



INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024

COMMERCIAL DEVELOPMENT COMPANY PLC

For the three months ended March 31,

	2024	2023	Change
	Rs. 000	Rs. 000	%
Revenue	175,326	166,265	5.4
Cost of Sales	(104,935)	(110,787)	(5.3)
Gross Profit	70,391	55,478	26.9
Other Income	-	102	(100.0)
	70,391	55,580	26.6
Administrative Expenses	(12,642)	(12,503)	1.1
Operating Profit	57,749	43,077	34.1
Net Finance Income	28,687	28,807	(0.4)
Profit before Tax	86,436	71,884	20.2
Income Tax Expense	(25,931)	(21,884)	18.5
Profit for the period attributable to Owners of the Company	60,505	50,000	21.0
Other Comprehensive Income, Net of Tax	-	-	-
Total Comprehensive Income for the period, Net of Tax	60,505	50,000	21.0
Earnings per Share (Rs.)	5.04	4.17	21.0

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, 2023.
- 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 (CBC), 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 CBC. During the quarter ended March 31, 2024, the Company received Rs. 173.8 Mn. as rental, income from outsourcing services, vehicle hiring charges and other utility services from CBC (Rs.164.7 Mn. during the quarter ended March 31, 2023).

The Company also uplifted all Fixed Deposits held with the CBC at their maturities and received Rs.153.7 Mn. (inclusive of interest). The Company had invested Rs.129.7 Mn (inclusive of interest) in Fixed Deposits at CBC as at March 31, 2023. The interest income earned on fixed deposits amounted to Rs. 2.7 Mn. for the quarter ended March 31, 2024 (Rs.7.5 Mn. for the quarter ended March 31, 2023).
 - Mr.U.I.S.Tillakawardana, a Director of the Company is also a Director of Commercial Insurance Brokers (Pvt) Ltd (CIBL), a subsidiary of the Parent Company, which acts as one of the insurance advisers to the Company. During the quarter, the Company paid Rs.4.4 Mn. as Insurance premium to Insurance Companies through CIBL (Rs.3.8 Mn. was paid during the quarter ended March 31, 2023).
 - As at the reporting date, the Company has invested Rs.877.7 Mn. in Fixed Deposits (inclusive of interest) at market interest rates at CBC Finance Limited, which is a fully owned subsidiary of the Parent (Rs.574.0 Mn.as at March 31, 2023). The interest income earned on fixed deposits amounted to Rs. 27.4 Mn for the quarter ended March 31, 2024 (Rs.24.6 Mn. for the quarter ended March 31, 2023).

(d) The Company paid Rs.0.4 Mn. 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 Integrated System (Rs.4.0 Mn. was paid during the quarter ended March 31, 2023).

- 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, 2024, that require disclosure in these Interim Financial Statements.
- 7 Final dividend for the year ended December 31, 2023, as approved by the shareholders at the Annual General Meeting of the Company held on March 27, 2024, has been recognised as a liability as at March 31, 2024, 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. 2.0 Mn. 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, 2024	As at December 31, 2023 (Audited)	Change %
	Rs.'000	Rs.'000	%
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	80,863	88,390	(8.52)
Intangible Assets	1,345	1,502	(10.45)
Investment Property	3,129,111	3,129,111	-
Deposits Receivable	11,221	11,187	0.30
	<u>3,222,540</u>	<u>3,230,190</u>	(0.24)
Current Assets			
Trade and Other Receivables	124,722	100,737	23.81
Financial Investments	877,744	852,989	2.90
Cash and Cash Equivalents	158,759	142,373	11.51
	<u>1,161,225</u>	<u>1,096,099</u>	5.94
Total Assets	<u><u>4,383,765</u></u>	<u><u>4,326,289</u></u>	1.33
EQUITY AND LIABILITIES			
Equity			
Stated Capital	120,000	120,000	-
Other Reserves	2,451,630	2,451,630	0.00
Retained Earnings	1,062,348	1,049,843	1.19
Total Equity	<u><u>3,633,978</u></u>	<u><u>3,621,473</u></u>	0.35
Non-Current Liabilities			
Deposits Payables	63,646	61,083	4.20
Employee Benefits	87,251	86,164	1.26
Lease Creditors	45,466	50,642	(10.22)
Deferred Tax	389,911	390,235	(0.08)
	<u>586,274</u>	<u>588,124</u>	(0.31)
Current Liabilities			
Trade and Other Payables	97,630	54,203	80.12
Lease Creditors	19,358	18,496	4.66
Deferred Revenue	4,400	6,089	(27.74)
Current Tax	42,125	37,904	11.14
	<u>163,513</u>	<u>116,692</u>	40.12
Total Equity and Liabilities	<u><u>4,383,765</u></u>	<u><u>4,326,289</u></u>	1.33
Net Assets Value Per Ordinary Share (Rs.)	<u><u>302.83</u></u>	<u><u>301.79</u></u>	0.35

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.)

A.L.GOONERATNE
CHAIRMAN

May 6, 2024

(Sgd.)

S.C.U.MANATUNGE
MANAGING DIRECTOR

STATEMENT OF CHANGES IN EQUITY

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	Stated Capital	Fair Value Reserve Investment Property	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at January 1, 2023	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
Total Comprehensive Income for the nine months ended December 31, 2023				
Profit for the nine months ended December 31, 2023	-	-	244,060	244,060
Other Comprehensive Income for the nine months ended December 31, 2023	-	-	(6,337)	(6,337)
	-	-	237,723	237,723
Transaction with equity holders, recognized directly in equity				
Interim Dividend for 2023	-	-	(36,000)	(36,000)
Write back of Unclaimed Dividends	-	-	326	326
Transfer of Fair Value Gains on Investment Property	-	44,950	(44,950)	-
Balance as at December 31, 2023 -Audited	120,000	2,451,630	1,049,843	3,621,473
Total Comprehensive Income for the three months ended March 31, 2024				
Profit for the three months ended March 31, 2024	-	-	60,505	60,505
Other Comprehensive Income for the three months ended March 31, 2024	-	-	-	-
	-	-	60,505	60,505
Transaction with equity holders, recognized directly in equity				
Final Dividend for 2023	-	-	(48,000)	(48,000)
Balance as at March 31, 2024	120,000	2,451,630	1,062,348	3,633,978

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STATEMENT OF CASH FLOWS

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For the three months ended March 31,	2024	2023
	Rs.'000	Rs.'000
Cash Flows from Operating Activities		
Profit before Tax	86,436	71,884
Non-cash adjustments to reconcile Profit before Tax to Net Cash Flows		
Depreciation/Amortization	7,684	11,739
Interest Income	(33,107)	(33,853)
Provision for Employee Benefits	2,295	2,295
Operating profit before changes in working capital	63,308	52,065
Changes in;		
Trade & Other Receivables	(24,021)	(24,147)
Deposits Payables	2,563	1,816
Deferred Revenue	(1,689)	(938)
Trade and Other Payables	1,294	4,968
Cash Flow generated from operations	41,455	33,764
Gratuity Paid	(1,208)	(727)
Current Tax paid	(22,032)	(27,802)
Net Cash Flow Generated from Operating Activities	18,215	5,235
Cash Flows from Investing Activities		
Interest Received	33,107	33,853
Net Change in Financial Investments	(24,755)	(32,178)
Net Cash Flow (Used in)/Generated from Investing Activities	8,352	1,675
Cash Flows from Financing Activities		
Settlement of Lease Liabilities	(4,314)	(3,795)
Dividend Paid	(5,867)	(574)
Net Cash Flow Used in Financing Activities	(10,181)	(4,369)
Net Increase in Cash and Cash Equivalents	16,386	2,541
Cash and Cash Equivalent at the beginning of the Period	142,373	154,462
Cash and Cash Equivalent at the end of the Period	158,759	157,003
Analysis of Cash and Cash Equivalents		
Cash at Bank	158,725	156,911
Cash in Hand	34	92
	158,759	157,003

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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	53,684	0.45
04 PMF Finance PLC/K.Laveendrakumar	48,371	0.40
05 Binanthi Shamani Rasanayagam	44,570	0.37
06 Amirally Lukmanjee	44,168	0.37
07 Mestiyage Don Saddhamangala Goonatileke	37,438	0.31
08 Dinesh Anthony Perera	30,298	0.25
09 People's Leasing and Finance PLC/K.Laveendrakumar	30,228	0.25
10 Gajath Chrysantha Goonetilleke	30,077	0.25
11 Surendra Wickramasinghe	27,200	0.23
12 Sithamparapillai Gowrisangar	27,000	0.23
13 Sampath Bank PLC/Abishek Sithampalam	26,000	0.22
14 Zoebaly Gulamabass Carimjee	25,000	0.21
15 Manel Senanayake	24,000	0.20
16 Wijewickrama Pathinayakage Asanka Dinunuwan Gunathilaka	22,000	0.18
17 Sithampalam Durga	21,500	0.18
18 Arunasalam Sithampalam	19,055	0.16
19 Dehiwalage Sunil Priyantha Perera	18,213	0.15
20 Wickrama Buddhika Mendis Wijegunaratna	18,141	0.15
	11,403,043	95.03
Other shareholders	596,957	4.97
Total	12,000,000	100.00

Percentage of public holding in the Stated Capital of the Company as at March 31, 2024 was 10%. There were 991 shareholders representing the public holding percentage stated above.

The Float Adjusted Market Capitalisation of the Company as at March 31, 2024 was Rs.136,500,000/-.

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, 2024.

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.A.L. Gooneratne - Chairman
Mr.S.C.U.Manatunge - Managing Director
Mr.U.I.S. Tillakawardana
Dr.R.A. Attalage
Mr.P.L.P.Withana
Mr.N.Abeyseriya

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.P.L.P.Withana - Chairman
Dr.R.A.Attalage
Mr.N.Abeyseriya

Principal Banker

Commercial Bank of Ceylon PLC

Information on Shares

	2024 Rs.	2023 Rs.
Market Value of a Share <i>As at March 31,</i>	113.75	100.00
Highest price during the <i>quarter ended March 31,</i>	117.00	119.00
Lowest price during the <i>quarter ended March 31,</i>	90.00	92.00
Number of Ordinary Shares in issue	12,000,000	12,000,000

Financial Ratios

As at March 31,	2024	2023
Interest Cover (times)	13.07	8.54
Quick Assets Ratio (times)	7.10	6.41
Net Assets Value Per Share (Rs.)	302.83	284.95