



INTERIM FINANCIAL STATEMENTS
For the six months ended June 30, 2023

COMMERCIAL DEVELOPMENT COMPANY PLC

STATEMENT OF COMPREHENSIVE INCOME

02

	For the Six Months Ended			For the Quarter Ended		
	June 30, 2023	June 30, 2022	Change	June 30, 2023	June 30, 2022	Change
	Rs. 000	Rs. 000	%	Rs. 000	Rs. 000	%
Revenue	333,178	302,288	10.2	166,913	157,424	6.0
Cost of Sales	(204,301)	(158,154)	29.2	(93,514)	(81,613)	14.6
Gross Profit	128,877	144,134	(10.6)	73,399	75,811	(3.2)
Other Income	4,402	1,937	127.3	4,300	1,932	122.6
	133,279	146,071	(8.8)	77,699	77,743	(0.1)
Administrative Expenses	(22,981)	(19,219)	19.6	(10,478)	(9,493)	10.4
Operating Profit	110,298	126,852	(13.0)	67,221	68,250	(1.5)
Net Finance Income	58,733	20,483	186.7	29,926	10,683	180.1
Profit before Tax	169,031	147,335	14.7	97,147	78,933	23.1
Income Tax Expense	(51,371)	(35,649)	44.1	(29,487)	(19,135)	54.1
Profit for the period attributable to Owners of the Company	117,660	111,686	5.3	67,660	59,798	13.1
Other Comprehensive Income, Net of Tax						
Net change in fair value of Debt investments at FVOCI	-	(2,412)	(100.0)	-	(2,181)	(100.0)
Related Tax	-	579	(100.0)	-	523	(100.0)
Other Comprehensive Income/(Expense) for the period Net of Tax	-	(1,833)	(100.0)	-	(1,658)	(100.0)
Total Comprehensive Income for the period, Net of Tax	117,660	109,853	7.1	67,660	58,140	16.4
Earnings per Share (Rs.)	9.81	9.31	5.3	5.64	4.98	13.1

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

Explanatory Notes

- Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) issued by The Institute of Chartered Accountants of Sri Lanka. 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, 2022.
- These Interim Financial Statements are presented in accordance with the requirements of the 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.
- During the quarter, there were no material changes in the composition of assets and liabilities.
- Related Party Transactions
 - Mr.S.C.U.Manatunge, Managing Director of the Company is also the Managing Director of Commercial Bank of Ceylon PLC, the sole tenant and the parent of the Company. Mr.U.I.S.Tillakawardana, Director of the Company functions as the Deputy General Manager - Human Resources Management of the Commercial Bank of Ceylon PLC. During the quarter ended June 30, 2023, the Company received Rs.165,381,440/- as rental, income from outsourcing services, vehicle hiring charges and other utility services from Commercial Bank of Ceylon PLC (Rs.155,934,933/- during the quarter ended June 30, 2022).

The Company also has invested Rs.137,291,781/- (inclusive of interest) in Fixed Deposits at market interest rates at Commercial Bank of Ceylon PLC.
 - As at the reporting date, the Company has invested Rs.649,528,767/- in Fixed Deposits (inclusive of interest) at market interest rates at CBC Finance Limited, which is a fully owned subsidiary of the Parent.
- All known expenses have been provided for in these Interim Financial Statements.
- There were no material events that took place since June 30, 2023, that require disclosure in these Interim Financial Statements.
- There were no contingent assets, contingent liabilities or capital commitments outstanding as at the Reporting date except that a case was filed against the Company by a former employee at the Labour Tribunal, Negombo. The Labour Tribunal ordered that the said employee be compensated with Rs. 2,034,000/- . The Company has appealed against this order to the High Court.

No provision is made in these Interim Financial Statements in respect of the above claim as the lawyers are of the opinion that the outcome of the appeal to the High Court is more likely to be favorable to the Company and the likelihood of the payment is remote.

STATEMENT OF FINANCIAL POSITION

03

	As at June 30, 2023	As at December 31, 2022 (Audited)	Change
	Rs.'000	Rs.'000	%
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	108,484	131,768	(17.67)
Intangible Assets	1,820	2,132	(14.63)
Investment Property	3,031,216	3,031,216	-
Deposits Receivable	11,079	10,980	0.90
	<u>3,152,599</u>	<u>3,176,096</u>	(0.74)
Current Assets			
Trade and Other Receivables	99,238	53,042	87.09
Financial Investments	786,821	671,482	17.18
Cash and Cash Equivalents	84,646	154,462	(45.20)
	<u>970,705</u>	<u>878,986</u>	10.43
Total Assets	<u><u>4,123,304</u></u>	<u><u>4,055,082</u></u>	1.68
EQUITY AND LIABILITIES			
Equity			
Stated Capital	120,000	120,000	-
Other Reserves	2,406,680	2,406,680	0.00
Retained Earnings	960,404	890,744	7.82
Total Equity	<u>3,487,084</u>	<u>3,417,424</u>	2.04
Non-Current Liabilities			
Deposits Payables	59,392	56,760	4.64
Employee Benefits	64,685	61,078	5.91
Lease Creditors	60,310	69,138	(12.77)
Deferred Tax	344,382	346,815	(0.70)
	<u>528,769</u>	<u>533,791</u>	(0.94)
Current Liabilities			
Trade and Other Payables	36,733	26,894	36.58
Lease Creditors	17,030	15,963	6.68
Deferred Revenue	7,559	8,515	(11.23)
Current Tax	46,129	52,495	(12.13)
	<u>107,451</u>	<u>103,867</u>	3.45
Total Equity and Liabilities	<u><u>4,123,304</u></u>	<u><u>4,055,082</u></u>	1.68
Net Assets Value Per Ordinary Share (Rs.)	<u><u>290.59</u></u>	<u><u>284.79</u></u>	2.04

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 and amendments thereto.

(Sgd.)

W.H. Wijesekara

Finance Manager

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

(Sgd.)

B.R.L. FERNANDO
CHAIRMAN

August 11, 2023

(Sgd.)

S.C.U.MANATUNGE
MANAGING DIRECTOR

STATEMENT OF CHANGES IN EQUITY

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	Stated Capital	Other Reserves		Retained Earnings	Total Equity
		Fair Value Reserve - Investment Property	Fair Value Reserve - Financial Assets		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at January 1, 2022	120,000	2,418,349	(185)	789,199	3,327,363
Adjustment for Surcharge Tax	-	-	-	(50,556)	(50,556)
Adjusted Balance as at January 01, 2022	120,000	2,418,349	(185)	738,643	3,276,807
Total Comprehensive Income for the six months ended June 30, 2022					
Profit for the six months ended June 30, 2022	-	-	-	111,686	111,686
Other Comprehensive Income for the six months ended June 30, 2022	-	-	(1,833)	-	(1,833)
	-	-	(1,833)	111,686	109,853
Transaction with equity holders, recognized directly in equity					
Final Dividend for 2021	-	-	-	(48,000)	(48,000)
Balance as at June 30, 2022	120,000	2,418,349	(2,018)	802,329	3,338,660
Total Comprehensive Income for the six months ended December 31, 2022					
Profit for the six months ended December 31, 2022	-	-	-	112,691	112,691
Other Comprehensive Income for the six months ended December 31, 2022	-	-	2,018	(294)	1,724
	-	-	2,018	112,397	114,415
Transaction with equity holders, recognized directly in equity					
Interim Dividend for 2022	-	-	-	(36,000)	(36,000)
Write back of Unclaimed Dividends	-	-	-	349	349
Transfer of Fair Value Losses on Investment Property	-	(11,669)	-	11,669	-
Balance as at December 31, 2022 - Audited	120,000	2,406,680	-	890,744	3,417,424
Total Comprehensive Income for the six months ended June 30, 2023					
Profit for the six months ended June 30, 2023	-	-	-	117,660	117,660
Other Comprehensive Income for the six months ended June 30, 2023	-	-	-	-	-
	-	-	-	117,660	117,660
Transaction with equity holders, recognized directly in equity					
Final Dividend for 2022	-	-	-	(48,000)	(48,000)
Balance as at June 30, 2023	120,000	2,406,680	-	960,404	3,487,084

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

STATEMENT OF CASH FLOWS

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For the six months ended June 30,	2023	2022
	Rs.'000	Rs.'000
Cash Flows from Operating Activities		
Profit before Tax	169,031	147,335
Non-cash adjustments to reconcile Profit before Tax to Net Cash Flows		
Depreciation/Amortization	23,595	18,423
Profit on disposal of Property, Plant and Equipment	(4,300)	(1,933)
Interest Income	(68,732)	(23,445)
Provision for Employee Benefits	4,590	4,371
Interest Expenses	9,766	2,725
	133,950	147,476
Changes in;		
Trade & Other Receivables	(46,295)	(11,221)
Deposits Payables	2,632	1,414
Deferred Revenue	(956)	(1,488)
Trade and Other Payables	10,041	10,236
	99,372	146,417
Interest Paid	(9,766)	(2,725)
Employee Benefits paid	(982)	(389)
Surcharge Tax Paid	-	(25,278)
Current Tax paid	(60,170)	(45,303)
	(9,766)	(2,725)
Net Cash Flow Generated from Operating Activities	28,454	72,722
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	-	(18,964)
Proceeds from Sale of Property, Plant and Equipment	4,300	28,203
Interest Received	68,732	23,445
Net Change in Financial Investments	(115,339)	(51,063)
	(42,307)	(18,379)
Net Cash Flow (Used in)/Generated from Investing Activities	(42,307)	(18,379)
Cash Flows from Financing Activities		
Settlement of Lease Liabilities	(7,761)	(4,077)
Dividend Paid	(48,202)	(47,730)
	(55,963)	(51,807)
Net Cash Flow Used in Financing Activities	(55,963)	(51,807)
Net Increase in Cash and Cash Equivalents	(69,816)	2,536
Cash and Cash Equivalent at the beginning of the Period	154,462	105,524
Cash and Cash Equivalent at the end of the Period	84,646	108,060
Analysis of Cash and Cash Equivalents		
Cash at Bank	84,515	107,990
Cash in Hand	131	70
	84,646	108,060

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

TWENTY LARGEST SHAREHOLDERS AS AT JUNE 30, 2023**06**

Name of the Shareholder	No. of Shares	%
01 Commercial Bank of Ceylon PLC	10,800,000	90.00
02 Assetline Leasing Co.LTD/British American Technologies (Pvt) Ltd	56,100	0.47
03 Hatton National Bank PLC/Kandaiah Kanapathipillai Shujeevan	53,754	0.45
04 PMF Finance PLC/K.Laveendrakumar	48,371	0.40
05 Mesiyage Don Saddhamangala Goonetilleke	48,301	0.40
06 Binanthi Shamani Rasanayagam	44,570	0.37
07 Amirally Lukmanjee	44,168	0.37
08 People's Leasing and Finance PLC/K.Laveendrakumar	30,228	0.25
09 Gajath Chrysantha Goonetilleke	30,077	0.25
10 Surendra Wickramasinghe	27,200	0.23
11 Sithamparapillai Gowrisangar	27,000	0.23
12 Sampath Bank PLC/Abishek Sithampalam	26,000	0.22
13 Zoebaly Gulamabass Carimjee	25,000	0.21
14 Manel Senanayake	24,000	0.20
15 Wijewickrama Pathinayakage Asanka Dinunuwan Gunathilaka	22,000	0.18
16 Sithampalam Durga	21,500	0.18
17 Dinesh Anthony Perera	20,409	0.17
18 Arunasalam Sithampalam	19,055	0.16
19 Dehiwalage Sunil Priyantha Perera	18,213	0.15
20 Gunendra Rasitha Sellaheva	16,500	0.14
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	11,402,446	95.03
Other shareholders	597,554	4.97
Total	<hr/>	<hr/>
	12,000,000	100.00

Percentage of public holding in the Stated Capital of the Company as at June 30, 2023 was 10%. There were 991 shareholders representing the public holding percentage stated above.

The Float Adjusted Market Capitalisation of the Company as at June 30, 2023 was Rs.129,900,000/-.

The Company complies with the minimum public holding as a continuous listing requirement as per the Option 2 of the Listing Rule No. 7.13.1 (b) of the Colombo Stock Exchange.

None of the Directors held shares of the Company as at June 30, 2023.

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 : info@cdcplc.net
Website : www.cdcplc.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.S.C.U.Manatunge - Managing Director
Mr.A.L. Gooneratne
Mr.A.T.P. Edirisinghe
Mr.L.D.A. Jayasinghe
Mr.U.I.S. Tillakawardana
Dr.R.A.Attalage

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
No 371, R.A.De Mel Mawatha,
Colombo 03,
Sri Lanka.

Audit Committee

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

Principal Banker

Commercial Bank of Ceylon PLC

Information on Shares

	2023 Rs.	2022 Rs.
Market Value of a Share <i>As at June 30,</i>	108.25	86.50
Highest price during the <i>quarter ended June 30,</i>	120.00	114.00
Lowest price during the <i>quarter ended June 30,</i>	95.00	86.00
Number of Ordinary Shares in issue	12,000,000	12,000,000

Financial Ratios

As at June 30,	2023	2022
Interest Cover (times)	11.08	42.83
Quick Assets Ratio (times)	9.03	7.26
Net Assets Value Per Share (Rs.)	290.59	278.22