

Ceylon Tobacco Company PLC

Interim Financial Statements - 3 months ended 31 March 2021

Ceylon Tobacco Company PLC

Summary of Performance for the 3 months ended 31st March 2021

The Company's performance in the three months ended 31st March 2021, showed a marginal recovery from the prolonged impact of COVID-19 pandemic. The sales volumes were increased by 3.8% in comparison to the same period last year. Consequently, the Company's turnover and the Government revenue through Excise and other levies for the quarter grew by 1.5% and 1.6%, respectively in comparison to the same period of last year.

The Company's profit before income tax for the period recorded LKR 6.7bn, while the Company's profit after tax for the three months ended 31st March 2021 reported as LKR 3.9bn.

The Company is committed towards the continuation of business activities subject to strict compliance with employee health and safety guidelines and other directions of the Government and is cautiously optimistic of the future in anticipation of effective management of the third wave of the Covid-19 pandemic and gradual revival of the economy.

Dividends

The Directors recommend a first interim dividend of Rs. 19.00 per share to be paid by the 10th June 2021.

CEYLON TOBACCO COMPANY PLC

Statement of Profit or Loss and Other Comprehensive Income

(all amounts in Sri Lanka Rupees millions)

	3 months ended 31 March	
	2021 Un-audited	2020 Un-audited
Turnover	34,759	34,238
Government Levies	(26,360)	(25,936)
Revenue	8,399	8,302
Other operating income	7	1
Raw material used	(639)	(548)
Employee benefit expense	(329)	(310)
Depreciation & amortisation expense	(86)	(79)
Other operating expenses	(775)	(936)
Net finance income	108	262
Profit before income tax	6,685	6,692
Income tax expenses	(2,766)	(2,762)
Profit for the period	3,919	3,930
Other Comprehensive Income		
Re-measurement of defined benefit obligation	42	20
Total comprehensive income for the period	3,961	3,950
Earnings Per Share (basic and diluted)	20.92	20.98

The Notes form an integral part of these Interim Financial Statements.

CEYLON TOBACCO COMPANY PLC

Statement of Financial Position

(all amounts in Sri Lanka Rupees millions)

	31-Mar	31-Dec
	2021	2020
	Un-audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	4,577	4,682
Intangible assets	2	2
Employee benefit asset	216	181
Other receivables	116	112
Total non-current assets	4,911	4,977
Current assets		
Inventories	3,577	3,732
Trade and other receivables	4,734	3,230
Cash and cash equivalents	15,404	9,782
Asset held for sale	-	-
Total current assets	23,715	16,745
Total assets	28,626	21,721
Equity and Liabilities		
Equity		
Stated capital	1,873	1,873
Retained earnings	6,691	2,729
Total equity attributable to equity holders	8,564	4,602
Non-current liabilities		
Unfunded retirement benefit obligation	0	0
Deferred tax liabilities	495	396
Lease liabilities	62	84
Total non-current liabilities	557	480
Current liabilities		
Trade and other payables	14,185	7,827
Lease liabilities	93	105
Current taxation	4,992	4,967
Dividends payable	-	3,465
Unclaimed dividends	235	275
Total current liabilities	19,505	16,639
Total liabilities	20,062	17,119
Total equity and liabilities	28,626	21,721
Net Asset Per Share	45.72	24.57

The Notes form an integral part of these Interim Financial Statements.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.



Umair Luqman
Finance Director

Date : 14th May 2021


The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Board of Directors:



Nedal Salem
Managing Director and CEO

Date : 14th May 2021



Umair Luqman
Finance Director

Date : 14th May 2021

CEYLON TOBACCO COMPANY PLC
Statement of Changes in Equity
(all amounts in Sri Lanka Rupees millions)

	Stated capital	Retained earnings	Total
Balance at 1 January 2020	1,873	2,750	4,623
Profit for the period	-	3,930	3,930
Other comprehensive income	-	20	20
Total comprehensive income for the period	-	3,950	3,950
Transactions with owners of the Company, recognised directly in equity			
Write back of unclaimed dividends	-	-	-
Dividends	-	-	-
Total transactions with shareholders	-	-	-
Balance at 31 March 2020 (Un-audited)	1,873	6,700	8,573
Profit for the period	-	11,648	11,648
Other comprehensive income	-	(18)	(18)
Total comprehensive income for the period	-	11,630	11,630
Transactions with owners of the Company, recognised directly in equity			
Write back of unclaimed dividends	-	66	66
Dividends	-	(15,666)	(15,666)
Total transactions with shareholders	-	(15,600)	(15,600)
Balance at 31 December 2020 (Audited)	1,873	2,730	4,603
Balance at 1 January 2021	1,873	2,730	4,603
Profit for the period	-	3,919	3,919
Other comprehensive income	-	42	42
Total comprehensive income for the period	-	3,961	3,961
Transactions with owners of the Company, recognised directly in equity			
Write back of unclaimed dividends	-	-	-
Dividends	-	-	-
Total transactions with shareholders	-	-	-
Balance at 31 March 2021 (Un-audited)	1,873	6,691	8,564

CEYLON TOBACCO COMPANY PLC

Statement of Cash Flows

(all amounts in Sri Lanka Rupees millions)

	03 months ended 31 March	
	2021 Un-audited	2020 Un-audited
Cash flows from operating activities		
Profit before Tax	6,685	6,692
<i>Adjustments for:</i>		
Depreciation & amortisation expense	86	78
Interest expense	5	6
Interest income	(113)	(268)
Write off of property, plant & equipment	-	-
Net interest on retirement benefit obligations	7	4
Provision for obsolete inventories and doubtful Debts	7	4
Operating profit before working capital changes	6,677	6,516
<i>Changes in working capital</i>		
Inventories	150	(5)
Trade & other receivables	(1,509)	(3,488)
Trade & other payables	6,406	613
Cash generated from operations	11,724	3,636
Interest received	113	268
Interest paid	(5)	(6)
Gratuity paid - unfunded scheme	-	(0)
Income tax paid	(2,642)	(2,992)
Net cash generated from operating activities	9,190	906
Cash flows from investing activities		
Purchase and construction of property, plant & equipment	(29)	(13)
Purchase of intangible assets	-	-
Net cash used in investing activities	(29)	(13)
Cash flows from financing activities		
Dividends paid	(3,458)	(3,746)
Unclaimed dividends paid	(47)	(6)
Payment of finance lease liabilities	(34)	(24)
Net cash outflow from financing activities	(3,539)	(3,776)
Net increase/ (decrease) in cash & cash equivalents	5,622	(2,883)
Cash & cash equivalents at the beginning of year	9,782	16,845
Increase/ (Decrease) in cash	5,622	(2,883)
Cash & cash equivalents at the end of the period	15,404	13,962
Analysis of cash & cash equivalents at the end of the period		
Cash in hand & bank balances	11,404	10,962
Short term investments	4,000	3,000
Total cash & cash equivalents	15,404	13,962

CEYLON TOBACCO COMPANY PLC

Notes to the interim financial statements

1 General information

Ceylon Tobacco Company PLC is a public limited liability Company domiciled in Sri Lanka. The principal operations of the Company are manufacturing, marketing and selling cigarettes. The registered office of business is 178, Srimath Ramanathan Mawatha, Colombo 15. The ultimate holding company of Ceylon Tobacco Company PLC is British American Tobacco PLC through British American Tobacco International Holdings BV.

2 Basis of preparation

The condensed interim financial statements of Ceylon Tobacco Company PLC are for the three months ended 31 March 2021. They have been prepared in accordance with LKAS 34 - Interim Financial Reporting. These interim financial statements have been prepared in accordance with the SLFRS standards and IFRIC interpretations issued and effective as at the time of preparing these statements. The condensed interim financial statements do not include all of the information required for full annual financial statements and have not been audited.

3 Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year. Further, new accounting standard SLFRS 16 - Leases has been adopted in the financial statements effective from 1 January 2019.

4 Comparatives

Comparatives are provided for the same period last year and for the statement of financial position at the date 31 December 2020. Where necessary comparative figures have been reclassified to conform with the current year's presentation.

5 Contingent Liabilities

There have been no material changes to the contingent assets or contingent liabilities since the last annual reporting period.

6 Events Occurring after the reporting period

There were no material events that occurred after the reporting date that require adjustments or disclosure to the Financial Statements.

7 Market Price Per share

For the 03 months ending 31 March,

	2021	2020
	Rs	Rs
Highest	1,150.00	1,160.00
Lowest	975.00	990.10
Last Traded	979.75	1,000.00

8 20 Largest Shareholders of the Company

Name of Shareholder	31 March 2021		31 December 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
British American Tobacco International Holdings BV	157,590,931	84.13	157,590,931	84.13
Philip Morris Brand SARL	15,585,910	8.32	15,585,910	8.32
CB NY S/A Allan Gray Frontier Markets Equity Fund Limited	2,167,374	1.16	2,167,374	1.16
Pershing LLC S/A Averbach Grauson & Co.	1,605,009	0.86	1,605,009	0.86
Northern Trust Company S/A - Fundsmith Emerging Equities Trust PLC	1,053,380	0.56	1,092,645	0.58
SSBT-AL Mehwar Commercial Investments L L C	698,258	0.37	698,258	0.37
J.B.Cocoshell (Pvt) Ltd	448,380	0.24	354,513	0.19
RBC Investor Services Bank-COELI SICAV1 - Frontier Markets Fund	398,735	0.21	398,735	0.21
Mrs Singh	306,802	0.16	306,802	0.16
Miss Harnam	211,030	0.11	211,030	0.11
SSBT-Frank Russel Trust Company Comingled Benefit Fund Trust GNA	197,803	0.11	200,124	0.11
Deutsche Bank AG Singapore A/C 01 (PWM WM CLIENT)	175,600	0.09	175,600	0.09
Harnam Holdings SDN BHD	150,000	0.08	150,000	0.08
Bank of Ceylon No 1 Account	143,175	0.08	143,175	0.08
BBH-Matthews Emergine Asia Fund	140,647	0.08	214,321	0.11
Deutsche Bank AG AS Trustee For JB vantage Value Equity Fund	134,831	0.07	134,831	0.07
Malship Ceylon Ltd	130,000	0.07	123,427	0.07
BNYM RE- GHI Holdings Mauritius	129,687	0.07	129,687	0.07
Mr. Jayawardena Sanjeeva Praneeth	103,247	0.06	98,247	0.05
Mr.Ratnayake Susantha Chaminda	100,000	0.05	100,000	0.05
Sub Total	181,470,799	96.88	181,480,619	96.88
Others	5,852,952	3.12	5,843,132	3.12
Total Shares	187,323,751	100.00	187,323,751	100.00

9 Computation of % of Public Shareholding

	31 March 2021	31 December 2020
	No of Shares	No of Shares
<u>Parent Company</u>		
British American Tobacco International (Holdings) BV	157,590,931	157,590,931
	<hr/>	<hr/>
	157,590,931	157,590,931
<u>Directors shareholding (including spouses & children)</u>		
Mr. S.K. Shah (W.E.F. 1 February 2021)	-	-
Mr. N.L. Salem	-	-
Mr. U. Luqman	-	-
Mr. U. Zahur	-	-
Mr. K.M.A.T. Tittawella	-	-
Mr. Y. Kanagasabai	-	-
Mr. S.R. Kidd (W.E.F. 1 February 2021)	-	-
Mrs. R. Rahman (W.E.F. 1 February 2021)	-	-
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	-	-
Parent Company	157,590,931	157,590,931
Subsidiaries or Associate Companies of Parent	-	-
Subsidiaries or Associate Companies	-	-
10% or more holding	-	-
Directors shareholding (including spouses & children)	-	-
Public Holding	29,732,820	29,732,820
	<hr/>	<hr/>
	187,323,751	187,323,751
Public Holding as a % of Issued Share Capital	15.87%	15.87%
Number of shareholders holding the Public Holding	3,953	3,908
Market Capitalisation of Public Holding (Rs. Million)	29,131	30,592

The Company complies with option 1 of the Listing Rules 7.13.1(a) - Float Adjusted Market Capitalisation of Rs. 10.0Bn which requires no minimum public holding percentage.