



INTERIM FINANCIAL STATEMENTS
For the year ended December 31, 2023

COMMERCIAL DEVELOPMENT COMPANY PLC

	Note	For the Year Ended			For the Quarter Ended		
		December 31, 2023	December 31, 2022	Change	December 31, 2023	December 31, 2022	Change
		Rs. 000	Rs. 000	%	Rs. 000	Rs. 000	%
Revenue		687,511	631,128	8.9	177,826	164,981	7.8
Cost of Sales	3	(420,758)	(324,607)	29.6	(124,082)	(86,711)	43.1
Gross Profit		266,753	306,521	(13.0)	53,744	78,270	(31.3)
Other Income		17,978	2,040	781.3	6,040	39	15,387.2
		284,731	308,561	(7.7)	59,784	78,309	(23.7)
Administrative Expenses		(44,992)	(36,730)	22.5	(12,814)	(9,383)	36.6
Fair Value Gain/(Loss) on Investment Property		97,895	64,503	51.8	97,895	64,503	51.8
Operating Profit		337,634	336,334	0.4	144,865	133,429	8.6
Net Finance Income		124,343	64,955	91.4	33,108	25,273	31.0
Profit before Tax		461,977	401,289	15.1	177,973	158,702	12.1
Income Expense	4	(167,917)	(176,912)	(5.1)	(81,863)	(118,414)	(30.9)
Profit for the period attributable to Owners of the Company		294,060	224,377	31.1	96,110	40,288	138.6
Other Comprehensive Income, Net of Tax							
Actuarial Gain/(Loss) on Defined Benefit Plans		(9,053)	(402)	2,152.0	(9,053)	(402)	2,152.0
Related Tax		2,716	108	2,414.8	2,716	108	2,414.8
Net Actuarial Gain/(Loss) on Defined Benefit Plans		(6,337)	(294)	2,055.4	(6,337)	(294)	2,055.4
Change in fair value of Debt investments at FVOCI		-	243	(100.0)	-	1,971	(100.0)
Related Tax		-	(58)	(100.0)	-	(473)	(100.0)
Net Change in fair value of Debt investments at FVOCI		-	185	(100.0)	-	1,498	(100.0)
Other Comprehensive Income/(Expense) for the year, Net of Tax		(6,337)	(109)	5,713.8	(6,337)	1,204	(626.3)
Total Comprehensive Income for the year, Net of Tax		287,723	224,268	28.3	89,773	41,492	116.4
Earnings per Share (Rs.)		24.51	18.70	31.1	8.01	3.36	138.6

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.
- Increase in cost of sales was mainly due to refurbishment and maintenance costs incurred during the year for the "Commercial House" building. In addition, salaries and related staff expenses (included in cost of sales) in relation to outsourced and maintenance staff members have increased significantly as a result of salary increments granted to be in line with market rates.
- The main reason for the higher income tax charged for the year 2022 was primarily due to the recomputation of deferred tax liability consequent to the increase in income tax rate to 30% from 24% effective from July 01, 2022. Accordingly, additional deferred tax charge due to the increase in the tax rate amounted to Rs.83.6 Mn.
- During the quarter, there were no material changes in the composition of assets and liabilities except that investment property have been stated at revalued amounts as at December 31, 2023, as per the requirements of the Sri Lanka Accounting Standard - LKAS 40 on "Investment Property".
- 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 December 31, 2023, the Company received Rs.176.3 Mn- as rental, income from outsourcing services, vehicle hiring charges and other utility services from Commercial Bank of Ceylon PLC (Rs.163.5 Mn. during the quarter ended December 31, 2022).

The Company also has invested Rs.152.7 Mn. (inclusive of interest) in Fixed Deposits at market interest rates at Commercial Bank of Ceylon PLC as at December 31, 2023 (Rs.122.2 Mn.as at December 31, 2022). The interest income earned on fixed deposits amounted to Rs. 7.7 Mn for the quarter ended December 31, 2023 (Rs.0.2 Mn. for the quarter ended December 31, 2022).

(b) As at the reporting date, the Company has invested Rs.700.3 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.549.3 Mn.as at December 31, 2022). The interest income earned on fixed deposits amounted to Rs. 27.9 Mn for the quarter ended December 31, 2023 (Rs.25.7 Mn. for the quarter ended December 31, 2022).

- 7 All known expenses have been provided for in these Interim Financial Statements.
- 8 There were no material events that took place since December 31, 2023, that require disclosure in these Interim Financial Statements.
- 9 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 Company's 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 a payment is remote.

STATEMENT OF FINANCIAL POSITION

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	As at December 31, 2023	As at December 31, 2022 (Audited)	Change
	Rs.'000	Rs.'000	%
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	88,390	131,768	(32.92)
Intangible Assets	1,502	2,132	(29.55)
Investment Property	3,129,111	3,031,216	3.23
Deposits Receivable	11,187	10,980	1.89
	<u>3,230,190</u>	<u>3,176,096</u>	1.70
Current Assets			
Trade and Other Receivables	100,737	53,042	89.92
Financial Investments	852,989	671,482	27.03
Cash and Cash Equivalents	142,373	154,462	(7.83)
	<u>1,096,099</u>	<u>878,986</u>	24.70
Total Assets	<u><u>4,326,289</u></u>	<u><u>4,055,082</u></u>	6.69
EQUITY AND LIABILITIES			
Equity			
Stated Capital	120,000	120,000	-
Other Reserves	2,451,630	2,406,680	1.87
Retained Earnings	1,049,843	890,744	17.86
Total Equity	<u>3,621,473</u>	<u>3,417,424</u>	5.97
Non-Current Liabilities			
Deposits Payables	61,083	56,760	7.62
Employee Benefits	86,164	61,078	41.07
Lease Creditors	50,642	69,138	(26.75)
Deferred Tax	390,235	346,815	12.52
	<u>588,124</u>	<u>533,791</u>	10.18
Current Liabilities			
Trade and Other Payables	54,203	26,894	101.54
Lease Creditors	18,496	15,963	15.87
Deferred Revenue	6,089	8,515	(28.49)
Current Tax	37,904	52,495	(27.80)
	<u>116,692</u>	<u>103,867</u>	12.35
Total Equity and Liabilities	<u><u>4,326,289</u></u>	<u><u>4,055,082</u></u>	6.69
Net Assets Value Per Ordinary Share (Rs.)	<u><u>301.79</u></u>	<u><u>284.79</u></u>	5.97

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

February 16, 2024

(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 year ended December 31, 2022					
Profit for the year ended December 31, 2022	-	-	-	224,377	224,377
Other Comprehensive Income for the year ended December 31, 2022	-	-	185	(294)	(109)
Total Comprehensive Income for the year ended December 31, 2022	-	-	185	224,083	224,268
Transaction with equity holders, recognized directly in equity					
Final Dividend for 2021	-	-	-	(48,000)	(48,000)
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 year ended December 31, 2023					
Profit for the year ended December 31, 2023	-	-	-	294,060	294,060
Other Comprehensive Income for the year ended December 31, 2023	-	-	-	(6,337)	(6,337)
Total Comprehensive Income for the year ended December 31, 2023	-	-	-	287,723	287,723
Transaction with equity holders, recognized directly in equity					
Final Dividend for 2022	-	-	-	(48,000)	(48,000)
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	120,000	2,451,630	-	1,049,843	3,621,473

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STATEMENT OF CASH FLOWS

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For the year ended December 31,	2023	2022
	Rs.'000	Rs.'000
Cash Flows from Operating Activities		
Profit before Tax	461,977	401,289
Non-cash adjustments to reconcile Profit before Tax to Net Cash Flows		
Depreciation	43,266	41,662
Amortization	630	630
Fair Value (Gain)/Loss on Investment Property	(97,895)	(64,503)
Profit on disposal of Property, Plant and Equipment	(17,830)	(1,933)
Interest Income	(143,575)	(77,837)
Provision for Employee Benefits	17,937	10,876
Interest Expenses	18,910	12,453
	283,420	322,637
Changes in;		
Trade & Other Receivables	(47,696)	(10,030)
Deposits Receivable	(207)	(123)
Deposits Payables	1,015	(535)
Deferred Revenue	(2,424)	(2,051)
Trade and Other Payables	21,791	9,242
Cash generated from operating activities	255,899	319,140
Interest Paid	(15,603)	(9,649)
Employee Benefits paid	(1,904)	(1,166)
Surcharge Tax Paid	-	(50,556)
Current Tax paid	(136,372)	(83,102)
	102,020	174,667
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(46)	(31,453)
Proceeds from Sale of Property, Plant and Equipment	17,988	28,203
Interest Received	107,069	47,181
Net Change in Financial Investments	(145,000)	(75,000)
	(19,989)	(31,069)
Cash Flows from Financing Activities		
Settlement of Lease Liabilities	(15,963)	(11,703)
Dividend Paid	(78,157)	(82,957)
	(94,120)	(94,660)
Net Increase in Cash and Cash Equivalents	(12,089)	48,938
Cash and Cash Equivalent at the beginning of the Year	154,462	105,524
Cash and Cash Equivalent at the end of the Year	142,373	154,462
Analysis of Cash and Cash Equivalents		
Cash at Bank	142,226	154,394
Cash in Hand	147	68
	142,373	154,462

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

Name of the Shareholder	No. of Shares	%
01 Commercial Bank of Ceylon PLC	10,800,000	90.00
02 Assetline Finance Ltd/British American Technologies (Pvt) Ltd	56,100	0.47
03 Hatton National Bank PLC/Kandaiah Kanapathipillai Shujeevan	53,754	0.45
04 People'S Merchant 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 Goonatilleke	35,910	0.30
08 People's Leasing & Finance PLC/Mr. K. Laveendrakumar	30,228	0.25
09 Gajath Chrysantha Goonetilleke	30,077	0.25
10 Dinesh Anthony Perera	29,297	0.24
11 Surendra Wickremasinghe (Deceased)	27,200	0.23
12 Sithamparapillai Gowrisangar	27,000	0.23
13 Sampath Bank PLC/Mr. 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 Gunathilake	22,000	0.18
17 Durga Sithampalam	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	17,550	0.15
	<u>11,399,993</u>	<u>95.01</u>
Other shareholders	<u>600,007</u>	<u>4.99</u>
Total	<u>12,000,000</u>	<u>100.00</u>

Percentage of public holding in the Stated Capital of the Company as at December 31, 2023 was 10%. There were 983 shareholders representing the public holding percentage stated above.

The Float Adjusted Market Capitalisation of the Company as at December 31, 2023 was Rs.134,100,000/-.

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 December 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.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 December 31,</i>	111.75	95.50
Highest price during the <i>quarter ended December 31,</i>	118.50	109.75
Lowest price during the <i>quarter ended December 31,</i>	100.00	87.00
Number of Ordinary Shares in issue	12,000,000	12,000,000

Financial Ratios

As at September 30,	2023	2022
Interest Cover (times)	17.56	26.11
Quick Assets Ratio (times)	9.39	8.46
Net Assets Value Per Share (Rs.)	301.79	284.79