>
6. To pass the Special Resolution to amend the Articles of Association of the Company as set out in the Notice		
Special Resolution 1	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 2	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 3	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 4	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 5	<input type="checkbox"/>	<input type="checkbox"/>

FORM OF PROXY

	For	Against
Special Resolution 6	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 7	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 8	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 9	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 10	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 11	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Twenty Four.

.....
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.

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. Shareholders could also appoint a member of the Board to act as their proxy if they so choose.
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 submitted to the Company not later than **4.45 p.m. on 06th July 2024**,
 - via email to **CBHAGM2024@carcumb.com**, or
 - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 767 410 683, or
 - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.

Please fill in the following details: (include here)

Name & contact no. of Shareholder :

CDS Account No. / Folio No. :

Name & contact no. of Proxyholder :

NIC No. of the Proxyholder :

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
Millers Brewery Limited
Lion Beer (Ceylon) Pte Ltd, Singapore -
Incorporated on 13/03/2023

PARENT AND CONTROLLING ENTITY

Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC

DIRECTORS

Mr. D. A. Cabraal (Chairman)
Mr. H. Selvanathan (Deputy Chairman)
Mr. M. Selvanathan
Mr. D. C. R. Gunawardena
Mr. R. H. Meewakkala (Director/CEO)
Mr. S. Cline
Mrs. S. J. F. Evans

BANKERS

Citibank
Commercial Bank of Ceylon PLC
Deutsche Bank
DFCC Bank
Hatton National Bank PLC
Nations Trust Bank
National Development Bank PLC
People's Bank
Standard Chartered Bank
Sampath Bank PLC
Bank of China Limited

LEGAL ADVISERS

Messrs. F. J. & G. De Saram
216, De Saram Place
Colombo 10
Sri Lanka
Tel : + 94 11 4718 200
Fax : + 94 11 4718 220

AUDITORS

Messrs. KPMG
Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha
Colombo 3
Sri Lanka
Tel: + 94 11 5426 426
Fax: +94 11 2445 872

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 2465 900 (10 Lines)
Fax: +94 11 2465 901

GROUP WEBSITE

www.carsoncumberbatch.com

Designed & produced by

emagewise

Printed by Printage (Pvt) Ltd

Ceylon Beverage Holdings PLC

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Colombo 01, Sri Lanka.

Tel : +94 11 2039 200 Fax: +94 11 2039 300