

# **Lion Brewery (Ceylon) PLC**

**Interim Condensed Financial Statements  
for the Third quarter ended  
31st December 2013**

# **LION BREWERY (CEYLON) PLC**

## **BOARD OF DIRECTORS**

Mr. L. C. R. de C.Wijetunge (**Chairman**)

Mr. H. Selvanathan (**Deputy Chairman**)

Mr. S. K. Shah (**Chief Executive Officer**)

Mr. D.C.R.Gunawardena

Mr. C. P. Amerasinghe

Mr. C.T. Liyanage

Mr. D. R. P. Goonetilleke

Mr. K. Selvanathan (Director / Alternate Director to H. Selvanathan)

Ms. S.J.F.Evans

Mr. R.E.Bagattini (Resigned w.e.f. 7th June 2013)

Mr. S. Ravn (Resigned w.e.f. 10th June 2013)

Mr. Y.F.Lew (Ceased to be Alternate Director to S. Ravn w.e.f. 10th June 2013)

Mr. S.G.Lauridsen (Ceased to be Alternate Director to R.E.Bagattini w.e.f. 7th June 2013)

Mr. H.J.Andersen (Appointed w.e.f. 10th June 2013)

Mr. S.G.Lauridsen (Appointed w.e.f. 10th June 2013)

Mr. D. A. Cabraal (Appointed w.e.f. 1st November 2013)

Mr. Y.F.Lew (Appointed Alternate Director to S.G.Lauridsen w.e.f. 10th June 2013)

## **LION BREWERY (CEYLON) PLC**

### **REVIEW**

A turnover of Rs.19.2 billion was recorded for the 9 months ended 31st December 2013 compared to Rs.16.5 billion for the period April to December 2012. The revenue growth was mainly driven by two increases in Excise Duty which came in to effect in October 2012 & July 2013.

A pre-tax profit of Rs.1,514.4 million for the first nine months of the financial year 2013/14 was recorded against Rs.1,239.8 million for the corresponding period last year. The increase in profits was mainly a result of the Lion ceasing the importation of its canned beer, which as shareholder's are aware was done to meet market demand at a substantial cost to the Company. A combination of internal re-structuring & modest to low growth in demand meant that imports ceased w.e.f. October 2013.

**LION BREWERY (CEYLON) PLC**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**

<i>As at 31st December</i> <i>In Rs. '000s</i>	<b>2013</b>	<b>2012</b>	<b>31st March 2013</b> <b>(Audited)</b>
<b>ASSETS</b>			
<b>Non- Current Assets</b>			
Property, plant & equipment	10,072,288	7,423,048	7,991,094
Intangible assets	11,733	8,763	8,284
<b>Total Non-Current Assets</b>	<b>10,084,021</b>	<b>7,431,811</b>	<b>7,999,378</b>
<b>Current Assets</b>			
Inventories	2,581,192	1,992,913	2,406,715
Trade and other receivables	3,934,846	1,591,248	2,948,249
Amounts due from related companies	207,221	-	17,150
Investment in fixed deposits	6,251,340	-	1,578,014
Cash and cash equivalents	1,168,832	3,608,145	2,181,687
<b>Total Current Assets</b>	<b>14,143,431</b>	<b>7,192,306</b>	<b>9,131,815</b>
<b>Total Assets</b>	<b>24,227,452</b>	<b>14,624,117</b>	<b>17,131,193</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	2,537,801	2,537,801	2,537,801
Capital reserves	719,411	719,411	719,411
Revenue reserves	3,281,092	2,421,949	2,653,021
<b>Total Equity</b>	<b>6,538,304</b>	<b>5,679,161</b>	<b>5,910,233</b>
<b>Non- Current Liabilities</b>			
Debentures (Note 4)	2,798,800	-	-
Loans and borrowings	2,435,687	2,824,160	2,723,907
Employee benefits	85,504	75,127	79,315
Deferred taxation	979,515	657,725	789,579
<b>Total Non- Current Liabilities</b>	<b>6,299,506</b>	<b>3,557,012</b>	<b>3,592,801</b>
<b>Current Liabilities</b>			
Trade and other payables	1,424,472	464,091	786,327
Amounts due to related companies	46,186	74,086	51,744
Refundable deposits	1,001,544	952,944	980,333
Current taxation	828,590	820,116	999,976
Debentures (Note 4)	201,200	-	-
Loans and borrowings	6,067,407	812,108	1,364,077
Bank overdrafts	1,820,243	2,264,599	3,445,702
<b>Total Current Liabilities</b>	<b>11,389,642</b>	<b>5,387,944</b>	<b>7,628,159</b>
<b>Total Liabilities</b>	<b>17,689,148</b>	<b>8,944,956</b>	<b>11,220,960</b>
<b>Total Equity and Liabilities</b>	<b>24,227,452</b>	<b>14,624,117</b>	<b>17,131,193</b>
<b>Net assets per ordinary share (Rs.)</b>	<b>81.73</b>	<b>70.99</b>	<b>73.88</b>

The above figures are provisional and subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

**D.R.P. Goonetilleke**

Director - Finance

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.)

**A. Weeratunge**

Director

(Sgd.)

**S.K. Shah**

Director

(Sgd.)

**C.P.Amerasinghe**

Director

Carsons Management Services ( Private) Limited

7th February 2014

**LION BREWERY (CEYLON) PLC**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

<i>In Sri Lankan Rs. '000s</i>	Quarter Ended		Change %	Nine Months Ended		Change %	Year ended 31.03.2013 (Audited)
	31.12.2013	31.12.2012		31.12.2013	31.12.2012		
<b>Revenue</b>	<b>6,818,529</b>	<b>5,954,464</b>	<b>15</b>	<b>19,182,745</b>	<b>16,483,973</b>	<b>16</b>	<b>22,191,670</b>
Cost of sales	(5,287,510)	(4,713,772)	12	( 14,908,474)	( 12,764,746)	17	(17,213,066)
<b>Gross Profit</b>	<b>1,531,019</b>	<b>1,240,692</b>	<b>23</b>	<b>4,274,271</b>	<b>3,719,227</b>	<b>15</b>	<b>4,978,604</b>
Other income	5,730	6,549	(13)	10,204	12,861	(21)	26,503
	<b>1,536,749</b>	<b>1,247,241</b>	<b>23</b>	<b>4,284,475</b>	<b>3,732,088</b>	<b>15</b>	<b>5,005,107</b>
Distribution expenses	(670,654)	(720,134)	(7)	( 2,056,676)	( 1,923,471)	7	(2,713,336)
Administrative expenses	(140,576)	(154,264)	(9)	( 481,351)	( 439,879)	9	(598,841)
Other expenses	(40,033)	(50,656)	(21)	( 116,437)	( 138,284)	(16)	(166,338)
<b>Profit From Operations</b>	<b>685,486</b>	<b>322,187</b>	<b>113</b>	<b>1,630,011</b>	<b>1,230,454</b>	<b>32</b>	<b>1,526,592</b>
Finance income	149,189	136,581	9	462,812	383,651	21	534,212
Finance costs	(163,532)	(160,677)	2	( 578,430)	( 374,315)	55	(479,021)
<b>Net Finance (Costs)/Income</b>	<b>(14,343)</b>	<b>(24,096)</b>	<b>(40)</b>	<b>( 115,618)</b>	<b>9,336</b>	<b>(1338)</b>	<b>55,191</b>
<b>Profit Before Taxation</b>	<b>671,143</b>	<b>298,091</b>	<b>125</b>	<b>1,514,393</b>	<b>1,239,790</b>	<b>22</b>	<b>1,581,783</b>
Income tax expenses	(269,299)	(112,092)	140	( 566,322)	( 424,957)	33	(535,878)
<b>Profit After Taxation</b>	<b>401,844</b>	<b>185,999</b>	<b>116</b>	<b>948,071</b>	<b>814,833</b>	<b>16</b>	<b>1,045,905</b>
Other comprehensive income	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	<b>401,844</b>	<b>185,999</b>	<b>116</b>	<b>948,071</b>	<b>814,833</b>	<b>16</b>	<b>1,045,905</b>
<b>Earnings per ordinary share (Rs.)</b>	<b>5.02</b>	<b>2.32</b>		<b>11.85</b>	<b>10.19</b>		<b>13.07</b>
<b>Dividend per share (Rs.)</b>	<b>-</b>	<b>-</b>		<b>4.00</b>	<b>4.00</b>		<b>4.00</b>

*The above figures are provisional and subject to audit.*

**LION BREWERY (CEYLON) PLC****STATEMENT OF CHANGES IN EQUITY**

<i>In Rs. '000s</i>	Stated Capital	Revaluation Reserve	Retained Earnings	Total Equity
<b>Balance as at 1st April 2012</b>	<b>2,537,801</b>	<b>719,411</b>	<b>1,952,229</b>	<b>5,209,441</b>
<b>Total Comprehensive income for the period</b>				
Profit for the period	-	-	814,833	814,833
Total other comprehensive income	-	-	-	-
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>814,833</b>	<b>814,833</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>				
Adjustments on returnable containers	-	-	(25,113)	(25,113)
Ordinary dividends	-	-	(320,000)	(320,000)
<b>Balance as at 31st December 2012</b>	<b>2,537,801</b>	<b>719,411</b>	<b>2,421,949</b>	<b>5,679,161</b>
<b>Balance as at 1st April 2012</b>	<b>2,537,801</b>	<b>719,411</b>	<b>1,952,229</b>	<b>5,209,441</b>
<b>Total Comprehensive income for the year</b>				
Profit for the year	-	-	1,045,905	1,045,905
Total other comprehensive income	-	-	-	-
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,045,905</b>	<b>1,045,905</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>				
Adjustments on returnable containers	-	-	(25,113)	(25,113)
Ordinary dividends	-	-	(320,000)	(320,000)
<b>Balance as at 31st March 2013</b>	<b>2,537,801</b>	<b>719,411</b>	<b>2,653,021</b>	<b>5,910,233</b>
<b>Balance as at 1st April 2013</b>	<b>2,537,801</b>	<b>719,411</b>	<b>2,653,021</b>	<b>5,910,233</b>
<b>Total Comprehensive income for the period</b>				
Profit for the period	-	-	948,071	948,071
Total other comprehensive income	-	-	-	-
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>948,071</b>	<b>948,071</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>				
Ordinary dividends	-	-	(320,000)	(320,000)
<b>Balance as at 31st December 2013</b>	<b>2,537,801</b>	<b>719,411</b>	<b>3,281,092</b>	<b>6,538,304</b>

*The above figures are provisional and subject to audit.*

**LION BREWERY (CEYLON) PLC****CASH FLOW STATEMENT**

<i>In Sri Lankan Rs.'000s</i>	<b>Nine months ended 31.12.2013</b>	<b>Nine months ended 31.12.2012</b>	<b>Year ended 31.03.2013 (Audited)</b>
Net cash generated from / (used in) operating activities	685,951	(467,591)	(1,914,586)
Net cash used in investing activities	(7,169,307)	(2,846,639)	(4,412,301)
Net cash generated from financing activities	7,095,960	1,967,714	2,372,810
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>612,604</b>	<b>(1,346,516)</b>	<b>(3,954,077)</b>
Cash & cash equivalents at the beginning of the period	(1,264,015)	2,690,062	2,690,062
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>(651,411)</b>	<b>1,343,546</b>	<b>(1,264,015)</b>
<b>Analysis of Cash &amp; cash equivalents</b>			
Cash and cash equivalents	1,168,832	3,608,145	2,181,687
Bank overdraft	(1,820,243)	(2,264,599)	(3,445,702)
	<b>(651,411)</b>	<b>1,343,546</b>	<b>(1,264,015)</b>

*The above figures are provisional and subject to audit.*

# LION BREWERY (CEYLON) PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

Lion Brewery (Ceylon) PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and is listed on the Colombo Stock Exchange. The parent company is Ceylon Beverage Holdings PLC and the ultimate parent Company is Carson Cumberbatch 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.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of Compliance

The Condensed Interim Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 – Interim Financial Reporting. This Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2013 including the changes to accounting policies as a result of adapting to Sri Lanka Financial Reporting Standards, (" SLFRSs/LKASs ")

#### 2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following;

- Freehold Land and buildings are measured at cost at the time of acquisition and construction and subsequently at revalued amounts, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.

- Employee benefits are recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

#### 2.3 Functional Currency and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees Thousands (Rs.'000s) which is the Company's functional currency, unless otherwise indicated.

### 3 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

#### 3.1 Finance Commitments

Document credits established for foreign purchases of the Company as at 31st December 2013 amounts to Rs. 456 Mn. (2012 - Rs.1,822 Mn)

#### 3.2 Contingencies

(a) Contingent liabilities as at 31st December 2013 amount to Rs. 15 Mn. (2012 -Rs. 165 Mn), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

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

The Customs Department instituted a prosecution in the Magistrate's Court of Kaduwela in Case No. 11303/Customs against the company and its directors to recover Excise Duty amounting to Rs. 58,753,582/94 comprising of the disputed Excise Duty of Rs. 29,376,791/47 and its penalty of Rs. 29,376,791/47. The Company and the directors have filed an application for Writ in the Court of Appeal to quash the Certificate Excise Duty in Default issued by the DG of Customs and Excise Duty to recover the said sum and obtained a Stay Order in respect of the proceedings of the MC Kaduwela Case. The Court of Appeal made an order against the Company refusing the writ of certiorari prayed for and the Company has now preferred an appeal against the said order to the Supreme Court.

Apart from the above there were no other material contingent liabilities which would require adjustments to or disclosure in the Financial Statements.



**LION BREWERY (CEYLON) PLC****NOTES TO THE FINANCIAL STATEMENTS****4 Debentures**

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

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

**Category 01 Debentures - Floating Rate**

Types in Category 01 Debentures	Amount Rs.	Proportion (From and out of the Category 01 Debentures issued)	Interest Rate (per annum) payable quarterly	Redemption From the Date of Allotment
Type A	201,200,000	20%	AWPLR + 0.20%	12 Months (1 Year)
Type B	201,200,000	20%	AWPLR + 0.40%	24 Months (2 Years)
Type C	201,200,000	20%	AWPLR + 0.60%	36 Months (3 Years)
Type D	201,200,000	20%	AWPLR + 0.80%	48 Months (4 Years)
Type E	201,200,000	20%	AWPLR + 1.10%	60 Months (5 Years)
<b>Total</b>	<b>1,006,000,000</b>			

**Category 02 Debentures - Fixed Rate**

Types in Category 02 Debentures	Amount Rs.	Proportion (From and out of the Category 02 Debentures issued)	Interest Rate (per annum) payable quarterly	AER (per annum)	Redemption From the Date of Allotment
Type F	598,200,000	30%	13.50%	14.20%	36 Months (3 Years)
Type G	598,200,000	30%	13.75%	14.48%	48 Month (4 Years)
Type H	797,600,000	40%	14.00%	14.75%	60 Months (5 Years)
<b>Total</b>	<b>1,994,000,000</b>				

**LION BREWERY (CEYLON) PLC****NOTES TO THE FINANCIAL STATEMENTS****5 SEGMENTAL ANALYSIS**

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

**6 COMPARATIVE FIGURES**

Comparative figures/information have been restated/reclassified where necessary in line with the changes to the new Sri Lanka Accounting Standards (SLFRS/LKAS).

**7 EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the reporting date, no circumstances have arisen which would require adjustments to or disclosure in the Financial Statements.

**8 INVESTER INFORMATION**

Investor Information	Quarter Ended		Nine months Ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>1 Share Information</b>				
Price as at the end of the period (Rs.)	<b>359.90</b>	270.00	<b>359.90</b>	270.00
Highest price (Rs.)	<b>375.00</b>	295.00	<b>444.00</b>	295.00
Lowest price (Rs.)	<b>340.00</b>	230.00	<b>330.00</b>	199.50
<b>2 Trading Statistics</b>				
No of Transactions	<b>123</b>	454	<b>886</b>	1270
No of Shares traded	<b>226,124</b>	1,633,154	<b>1,962,681</b>	7,115,806
Value of all shares traded (Rs. Mn.)	<b>80.38</b>	410.84	<b>727.59</b>	1627.82

**9 TWENTY MAJOR SHAREHOLDERS AS AT 31ST DECEMBER 2013**

	Name of Shareholder	No.of Shares	%
1	CEYLON BEVERAGE HOLDINGS PLC	41,798,788	52.25
2	CARLSBERG BREWERY MALAYSIA BERHAD	19,680,000	24.60
3	CARSON CUMBERBATCH PLC A/C NO.2	4,107,793	5.13
4	HSBC INTL NOM LTD -SSBT -WASATCH FRONTIER EMERGING SMALL COUNTRIES FUND	2,256,243	2.82
5	HSBC INTL NOM LTD-MSCO-ROUTE ONE FUND 1,L.P.	2,110,620	2.64
6	HSBC INTL NOM LTD-MSCO-ROUTE ONE OFFSHORE MASTER FUND, L.P.	2,016,281	2.52
7	CACEIS BANK LUXEMBOURG S/A BARCA GLOBAL MASTER FUND LP	1,473,118	1.84
8	BUKIT DARAH PLC A/C NO 2	1,300,000	1.63
9	GF CAPITAL GLOBAL LIMITED	1,265,199	1.58
10	CARSON CUMBERBATCH PLC A/C NO. 01	1,101,071	1.38
11	SEYLAN BANK LIMITED/PRIYANI DHARSHINI RATNAGOPAL	300,000	0.38
12	HSBC INTL NOM LTD-BP2S SINGAPORE-BNP PARIBAS BANK AND TRUST CAYMAN LIMITED AS TRUSTEE FOR HARVEST FUNDS (CAYMAN) - ASIA FRONTIER EQUITY FUND	289,421	0.36
13	HSBC INTERNATIONAL NOMINEES LTD - MORGAN STANLEY AND CO INTL PLC - OWN A/C	200,000	0.25
14	MELLON BANK N.A.-COMMONWEALTH PEN PUB SCHOOL	166,193	0.21
15	PORTELET LIMITED	161,920	0.20
16	PERSHING LLC S/A CHAMBERS STREET GLOBAL FUND , LP	132,454	0.17
17	TRANZ DOMINION,L.L.C.	129,251	0.16
18	NEWGREENS LIMITED	83,200	0.10
19	HSBC INTL NOM LTD-MSCO-ROUTE ONE FUND II ,L.P.	77,644	0.10
20	MR. S.N. SAMARAKKODY	54,000	0.07

**LION BREWERY (CEYLON) PLC****NOTES TO THE FINANCIAL STATEMENTS****10 PUBLIC HOLDING**

Public holding (as defined in the SEC Directive No.SEC/LEG/13/12/37 dated 20th December 2013) as at 31st December 2013 was 14.70%.

**11 DIRECTOR'S SHAREHOLDINGS**

<b>As at 31st December 2013</b>	<b>No. of Shares</b>
Mr. L.C.R. de C. Wijetunge (Chairman)	-
Mr. H. Selvanathan (Deputy Chairman)	1,579
Mr. S. K. Shah (Chief Executive Officer)	6,016
Mr. D.C.R. Gunawardena	34
Mr. C. T. Liyanage	2,500
Mr. C.P. Amerasinghe	1
Mr. D. R. P. Goonetilleke	-
Mr. K. Selvanathan (Director / Alternate Director to H. Selvanathan)	-
Ms. S.J.F. Evans	-
Mr. R.E.Bagattini (Resigned w.e.f. 7th June 2013)	-
Mr. S. Ravn (Resigned w.e.f. 10th June 2013)	-
Mr. Y.F.Lew (Ceased to be Alternate Director to S. Ravn w.e.f. 10th June 2013)	-
Mr. S.G.Lauridsen (Ceased to be Alternate Director to R.E.Bagattini w.e.f. 7th June 2013)	-
Mr. H.J.Andersen (Appointed w.e.f. 10th June 2013)	-
Mr. S.G.Lauridsen (Appointed w.e.f. 10th June 2013)	-
Mr. D. A. Cabraal (Appointed w.e.f. 1st November 2013)	-
Mr. Y.F.Lew (Appointed Alternate Director to S.G.Lauridsen w.e.f. 10th June 2013)	-

**12 STATED CAPITAL**

The Company's stated capital consists of 80,000,000 ordinary shares.

## **LION BREWERY (CEYLON) PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **13. 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.

##### **(A) Transactions with parent company - Ceylon Beverage Holdings PLC**

Messrs. L.C.R.de C.Wijetunge, H.Selvanathan, S.K.Shah, D.C.R.Gunawardena, Directors of the Company are also Directors of Ceylon Beverage Holdings PLC, with which the following contracts / transactions have been entered into during the period by the Company in the normal course of business.

- (i) The Company has paid Rs. 98,861,178/- (2012 - Rs.96,457,647/-) as royalty in accordance with the licensed brewing agreement with the Company.
- (ii) As at 31st December 2013 the balance payable by the Company to Ceylon Beverage Holdings PLC is Rs. 10,445,057/- (2012 - Rs. 16,466,887/-)

##### **(B) Transactions with Fellow Subsidiary - Pubs 'N Places (Private) Limited**

Messrs. S.K. Shah, C.P. Amerasinghe and D.R.P. Goonetilleke, Directors of the Company are also Directors of Pubs 'N Places (Private) Limited, to which the Company sold beer for a total value of Rs. 136,626,755/- (2012 - Rs. 122,062,239/-) during the period.

No balance was receivable to Lion Brewery (Ceylon) PLC by Pubs 'N Places (Private) Limited as at 31st December 2013 . (2012 - Nil)

##### **(C) Transactions with Fellow Subsidiary - Retail Spaces (Private) Limited**

Messrs. S.K. Shah, C.P. Amerasinghe and D.R.P. Goonetilleke, Directors of the Company are also Directors of Retail Spaces (Private) Limited, to which the Company sold beer for a total value of Rs. 172,172,234/- (2012 -Rs. 59,127,104/-) during the period.

No balance was receivable to Lion Brewery (Ceylon) PLC by Retail Spaces (Private) Limited as at 31st December 2013 . (2012 - Nil)

##### **(D) Transactions with Fellow Subsidiary - Luxury Brands (Private) Limited**

Messrs. S.K. Shah, C.P. Amerasinghe and D.R.P. Goonetilleke, Directors of the Company are also Directors of Luxury Brands (Private) Limited, from which the Company obtain management services for a management fee amounting to Rs. 10,154,267/-

As at 31st December 2013 an amount of Rs. 207,221,142/- was receivable from Luxury Brands (Private) Limited.

##### **(E) Transactions with Group entities**

Messrs. H.Selvanathan, S.K.Shah and K. Selvanathan, Directors of the Company, are also Directors of Carsons Management Services (Private) Ltd., which provides management and secretarial services to the Company. An amount of Rs. 175,384,584/- (2012 - Rs.173,763,765/-) was paid by the Company during the period to Carsons Management Services (Private) Limited which included management and secretaries fees of Rs. 105,028,023/-(2012 - Rs. 93,143,625/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Company.

An amount of Rs. 1,948,887/- payable to Carsons Management Services (Private) Limited as at 31st December 2013 . (2012 - Rs.15,731,249/-).

## **LION BREWERY (CEYLON) PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **13. RELATED PARTY TRANSACTIONS (Contd.)**

##### **(F) Transactions with other related entities**

- (a) Messrs. S.G.Lauridsen and H.J.Andersen, Directors of the Company represent Carlsberg Brewery Malaysia Berhad with which the following contracts / transactions have been entered into during the period by the Company in the normal course of business.
  - (i) As per the licensed brewing agreement, a sum of Rs.75,693,914/- (2012 - Rs. 57,023,784/-) was paid as royalty during the period to Carlsberg A/S.
  - (ii) During the period the Company purchased a part of its requirement of the raw material Aroma Hop from Carlsberg A/S amounting to Rs. 6,638,051/-.
  - (iii) An amount of Rs. 33,792,275/- is payable to Carlsberg A/S as at 31st December 2013 (2012 - Rs. 39,794,207/-).
- (b) Messrs. K. Selvanathan and S.G.Lauridsen , Directors of the Company, are also Directors of Carlsberg India Pvt Limited from which the Company purchased finished beer cans for the purpose of resale during the period for a sum of Rs. 304,804,110/- .
- (c) The Company purchases a part of its requirement of the raw material rice from Ran Sahal (Private) Limited. The entire production of Ran Sahal (Private) Limited is exclusively sold to the Company. Towards this the Company advances funds to Ran Sahal (Private) Limited from time to time against future purchases. During the period the Company purchased rice for an amount of Rs.113,990,243/- (2012 - Rs.87,798,790/-). As at the reporting date an amount of Rs. 68,683,471/- (2012 - Rs.67,536,883/-) has been advanced to Ran sahal (Private) Limited which remains to be settled from future purchases.

##### **(G) Transactions with key management personnel (KMP)**

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) and their immediate family members have been classified as KMP of the Company.

The compensation paid to key management personnel as short-term employment benefits and no other payments such as post-employment benefits, terminal benefits and share based payments have been paid to key management personnel during the period.

During the period the Company sold a motor vehicle to Mr. C.T.Liyanage for Rs.3,080,000/-. When the disposal was made the carrying value of the motor vehicle was Rs. 4,861,462/-.

**LION BREWERY (CEYLON) PLC**  
**CORPORATE INFORMATION**

**NAME OF COMPANY**

Lion Brewery (Ceylon) PLC  
(A Carson Cumberbatch Company)

**COMPANY REGISTRATION NUMBER**

PQ 57

**LEGAL FORM**

A Public Quoted Company with Limited Liability.  
Incorporated in Sri Lanka in 1996  
Official listing of the Colombo Stock Exchange obtained in 1997

**PARENT COMPANY**

Ceylon Beverage Holdings PLC

**ULTIMATE PARENT COMPANY**

Carson Cumberbatch PLC

**DIRECTORS**

L. C. R. de C.Wijetunge (Chairman)  
H. Selvanathan (Deputy Chairman)  
S. K. Shah (Chief Executive Officer)  
D.C.R.Gunawardena  
C. P. Amerasinghe  
C.T. Liyanage  
D. R. P. Goonetilleke  
K. Selvanathan (Director / Alternate Director to H. Selvanathan)  
Ms. S.J.F.Evans  
R.E.Bagattini (Resigned w.e.f. 7th June 2013)  
S. Ravn (Resigned w.e.f. 10th June 2013)  
Y.F.Lew (Ceased to be Alternate Director to S. Ravn w.e.f. 10th June 2013)  
S.G.Lauridsen (Ceased to be Alternate Director to R.E.Bagattini w.e.f. 7th June 2013)  
H.J.Andersen (Appointed w.e.f. 10th June 2013)  
S.G.Lauridsen (Appointed w.e.f. 10th June 2013)  
D. A. Cabraal (Appointed w.e.f. 1st November 2013)  
Y.F.Lew (Appointed Alternate Director to S.G.Lauridsen w.e.f. 10th June 2013)

**AUDITORS**

Messrs. KPMG  
Chartered Accountants  
No. 32A, Sir Mohamed Macan Markar Mawatha  
Colombo 03, Sri Lanka  
Tel: +94 11 5426426  
Fax:+94 11 2445872

**MANAGERS & SECRETARIES**

Carsons Management Services (Private) Limited  
No. 61, Janadhipathi Mawatha  
Colombo 01, Sri Lanka  
Tel : +94 11 2039200  
Fax: +94 11 2039300

**REGISTERED OFFICE**

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Tel : +94 11 2039200  
Fax: +94 11 2039300

**LEGAL ADVISERS**

Messrs. F. J. & G. De Saram  
No. 216, De Saram Place  
Colombo 10, Sri Lanka  
Tel: +94 11 4718200  
Fax:+94 11 4718220

**BANKERS**

Citibank  
Commercial Bank  
Deutsche Bank  
Hatton National Bank  
HSBC  
Nations Trust Bank  
Standard Chartered Bank  
Sampath Bank  
DFCC Bank  
NDB Bank  
Peoples Bank

**CORPORATE OFFICE & BREWERY**

No. 254, Colombo Road, Biyagama, Sri Lanka  
Tel : +94 11 2465900 (10 Lines)  
Fax : +94 11 2465901

**GROUP WEBSITE**

[www.carsoncumberbatch.com](http://www.carsoncumberbatch.com)