

# **Lion Brewery (Ceylon) PLC**

**Interim Condensed Financial Statements  
for the First quarter ended  
30th June 2014**

# **LION BREWERY (CEYLON) PLC**

**BOARD OF DIRECTORS AS AT 30TH JUNE 2014**

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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. H.J.Andersen

Mr. D. A. Cabraal

Mr. Y.F.Lew

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

### **REVIEW**

A turnover of Rs.6.89 billion was recorded for the 3 months ended 30th June 2014 compared to Rs.5.99 billion for the period April to June 2013, an improvement of 15%. This was driven mainly by an increase in Excise Duty, which came in to effect during the 2nd quarter of the previous financial year and a growth in tourist arrivals during the 1st quarter.

The Company recorded a pre-tax profit of Rs. 741.99 million during the 1st quarter of the financial year 2014/15. The increase in profits was mainly a result of the Company ceasing the import of canned beer. As Shareholders are aware, until September 2013 the Company resorted to imports of canned beer in order to meet market demand. This was done at a substantial expense to the Company but since it has now stopped, margins have increased accordingly.

As announced previously, the Company together with its newly formed subsidiary Pearl Springs (Private) Limited entered into a Sale & Purchase Agreement with Cargills (Ceylon) PLC & Millers Brewery Limited to acquire the business of the latter Company. At present, the due diligence process is underway and is expected to be completed shortly.

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

<i>As at 30th June</i> <i>In Rs. '000s</i>	Note	2014	2013	31.03.2014 (Audited)
<b>ASSETS</b>				
<b>Non- Current Assets</b>				
Property, plant & equipment		11,984,517	8,706,441	11,658,310
Intangible assets		243,907	7,640	257,133
<b>Total Non-Current Assets</b>		<b>12,228,424</b>	<b>8,714,081</b>	<b>11,915,443</b>
<b>Current Assets</b>				
Inventories		2,388,639	2,123,856	2,695,021
Trade and other receivables		2,330,491	2,528,588	2,384,727
Amounts due from related companies		263,144	69,791	214,071
Investment in fixed deposits		-	5,558,589	-
Cash and cash equivalents		6,120,464	4,881,845	6,857,302
<b>Total Current Assets</b>		<b>11,102,738</b>	<b>15,162,669</b>	<b>12,151,121</b>
<b>Total Assets</b>		<b>23,331,162</b>	<b>23,876,750</b>	<b>24,066,564</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
Retained earnings		4,163,032	2,620,717	3,675,154
<b>Total Equity</b>		<b>7,420,244</b>	<b>5,877,929</b>	<b>6,932,366</b>
<b>Non- Current Liabilities</b>				
Debentures	(Note 4)	2,597,600	2,798,800	2,798,800
Loans and borrowings		2,006,897	2,282,687	2,307,690
Employee benefits		94,993	78,867	93,313
Deferred tax liabilities		1,255,091	848,109	1,204,097
<b>Total Non- Current Liabilities</b>		<b>5,954,581</b>	<b>6,008,463</b>	<b>6,403,900</b>
<b>Current Liabilities</b>				
Trade and other payables		573,555	604,635	774,473
Amounts due to related companies		94,014	33,780	67,401
Refundable deposits		1,076,857	985,818	1,044,123
Current tax liabilities		979,861	984,276	886,473
Debentures	(Note 4)	284,608	203,060	294,974
Loans and borrowings		6,305,129	3,717,737	6,861,650
Bank overdrafts		642,313	5,461,052	801,204
<b>Total Current Liabilities</b>		<b>9,956,337</b>	<b>11,990,358</b>	<b>10,730,298</b>
<b>Total Liabilities</b>		<b>15,910,918</b>	<b>17,998,821</b>	<b>17,134,198</b>
<b>Total Equity and Liabilities</b>		<b>23,331,162</b>	<b>23,876,750</b>	<b>24,066,564</b>
<b>Net assets per ordinary share (Rs.)</b>		<b>92.75</b>	<b>73.47</b>	<b>86.65</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

**Carsons Management Services ( Private) Limited**

6th August 2014

(Sgd.)

**S.K. Shah**

Director

(Sgd.)

**C.T. Liyanage**

Director

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

<i>In Sri Lankan Rs. '000s</i>	<b>Three Months Ended</b>		Change %	<b>Year ended 31.03.2014 (Audited)</b>
	<b>30.06.2014</b>	30.06.2013		
<b>Revenue</b>	<b>6,895,266</b>	<b>5,994,563</b>	<b>15</b>	<b>25,804,319</b>
Cost of sales	(5,097,478)	(4,616,082)	10	(19,817,748)
<b>Gross profit</b>	<b>1,797,788</b>	<b>1,378,481</b>	<b>30</b>	<b>5,986,571</b>
Other income	2,124	(1,441)	(247)	15,433
	<b>1,799,912</b>	<b>1,377,040</b>	<b>31</b>	<b>6,002,004</b>
Distribution expenses	(777,370)	(707,611)	10	(2,948,066)
Administrative expenses	(164,624)	(154,441)	7	(624,112)
Other expenses	(42,907)	(38,909)	10	(76,829)
<b>Profit from operations</b>	<b>815,011</b>	<b>476,079</b>	<b>71</b>	<b>2,352,997</b>
Finance income	123,158	149,279	(17)	632,375
Finance costs	(196,180)	(207,617)	(6)	(784,578)
<b>Net finance costs</b>	<b>(73,022)</b>	<b>(58,338)</b>	<b>25</b>	<b>(152,203)</b>
<b>Profit before taxation</b>	<b>741,989</b>	<b>417,741</b>	<b>78</b>	<b>2,200,794</b>
Income tax	(254,111)	(130,045)	95	(857,540)
<b>Profit after taxation</b>	<b>487,878</b>	<b>287,696</b>	<b>70</b>	<b>1,343,254</b>
<b>Other comprehensive income</b>				
Remeasurement of employee benefit obligations	-	-		(1,121)
<b>Total comprehensive income for the year</b>	<b>487,878</b>	<b>287,696</b>	<b>70</b>	<b>1,342,133</b>
<b>Earnings per ordinary share (Rs.)</b>	<b>6.10</b>	<b>3.60</b>		<b>16.79</b>
<b>Dividend per share (Rs.)</b>				<b>4.00</b>

*Figures in brackets indicate deductions.*

*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 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	-	-	287,696	287,696
Total other comprehensive income	-	-	-	-
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>287,696</b>	<b>287,696</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>				
Adjustments on returnable containers	-	-	-	-
Ordinary dividends	-	-	(320,000)	(320,000)
Preference dividends	-	-	-	-
<b>Balance as at 30th June 2013</b>	<b>2,537,801</b>	<b>719,411</b>	<b>2,620,717</b>	<b>5,877,929</b>

<i>In Rs. '000s</i>	Stated Capital	Revaluation Reserve	Retained Earnings	Total Equity
<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 year</b>				
Profit for the year	-	-	1,343,254	1,343,254
Total other comprehensive loss	-	-	(1,121)	(1,121)
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,342,133</b>	<b>1,342,133</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>				
Adjustments on returnable containers	-	-	-	-
Ordinary dividends	-	-	(320,000)	(320,000)
Preference dividends	-	-	-	-
<b>Balance as at 31st March 2014</b>	<b>2,537,801</b>	<b>719,411</b>	<b>3,675,154</b>	<b>6,932,366</b>

<i>In Rs. '000s</i>	Stated Capital	Revaluation Reserve	Retained Earnings	Total Equity
<b>Balance as at 1st April 2014</b>	<b>2,537,801</b>	<b>719,411</b>	<b>3,675,154</b>	<b>6,932,366</b>
<b>Total Comprehensive income for the period</b>				
Profit for the period	-	-	487,878	487,878
Total other comprehensive income	-	-	-	-
<b>Total Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>487,878</b>	<b>487,878</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>				
Ordinary dividends	-	-	-	-
<b>Balance as at 30th June 2014</b>	<b>2,537,801</b>	<b>719,411</b>	<b>4,163,032</b>	<b>7,420,244</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>Three Months ended 30.06.2014</b>	Three Months ended 30.06.2013	<b>Year ended 31.03.2014 (Audited)</b>
Net cash generated from / (used in) operating activities	860,899	889,251	1,753,446
Net cash used in investing activities	(368,588)	(4,778,786)	(2,222,332)
Net cash generated from financing activities	(1,070,258)	4,574,343	7,737,903
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>(577,947)</b>	684,808	<b>7,269,017</b>
Cash & cash equivalents at the beginning of the period	6,056,098	(1,264,015)	(1,212,919)
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>5,478,151</b>	(579,207)	<b>6,056,098</b>
<b>Analysis of Cash &amp; cash equivalents</b>			
Cash and cash equivalents	6,120,464	4,881,845	6,857,302
Bank overdraft	(642,313)	(5,461,052)	(801,204)
	<b>5,478,151</b>	(579,207)	<b>6,056,098</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 2014 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 30th June 2014 amounts to Rs. 84,906,321/-. (2013 - Rs.700,251,202/-)

#### 3.2 Contingencies

(a) Contingent liabilities as at 30th June 2014 amount to Rs. 139,232,961/-. (2013 -Rs. 865,547,891/-), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

(b) 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 obtained a Stay Order in respect of the proceedings of the MC Kaduwela Case and filed an application for Writ in the Court of Appeal, to quash the Certificate of Excise Duty in Default and penalty issued by the DG of Customs and Excise Duty to recover the said sum. The Court of Appeal made an order against the Company refusing the writ of Certiorari prayed for and the Company has now preferred a Special Leave to Appeal to the Supreme Court against the said order of the Court of Appeal.

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 as at the reporting date are as follows.

Category 01 Debentures - Floating Rate (Note 4.1)	804,800
Category 02 Debentures - Fixed Rate (Note 4.2)	1,994,000
	<u>2,798,800</u>

**4.1 Category 01 Debentures - Floating Rate**

Types in Category 01 Debentures	Amount Rs. ('000)	Proportion (From and out of the Category 01 Debentures issued)	Interest Rate (per annum) payable quarterly	Redemption From the Date of Allotment
Type B	201,200	20%	AWPLR + 0.40%	24 Months (2 Years)
Type C	201,200	20%	AWPLR + 0.60%	36 Months (3 Years)
Type D	201,200	20%	AWPLR + 0.80%	48 Months (4 Years)
Type E	201,200	20%	AWPLR + 1.10%	60 Months (5 Years)
<b>Total</b>	<b>804,800</b>			

Type A debentures amounting to Rs. 201,200,000/- were redeemed on June 16, 2014.

**4.2 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	30%	13.50%	14.20%	36 Months (3 Years)
Type G	598,200	30%	13.75%	14.48%	48 Month (4 Years)
Type H	797,600	40%	14.00%	14.75%	60 Months (5 Years)
<b>Total</b>	<b>1,994,000</b>				

**4.3 Composition of Debentures and interest Payable****Classified under non current liabilities**

Debentures falling due after one year (Note 4.1 & 4.2) 2,597,600

**Classified under current liabilities**

Debentures falling due within one year (Note 4.1 /Type B) 201,200  
 Debenture interest payable 83,408  
284,608

**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		Year Ended
	30.06.2014	30.06.2013	31.03.2014
<b>1 Share Information</b>			
Price as at the end of the period (Rs.)	<b>450.00</b>	395.00	391.00
Highest price (Rs.)	<b>480.00</b>	444.00	444.00
Lowest price (Rs.)	<b>370.00</b>	330.00	330.00
<b>2 Trading Statistics</b>			
No of Transactions	<b>270</b>	499	1,086
No of Shares traded	<b>44,456</b>	1,483,165	2,127,293
Value of all shares traded (Rs. Mn.)	<b>19</b>	554	790

**9 TWENTY MAJOR SHAREHOLDERS AS AT 30TH JUNE 2014**

#	Name	Total 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	1.62
9	GF CAPITAL GLOBAL LIMITED	1,265,199	1.58
10	CARSON CUMBERBATCH PLC A/C NO. 01	1,101,071	1.38
11	HSBC INTL NOM LTD-BP2S SINGAPORE-BNP PARIBAS BANK AND TRUST CAYMAN LIMITED AS TRUSTEE FOR HARVEST FUNDS (CAYMAN) - ASIA FRONTIER EQUITY FUND	336,282	0.42
12	SEYLAN BANK LIMITED/PRIYANI DHARSHINI RATNAGOPAL	300,000	0.38
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	TRANZ DOMINION,L.L.C.	129,251	0.16
17	NEWGREENS LIMITED	83,200	0.10
18	HSBC INTL NOM LTD-MSCO-ROUTE ONE FUND II ,L.P.	77,644	0.10
19	UNION ASSURANCE PLC/ACCOUNT NO. 05 (UNIT-LINKED LIFE INSURANCE FUND - EQUITY TRACK)	71,887	0.09
20	PEOPLE'S LEASING & FINANCE PLC/K.L.UDAYANANDA	55,179	0.07

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

Percentage of shares held by the public as at 30th June 2014 was 14.61%.

**11 DIRECTOR'S SHAREHOLDINGS**

<b>As at 30th June 2014</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. H.J.Andersen	-
Mr. D. A. Cabraal	-
Mr. Y.F.Lew	-

**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. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and comparable with what is applied to transactions between the Company and its unrelated customers.

#### (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, D.A Cabraal, H.J Andersen, 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. 33,898,698/- (2013 - Rs.32,722,529/-) as royalty in accordance with the licensed brewing agreement with the Company.
- (ii) As at 30th June 2014 the balance payable by the Company to Ceylon Beverage Holdings PLC is Rs. 10,844,090/- . (2013 - Rs. 9,239,171/-)

#### (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. 47,201,462/- (2013 - Rs. 44,414,901/-) during the period.

No balance was receivable to Lion Brewery (Ceylon) PLC by Pubs 'N Places (Private) Limited as at 30th June 2014 . (2013 - 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. 36,231,895/- (2013 -Rs. 39,819,208/-) during the period.

No balance was receivable to Lion Brewery (Ceylon) PLC by Retail Spaces (Private) Limited as at 30th June 2014 . (2013 - 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. 2,534,435/- (2013 - Rs. 2,355,830/-)

As at 30th June 2014 an amount of Rs. 262,467,034/- was receivable from Luxury Brands (Private) Limited. (2013 - Rs. 67,711,246/- )

#### (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 supporting services to the Company. An amount of Rs. Rs. 58,607,795/- (2013 - Rs.51,951,828/-) was paid by the Company during the period to Carsons Management Services (Private) Limited which included Supporting service fees of Rs. 57,448,970/-(2013 - Rs. 31,218,645/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Company.

No Balance was payable to Carsons Management Services (Private) Limited as at 30th June 2014 . (2013 - Nil).

## LION BREWERY (CEYLON) PLC

### NOTES TO THE FINANCIAL STATEMENTS

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

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

- (a) Mr.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.28,518,020/- (2013 - Rs. 22,461,120/-) 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. 1,488,081/-.
- (iii) An amount of Rs. 83,169,798/- is payable to Carlsberg A/S as at 30th June 2014 (2013 - Rs. 22,461,120/-).
- (b) 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. 65,649,825/- (2013 - Rs.42,318,147/-). As at the reporting date an amount of Rs. 91,717,451/- (2013 - Rs.85,506,445/-) has been advanced to Ran sahal (Private) Limited which remains to be settled from future purchases.
- (c) Messrs D.C.R. Gunawardena, Director of the Company, is also a Director of following companies with which the Company entered into transactions.
- (i) An amount of Rs. 6,857/- has been paid as parking fees to Equity Two PLC . (2013 - Rs.17,143/-)
- (ii) An amount of Rs. 17,714/- has been paid as rental to Equity One PLC. (2013 - Rs. Nil)
- (d) Messrs D.C.R. Gunawardene and Mr. H. Selvanathan , Directors of the Company, are also Directors of following companies with which the Company entered into transactions.
- (i) The Company obtained services from Carsons Airline Services (Private) Limited when its employees' foreign visits and paid an amount of Rs. 43,400/- (2013 - Rs. 2,419,711/-) during the period.
- (ii) An amount of Rs. 10,000/- (2012 - Rs 17,400/-) has been paid to Pegasus Hotels of Ceylon PLC for the hotel services provided to the Company.

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

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

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

- (e) Mr. D.A. Cabraal, Director of the company is also a Director of the HNB PLC, From which during the period the company obtained short - term loans / overdrafts for operational purposes.

An amount of Rs. 4 Bn is payable to HNB PLC on account of outstanding short term loans as at 30th June 2014

- (f) Mr. L.C.R. de C. Wijethunge, director of the company, is also a director of Janashakthi Insurance PLC for which the company has paid Rs. 13,490,952/-for it's services. (2013 - 4,590,490/-).

#### **(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.

**LION BREWERY (CEYLON) PLC****Corporate Information**

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**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

**SUBSIDIARY COMPANY**

Pearl Springs (Private) Limited [Incorporated on 20th May 2014]

**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  
H.J.Andersen  
D. A. Cabraal  
Mr. Y.F.Lew

**BANKERS**

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

**LEGAL ADVISERS**

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Colombo 10, Sri Lanka  
Tel: +94 11 4718200  
Fax:+94 11 4718220

**AUDITORS**

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

**MANAGERS & SECRETARIES**

Carsons Management Services (Private) Limited  
No. 61, Janadhipathi Mawatha  
Colombo 01, Sri Lanka  
Tel : +94 11 2039 200  
Fax: +94 11 2039 300

**REGISTERED OFFICE**

No. 61, Janadhipathi Mawatha  
Colombo 01, Sri Lanka  
Tel : +94 11 2039 200  
Fax: +94 11 2039 300

**CORPORATE OFFICE & BREWERY**

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

**GROUP WEBSITE**

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