



INTERIM FINANCIAL STATEMENTS
For the Three Months ended March 31, 2018

COMMERCIAL DEVELOPMENT COMPANY PLC

STATEMENT OF COMPREHENSIVE INCOME

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For the Three Months ended March 31,	2018 Rs.'000	2017 Rs.'000	Change %
Revenue	91,284	86,336	5.73
Cost of Sales	<u>(43,415)</u>	<u>(44,668)</u>	(2.81)
Gross Profit	47,869	41,668	14.88
Other Income	<u>7</u>	<u>2,254</u>	(99.69)
	47,876	43,922	9.00
Administrative Expenses	<u>(8,777)</u>	<u>(6,080)</u>	44.36
Operating Profit	39,099	37,842	3.32
Net Finance Income	1,467	3,888	(62.27)
Share of Profit of Equity Accounted Investee, Net of Tax	<u>2,096</u>	<u>1,606</u>	30.51
Profit before Tax	42,662	43,336	(1.56)
Income Tax Expense	<u>(11,123)</u>	<u>(11,856)</u>	(6.18)
Profit for the period attributable to Owners of the Company	31,539	31,480	0.19
Other Comprehensive Income			
Net change in Fair Value of Available-for-sale Financial Assets	(365)	(700)	(47.86)
Related Tax	<u>102</u>	<u>196</u>	(47.96)
Other Comprehensive Income for the period, Net of Tax	(263)	(504)	(47.82)
Total Comprehensive Income for the period, Net of Tax	31,276	30,976	0.97
Earnings per Share (Rs.)	2.63	2.62	0.19

The above figures are provisional and subject to audit unless indicated as audited.

Explanatory Notes

- 1 There were no changes in the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended December 31, 2017.
- 2 These Interim Financial Statements are presented in accordance with Sri Lanka Accounting Standard - LKAS - 34 on Interim Financial Reporting and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 3 During the quarter, there were no material changes in the composition of assets and liabilities.
- 4 Related Party Transactions.
 - (a) Mr.J.Durairatnam, Managing Director of the Company is also the Managing Director/Chief Executive Officer of Commercial Bank of Ceylon PLC, the major tenant and the parent company of the Company. Mr.U.I.S.Tillakawardana, Director of the Company functions as the Deputy General Manager - Human Resource Management of Commercial Bank of Ceylon PLC. During the quarter ended March 31, 2018, the Company received Rs.- 88,010,652/- as rental, income from outsourcing services, vehicle hiring charges and other utility services from Commercial Bank of Ceylon PLC (Rs.84,756,215/- for the quarter ended March 31, 2017).
 - (b) Mr.U.I.S.Tillakawardana, a Director of the Company is also a Director of Commercial Insurance Brokers (Pvt) Ltd, the associate of the Company which acts as one of the insurance adviser to the Company. During the quarter the Company paid Rs.80,307/- as Insurance premium to Insurance Companies through Commercial Insurance Brokers (Pvt) Ltd (Rs.151,475/- for the quarter ended March 31, 2017).
- 5 All known expenses have been provided for in these Interim Financial Statements.
- 6 There were no material events that took place since March 31, 2018, that require disclosure in these Interim Financial Statements.
- 7 There were no contingent assets, contingent liabilities or capital commitments outstanding as at the Reporting date.
- 8 The Company is yet to comply with the Continuing Listing Rule No. 7.13.1 (a) of the Colombo Stock Exchange, despite our parent Company, Commercial Bank of Ceylon PLC (CBC)'s efforts to reduce its shareholding in our Company by disposing shares in the open market. In this regard, we note that the CBC held 92.75% of the equity having disposed 215,222 shares or 1.8% as at the Reporting date. Prior to disposal of shares, CBC had a stake of 94.55% in the stated capital of our Company.

STATEMENT OF FINANCIAL POSITION

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	As at March 31, 2018	As at December 31, 2017 (Audited)	Change
	Rs.'000	Rs.'000	%
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	83,561	91,955	(9.13)
Investment Property	2,472,183	2,472,183	-
Equity Accounted Investee	46,697	46,602	0.20
Deposits Receivable	10,683	10,690	(0.07)
	<u>2,613,124</u>	<u>2,621,430</u>	(0.32)
Current Assets			
Inventories	76	85	(10.59)
Trade and Other Receivables	37,705	53,842	(29.97)
Short Term Investments	63,287	62,340	1.52
Cash and Cash Equivalents	32,671	15,688	108.25
	<u>133,739</u>	<u>131,955</u>	1.35
Total Assets	<u>2,746,863</u>	<u>2,753,385</u>	(0.24)
EQUITY AND LIABILITIES			
Equity			
Stated Capital	120,000	120,000	-
Other Reserves	1,887,133	1,887,396	(0.01)
Retained Earnings	324,398	328,859	(1.36)
Total Equity	<u>2,331,531</u>	<u>2,336,255</u>	(0.20)
Non-Current Liabilities			
Deposits Payables	25,183	23,959	5.11
Employee Benefits	28,247	28,247	-
Deferred Taxation	314,900	313,189	0.55
	<u>368,330</u>	<u>365,395</u>	0.80
Current Liabilities			
Trade and Other Payables	18,930	21,706	(12.79)
Deferred Revenue	11,747	12,800	(8.23)
Current Tax Liabilities	16,325	17,229	(5.25)
	<u>47,002</u>	<u>51,735</u>	(9.15)
Total Equity and Liabilities	<u>2,746,863</u>	<u>2,753,385</u>	(0.24)
Net Assets Value Per Ordinary Share (Rs.)	<u>194.29</u>	<u>194.69</u>	(0.20)

The above figures are provisional and subject to audit unless indicated as audited.

I certify that these Financial Statements have been prepared in accordance with the requirements of the Companies Act No.07 of 2007.

(Sgd.) W.H. Wijesekara
Accountant

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

(Sgd.) B.R.L. FERNANDO
CHAIRMAN

May 14, 2018

(Sgd.) J. DURAIRATNAM
MANAGING DIRECTOR

May 14, 2018

STATEMENT OF CHANGES IN EQUITY

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	Stated Capital	Other Reserves		Retained Earnings	Total Equity
		Fair Value Adjustment Reserve	Available for Sale Reserve		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at January 1, 2017	120,000	1,580,740	55	275,072	1,975,867
Total Comprehensive Income for the Three Months ended March 31, 2017					
Profit for the Three Months ended March 31, 2017	-	-	-	31,480	31,480
Other Comprehensive Income for the Three Months ended March 31, 2017	-	-	(504)	-	(504)
	-	-	(504)	31,480	30,976
Second Interim Dividend for 2016	-	-	-	(30,000)	(30,000)
Balance as at March 31, 2017	120,000	1,580,740	(449)	276,552	1,976,843
Total Comprehensive Income for the Nine Months ended December 31, 2017					
Profit for the Nine Months ended December 31, 2017	-	-	-	395,298	395,298
Other Comprehensive Income for the Nine Months ended December 31, 2017	-	-	513	(6,399)	(5,886)
	-	-	513	388,899	389,412
Transaction with equity holders, recognized directly in equity					
Final dividend for 2016	-	-	-	(6,000)	(6,000)
First Interim Dividend for 2017	-	-	-	(24,000)	(24,000)
Transfer of Fair Value Gains on Investment Property	-	306,592	-	(306,592)	-
Balance as at December 31, 2017 - Audited	120,000	1,887,332	64	328,859	2,336,255
Total Comprehensive Income for the Three Months ended March 31, 2018					
Profit for the Three Months ended March 31, 2018	-	-	-	31,539	31,539
Other Comprehensive Income for the Three Months ended March 31, 2018	-	-	(263)	-	(263)
	-	-	(263)	31,539	31,276
Transaction with equity holders, recognized directly in equity					
Second Interim Dividend for 2017	-	-	-	(36,000)	(36,000)
Balance as at March 31, 2018	120,000	1,887,332	(199)	324,398	2,331,531

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STATEMENT OF CASH FLOWS**05**

For the Three Months Ended March 31,	2018	2017
	Rs.'000	Rs.'000
Cash Flows from Operating Activities		
Profit before Tax	42,662	43,336
Non-cash adjustments to reconcile Profit before Tax to Net Cash Flows		
Depreciation	8,395	8,071
Share of Profit of Equity Accounted Investee, Net of Tax	(2,096)	(1,606)
Interest Income	(2,107)	(4,496)
Interest Expenses	631	600
Gain on Disposal of Motor Vehicles	-	(2,250)
	<u>47,485</u>	<u>43,655</u>
Working Capital Adjustments		
(Increase)/Decrease in Inventory	9	(12)
(Increase)/Decrease in Trade & Other Receivables	17,937	(3,581)
Increase/(Decrease) in Deposits Payables	1,224	(4,660)
Increase/(Decrease) in Deferred Revenue	(1,053)	2,429
Decrease in Trade and Other Payables	(3,941)	(2,638)
	<u>61,661</u>	<u>35,193</u>
Interest paid	(631)	(600)
Current Tax paid	(10,014)	(9,632)
Net Cash Flow Generated from Operating Activities	<u>51,016</u>	<u>24,961</u>
Cash Flows from Investing Activities		
Expenses incurred o/a Air Conditioning System	-	(7,315)
Proceeds from Sale of Motor Vehicles	-	2,250
Interest Received	2,107	4,496
Dividend Received	-	1,620
Net (Increase)/Decrease in Short Term Investments	(1,313)	(3,720)
Net Cash Flow Generated from Investing Activities	<u>794</u>	<u>(2,669)</u>
Cash Flows from Financing Activities		
Dividend Paid	(34,827)	(29,400)
Net Cash Flow Used in Financing Activities	<u>(34,827)</u>	<u>(29,400)</u>
Net Increase in Cash and Cash Equivalents	16,983	(7,108)
Cash and Cash Equivalent at the Beginning of the period	15,688	32,858
Cash and Cash Equivalent at the End of the period	<u>32,671</u>	<u>25,750</u>
Analysis of Cash and Cash Equivalents		
Cash at Bank	32,647	25,730
Cash in Hand	24	20
	<u>32,671</u>	<u>25,750</u>

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Name of the Shareholder	No. of Shares	%
01 Commercial Bank of Ceylon PLC	11,130,483	92.75
02 Assetline Leasing Company Ltd/British American Technologies (Pvt) Ltd	56,100	0.47
03 First Capital Markets Limited/K.Laveendrakumar	46,871	0.39
04 Amirally Lukmanjee	44,168	0.37
05 Binanthi Shamani Rasanayagam	36,000	0.30
06 Gajath Chrysantha Goonetilleke	30,013	0.25
07 Estate of late Surendra Wickremasinghe (Deceased)	27,200	0.23
08 Sithampalam Abishek	26,000	0.22
09 Manel Senanayake	24,000	0.20
10 Assetline Leasing Company Ltd/K.Laveendrakumar	22,341	0.19
11 Sithamparapillai Gowrisangar	21,863	0.18
12 Citizens Development Bussiness Finance PLC/P.Gajendra	16,358	0.14
13 Durga Sithampalam	16,000	0.13
14 Seylan Bank PLC/ Sermal Hemaka Jayasuriya	15,587	0.13
15 Rasitha Gunendra Sellahewa	14,000	0.12
16 Mallory Evan Wijesinghe	12,000	0.10
17 Premila Marie Senevirathna Perera	10,000	0.08
18 Alwishewa Chandrasekara	10,000	0.08
19 Douglas Sudirikku Jayawickrama	10,000	0.08
20 Kaluarachchige Shanti Anula Fernando	10,000	0.08
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	11,578,984	96.49
Other shareholders	421,016	3.51
Total	<hr/>	<hr/>
	12,000,000	100.00

Percentage of public holding in the Stated Capital of the Company as at March 31, 2018 was 7.24%. There were 759 shareholders representing the public holding percentage stated above.

None of the Directors held shares of the Company as at March 31, 2018.

Name of the Company

Commercial Development Company PLC

Legal Form

A public limited liability company incorporated in Sri Lanka on March 14, 1980 under the Companies Ordinance No. 51 of 1938 and quoted in the Colombo Stock Exchange in March 1983. The Company was re-registered, under the Companies Act No. 07 of 2007 on January 17, 2008.

Registered Office

No. 8 - 4/2, York Arcade Building,
Leyden Bastian Road,
Colombo 01, Sri Lanka.
Telephone/Facsimile : 011 - 2447300
Email : cdccompany@combank.net

Company Registration No.

PQ 114

Tax Payer Identification No. (TIN)

124010578

Accounting Year - end

December 31

Board of Directors

Mr.B.R.L. Fernando - Chairman
Mr.J. Durairatnam - Managing Director
Mr.A.L. Gooneratne
Mr.A.T.P. Edirisinghe
Mr.L.D.A. Jayasinghe
Mr.U.I.S. Tillakawardana

Company Secretary

Mr.L.W.P. Indrajith

Auditors

KPMG
Chartered Accountants
32A, Sir Mohamed Macan Markar Mawatha
Colombo 03, Sri Lanka.

Registrars

SSP Corporate Services (Private) Limited
101, Inner Flower Road,
Colombo 03,
Sri Lanka.

Lawyers

Julius & Creasy
41, Janadhipathi Mawatha,
Colombo 01,
Sri Lanka.

Audit Committee

Mr.B.R.L. Fernando - Chairman
Mr.A.L. Gooneratne
Mr.A.T.P. Edirisinghe
Mr.L.D.A. Jayasinghe

Principal Banker

Commercial Bank of Ceylon PLC

Information on Shares

	2018 Rs.	2017 Rs.
Market Value of a Share <i>As at March 31,</i>	71.00	67.10
Highest price during the <i>quarter ended March 31,</i>	76.00	84.00
Lowest price during the <i>quarter ended March 31,</i>	68.10	63.10
Number of Ordinary Shares in issue	12,000,000	12,000,000

Financial Ratios

As at March 31,	2018	2017
Interest Cover (times)	61.06	62.24
Quick Assets Ratio (times)	2.84	4.30
Net Assets Value Per Share (Rs.)	194.29	164.74