



INTERIM FINANCIAL STATEMENTS
For the three months ended March 31, 2023

COMMERCIAL DEVELOPMENT COMPANY PLC

STATEMENT OF COMPREHENSIVE INCOME

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For the three months ended March 31,

	2023	2022	Change
	Rs. 000	Rs. 000	%
Revenue	166,265	144,864	14.8
Cost of Sales	(110,787)	(76,541)	44.7
Gross Profit	55,478	68,323	(18.8)
Other Income	102	5	1,940.0
	55,580	68,328	(18.7)
Administrative Expenses	(12,503)	(9,726)	28.6
Operating Profit	43,077	58,602	(26.5)
Net Finance Income	28,807	9,800	193.9
Profit before Tax	71,884	68,402	5.1
Income Tax Expense	(21,884)	(16,514)	32.5
Profit for the period attributable to Owners of the Company	50,000	51,888	(3.6)
Other Comprehensive Income, Net of Tax			
Change in fair value of Debt investments at FVOCI	-	(231)	(100.0)
Related Tax	-	56	(100.0)
Other Comprehensive Income for the period, Net of Tax	-	(175)	(100.0)
Total Comprehensive Income for the period, Net of Tax	50,000	51,713	(3.3)
Earnings per Share (Rs.)	4.17	4.32	(3.6)

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

Explanatory Notes

- 1 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.
- 2 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.
- 3 During the quarter, there were no material changes in the composition of assets and liabilities.
- 4 Related Party Transactions
 - (a) 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 March 31, 2023, the Company received Rs. 164,747,122/- as rental, income from outsourcing services, vehicle hiring charges and other utility services from Commercial Bank of Ceylon PLC (Rs.143,376,686/- during the quarter ended March 31, 2022).

The Company also has invested Rs.129,687,671/- (inclusive of interest) in Fixed Deposits at market interest rates at Commercial Bank of Ceylon PLC.
 - (b) Mr.U.I.S.Tillakawardana, a Director of the Company is also a Director of Commercial Insurance Brokers (Pvt) Ltd, a subsidiary of the Parent Company, which acts as one of the insurance advisers to the Company. During the quarter, the Company paid Rs.3,833,416/- as Insurance premium to Insurance Companies through Commercial Insurance Brokers (Pvt) Ltd (Rs.4,173,145/- was paid during the quarter ended March 31, 2022).
 - (c) As at the reporting date, the Company has invested Rs.573,972,603/- in Fixed Deposits (inclusive of interest) at market interest rates at CBC Finance Limited, which is a fully owned subsidiary of the Parent.
 - (d) The Company paid Rs.431,564/- to CBC Tech Solutions Limited, which is a fully owned subsidiary of the parent Company, on account of annual maintenance charges for the Human Resources Intergrated System (HRIS).

- 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, 2023, that require disclosure in these Interim Financial Statements.
- 7 Final dividend for the year ended December 31, 2022, as approved by the shareholders at the Annual General Meeting of the Company held on March 31, 2023, has been recognised as a liability as at March 31, 2023, in accordance with the Sri Lanka Accounting Standards.
- 8 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

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	As at March 31, 2023	As at December 31, 2022 (Audited)	Change %
	Rs.'000	Rs.'000	%
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	120,184	131,768	(8.79)
Intangible Assets	1,976	2,132	(7.32)
Investment Property	3,031,216	3,031,216	-
Deposits Receivable	11,047	10,980	0.61
	<u>3,164,423</u>	<u>3,176,096</u>	(0.37)
Current Assets			
Trade and Other Receivables	77,122	53,042	45.40
Financial Investments	703,660	671,482	4.79
Cash and Cash Equivalents	157,003	154,462	1.65
	<u>937,785</u>	<u>878,986</u>	6.69
Total Assets	<u><u>4,102,208</u></u>	<u><u>4,055,082</u></u>	1.16
EQUITY AND LIABILITIES			
Equity			
Stated Capital	120,000	120,000	-
Other Reserves	2,406,680	2,406,680	0.00
Retained Earnings	892,744	890,744	0.22
Total Equity	<u>3,419,424</u>	<u>3,417,424</u>	0.06
Non-Current Liabilities			
Deposits Payables	58,576	56,760	3.20
Employee Benefits	62,645	61,078	2.57
Lease Creditors	69,632	69,138	0.71
Deferred Tax	345,682	346,815	(0.33)
	<u>536,535</u>	<u>533,791</u>	0.51
Current Liabilities			
Trade and Other Payables	79,289	26,894	194.82
Lease Creditors	11,674	15,963	(26.87)
Deferred Revenue	7,577	8,515	(11.02)
Current Tax	47,709	52,495	(9.12)
	<u>146,249</u>	<u>103,867</u>	40.80
Total Equity and Liabilities	<u><u>4,102,208</u></u>	<u><u>4,055,082</u></u>	1.16
Net Assets Value Per Ordinary Share (Rs.)	<u><u>284.95</u></u>	<u><u>284.79</u></u>	0.06

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

May 8, 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 three months ended March 31, 2022					
Profit for the three months ended March 31, 2022	-	-	-	51,888	51,888
Other Comprehensive Income for the three months ended March 31, 2022	-	-	(175)	-	(175)
	-	-	(175)	51,888	51,713
Transaction with equity holders, recognized directly in equity					
Final Dividend for 2021	-	-	-	(48,000)	(48,000)
Balance as at March 31, 2022	120,000	2,418,349	(360)	742,531	3,280,520
Total Comprehensive Income for the nine months ended December 31, 2022					
Profit for the nine months ended December 31, 2022	-	-	-	172,489	172,489
Other Comprehensive Income for the nine months ended December 31, 2022	-	-	360	(294)	66
	-	-	360	172,195	172,555
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 three months ended March 31, 2023					
Profit for the three months ended March 31, 2023	-	-	-	50,000	50,000
Other Comprehensive Income for the three months ended March 31, 2023	-	-	-	-	-
	-	-	-	50,000	50,000
Transaction with equity holders, recognized directly in equity					
Final Dividend for 2022	-	-	-	(48,000)	(48,000)
Balance as at March 31, 2023	120,000	2,406,680	-	892,744	3,419,424

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STATEMENT OF CASH FLOWS

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For the three months ended March 31,	2023	2022
	Rs.'000	Rs.'000
Cash Flows from Operating Activities		
Profit before Tax	71,884	68,402
Non-cash adjustments to reconcile Profit before Tax to Net Cash Flows		
Depreciation/Amortization	11,739	9,046
Interest Income	(33,853)	(11,008)
Provision for Employee Benefits	2,295	2,186
	52,065	68,626
Changes in;		
Trade & Other Receivables	(24,147)	(6,971)
Deposits Payables	1,816	720
Deferred Revenue	(938)	(1,536)
Trade and Other Payables	4,968	3,655
	33,764	64,494
Gratuity Paid	(727)	-
Current Tax paid	(27,802)	(22,651)
Net Cash Flow Generated from Operating Activities	5,235	41,843
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	-	(15)
Interest Received	33,853	11,008
Net Change in Financial Investments	(32,178)	(9,762)
Net Cash Flow (Used in)/Generated from Investing Activities	1,675	1,231
Cash Flows from Financing Activities		
Settlement of Lease Liabilities	(3,795)	(1,224)
Dividend Paid	(574)	(155)
Net Cash Flow Used in Financing Activities	(4,369)	(1,379)
Net Increase in Cash and Cash Equivalents	2,541	41,695
Cash and Cash Equivalent at the beginning of the Period	154,462	105,524
Cash and Cash Equivalent at the end of the Period	157,003	147,219
Analysis of Cash and Cash Equivalents		
Cash at Bank	156,911	147,200
Cash in Hand	92	19
	157,003	147,219

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	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 Mestiyage Don Saddhamangala Goonatileke	48,472	0.40
05 PMF Finance PLC/K.Laveendrakumar	48,371	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 Arunasalam Sithampalam	19,055	0.16
18 Dehiwalage Sunil Priyantha Perera	18,213	0.15
19 Gunendra Rasitha Sellahewa	14,000	0.12
20 Ranajaya Holdings (Private) Limited	13,326	0.11
	<hr/>	<hr/>
	11,393,034	94.95
Other shareholders	606,966	5.05
	<hr/>	<hr/>
Total	12,000,000	100.00

Percentage of public holding in the Stated Capital of the Company as at March 31, 2023 was 10%. There were 994 shareholders representing the public holding percentage stated above.

The Float Adjusted Market Capitalisation of the Company as at March 31, 2023 was Rs.120,000,000/-.

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 March 31, 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.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

Principal Banker

Commercial Bank of Ceylon PLC

Information on Shares

	2023 Rs.	2022 Rs.
Market Value of a Share <i>As at March 31,</i>	100.00	101.50
Highest price during the <i>quarter ended March 31,</i>	119.00	150.00
Lowest price during the <i>quarter ended March 31,</i>	92.00	100.00
Number of Ordinary Shares in issue	12,000,000	12,000,000

Financial Ratios

As at December 31,	2023	2022
Interest Cover (times)	8.54	48.51
Quick Assets Ratio (times)	6.41	6.47
Net Assets Value Per Share (Rs.)	284.95	277.59