

CONVENIENCE FOODS (LANKA) PLC

INTERIM REPORT

FOR THE 2ND QUARTER ENDED,
30TH SEPTEMBER 2022



CORPORATE INFORMATION

NAME OF THE COMPANY

Convenience Foods (Lanka) PLC - PQ 164

LEGAL FORM & LISTING

A Public Limited Company listed on the Colombo Stock Exchange.

DATE OF INCORPORATION

27th March 1991

REGISTERED OFFICE

Ceylon Biscuits Ltd,
No. 555, High Level Road,
Makumbura, Pannipitiya,
Sri Lanka.

BUSINESS ACTIVITY

Manufacture and Marketing of Textured Vegetable Protein (TVP), Culinary and other Food Products.

DIRECTORS OF THE COMPANY

Mr. R.S. Wickramasingha - Chairman
Mr. E.T. De Zoysa - Managing Director
Ms. D.S. Wickramasingha - Director
Ms. N.K. Wickramasingha - Director
Mr. L.J.M. De Silva - Director
Mr. M.U.S.G. Thilakawardana - Director
Dr. D.M.A. Kulasooriya - Director
Mr. M.S. Nanayakkara - Director

AUDITORS

KPMG Sri Lanka
Chartered Accountants,
32A, Sir Mohomad Macan Markar Mawatha,
Colombo 3, Sri Lanka.

SECRETARIES & REGISTRARS

P W Corporate Secretarial (Pvt) Ltd.
No.3/17, Kynsey Road,
Colombo 08.

BANKERS

Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Peoples Bank
DFCC Bank PLC
State Bank of India
Standard Chartered Bank
Sampath Bank PLC
Nation Trust Bank

CONVENIENCE FOODS (LANKA) PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

For the 03 Months Ended 30th September	Group			Company		
	2022 Rs.	2021 Rs.	Variance %	2022 Rs.	2021 Rs.	Variance %
Revenue	2,200,735,981	1,251,033,788	75.9%	2,200,735,981	1,251,033,788	75.9%
Cost of Sales	(1,624,825,540)	(947,974,881)	71.4%	(1,624,825,540)	(947,974,881)	71.4%
Gross Profit	575,910,441	303,058,907	90.0%	575,910,441	303,058,907	90.0%
Other Operating Income	9,952,602	7,415,529	34.2%	9,952,602	7,415,529	34.2%
Distribution Expenses	(171,083,781)	(134,385,929)	27.3%	(171,083,781)	(134,385,929)	27.3%
Administrative Expenses	(68,204,628)	(42,252,699)	61.4%	(68,204,628)	(42,252,699)	61.4%
Results from Operating Activities	346,574,635	133,835,808	159.0%	346,574,635	133,835,808	159.0%
Finance Income	8,664,131	9,470,968	-8.5%	8,664,131	9,470,968	-8.5%
Finance Expenses	(72,160,169)	(1,194,129)	5942.9%	(72,160,169)	(1,194,129)	5942.9%
Net Finance Income	(63,496,037)	8,276,839	-867.2%	(63,496,037)	8,276,839	-867.2%
Profit Before Tax	283,078,597	142,112,647	99.2%	283,078,597	142,112,647	99.2%
Income Tax Expenses	(52,861,860)	(27,282,561)	93.8%	(52,861,860)	(27,282,561)	93.8%
Profit for the Period	230,216,737	114,830,086	100.5%	230,216,737	114,830,086	100.5%
Other Comprehensive Income						
<i>Items that will not be reclassified to profit or loss:</i>						
Re-measurement component of defined benefit plan	-	-	-	-	-	-
Other Comprehensive Income for the Period	-	-	-	-	-	-
Total Comprehensive Income for the Period	230,216,737	114,830,086	100.5%	230,216,737	114,830,086	100.5%
Profit for the Period Attributable to:						
Owners of the Company	230,216,737	114,830,086	100.5%	230,216,737	114,830,086	100.5%
Non-Controlling Interest	-	-	-	-	-	-
Total Profit for the Period	230,216,737	114,830,086	100.5%	230,216,737	114,830,086	100.5%
Total Comprehensive Income for the Period Attributable to:						
Owners of the Company	230,216,737	114,830,086	100.5%	230,216,737	114,830,086	100.5%
Non-Controlling Interest	-	-	-	-	-	-
Total Comprehensive Income for the Period	230,216,737	114,830,086	100.5%	230,216,737	114,830,086	100.5%
Basic and Diluted Earnings Per Share	83.72	41.76		83.72	41.76	

*Figures in brackets indicate deductions.
The above figures are not audited.*

CONVENIENCE FOODS (LANKA) PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

For the 06 Months Ended 30th September	Group			Company		
	2022 Rs.	2021 Rs.	Variance %	2022 Rs.	2021 Rs.	Variance %
Revenue	3,867,119,925	2,036,700,447	89.9%	3,867,119,925	2,036,700,447	89.9%
Cost of Sales	(2,924,458,786)	(1,504,599,680)	94.4%	(2,924,458,786)	(1,504,599,680)	94.4%
Gross Profit	942,661,138	532,100,767	77.2%	942,661,138	532,100,767	77.2%
Other Operating Income	18,222,018	11,091,197	64.3%	18,222,018	11,091,197	64.3%
Distribution Expenses	(337,665,646)	(244,029,808)	38.4%	(337,665,646)	(244,029,808)	38.4%
Administrative Expenses	(127,704,963)	(84,195,358)	51.7%	(127,704,963)	(84,195,358)	51.7%
Results from Operating Activities	495,512,548	214,966,798	130.5%	495,512,548	214,966,798	130.5%
Finance Income	15,162,423	22,399,106	-32.3%	15,162,423	22,399,106	-32.3%
Finance Expenses	(84,899,715)	(3,010,078)	2720.5%	(84,899,715)	(3,010,078)	2720.5%
Net Finance Income	(69,737,292)	19,389,029	-459.7%	(69,737,292)	19,389,029	-459.7%
Profit Before Tax	425,775,256	234,355,827	81.7%	425,775,256	234,355,827	81.7%
Income Tax Expenses	(77,979,718)	(44,047,198)	77.0%	(77,979,718)	(44,047,198)	77.0%
Profit for the Period	347,795,538	190,308,629	82.8%	347,795,538	190,308,629	82.8%
Other Comprehensive Income						
<i>Items that will not be reclassified to profit or loss:</i>						
Re-measurement component of defined benefit plan	-	-	-	-	-	-
Other Comprehensive Income for the Period	-	-	-	-	-	-
Total Comprehensive Income for the Period	347,795,538	190,308,629	82.8%	347,795,538	190,308,629	82.8%
Profit for the Period Attributable to:						
Owners of the Company	347,795,538	190,308,629	82.8%	347,795,538	190,308,629	82.8%
Non-Controlling Interest	-	-	-	-	-	-
Total Profit for the Period	347,795,538	190,308,629	82.8%	347,795,538	190,308,629	82.8%
Total Comprehensive Income for the Period Attributable to:						
Owners of the Company	347,795,538	190,308,629	82.8%	347,795,538	190,308,629	82.8%
Non-Controlling Interest	-	-	-	-	-	-
Total Comprehensive Income for the Period	347,795,538	190,308,629	82.8%	347,795,538	190,308,629	82.8%
Basic and Diluted Earnings Per Share	126.47	69.20		126.47	69.20	

Figures in brackets indicate deductions.
The above figures are not audited.

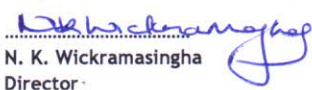
CONVENIENCE FOODS (LANKA) PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2022

As at	Group		Company	
	30.09.2022 Rs.	31.03.2022 Rs.	30.09.2022 Rs.	31.03.2022 Rs.
Assets				
Non Current Assets				
Property, Plant and Equipment	622,279,916	616,391,944	622,279,916	616,391,944
Right of Use Assets	112,175,959	116,325,327	112,175,959	116,325,327
Intangible Assets	7,449,224	7,827,705	7,449,224	7,827,705
Investment in Subsidiary	-	-	20	20
Total Non Current Assets	741,905,100	740,544,976	741,905,120	740,544,996
Current Assets				
Inventories	1,560,515,593	1,136,374,206	1,560,515,593	1,136,374,206
Trade and Other Receivables	1,843,648,670	636,390,109	1,843,648,670	636,390,109
Amounts due from Related Companies	56,822,689	26,337,704	56,822,689	26,337,704
Short Term Investments	202,473,061	418,645,514	202,473,061	418,645,514
Cash and Cash Equivalents	332,130,577	173,094,623	332,130,577	173,094,623
Total Current Assets	3,995,590,590	2,390,842,156	3,995,590,590	2,390,842,156
Total Assets	4,737,495,690	3,131,387,132	4,737,495,710	3,131,387,152
Equity and Liabilities				
Equity Attributable to Equity - holders of the Parent				
Stated Capital	52,521,178	52,521,178	52,521,178	52,521,178
Other Reserves	41,613,945	41,613,945	41,613,945	41,613,945
Retained Earnings	2,162,473,875	1,982,289,597	2,162,473,895	1,982,289,617
Total Equity	2,256,608,998	2,076,424,720	2,256,609,018	2,076,424,740
Liabilities				
Non Current Liabilities				
Deferred Tax Liability	18,388,173	17,168,762	18,388,173	17,168,762
Lease Liabilities	113,448,088	112,526,574	113,448,088	112,526,574
Retirement Benefit Obligation	80,326,871	70,888,677	80,326,871	70,888,677
Total Non Current Liabilities	212,163,131	200,584,013	212,163,131	200,584,013
Current Liabilities				
Trade and Other Payables	1,285,131,101	783,769,818	1,285,131,101	783,769,818
Lease Liabilities	6,607,076	7,987,138	6,607,076	7,987,138
Current Tax Liabilities	40,366,377	32,074,465	40,366,377	32,074,465
Amount due to Related Companies	936,619,006	30,546,978	936,619,006	30,546,978
Total Current Liabilities	2,268,723,561	854,378,399	2,268,723,561	854,378,399
Total Liabilities	2,480,886,692	1,054,962,412	2,480,886,692	1,054,962,412
Total Equity and Liabilities	4,737,495,690	3,131,387,132	4,737,495,710	3,131,387,152
Net assets value per share	820.59	755.06	820.59	755.06

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.


 S. K. I. S. Senarathne
 General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf


 N. K. Wickramasingha
 Director


 E. T. De Zoysa
 Managing Director

03rd November 2022

The above figures are not audited.

CONVENIENCE FOODS (LANKA) PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

Group	Stated Capital Rs.	Other Reserves Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 1st April 2021	52,521,178	41,613,945	1,619,437,686	1,713,572,809
Profit for the period	-	-	190,308,629	190,308,629
Dividend paid for the year 2020/21	-	-	(27,500,000)	(27,500,000.00)
Balance as at 30th September 2021	52,521,178	41,613,945	1,782,246,316	1,876,381,439
Balance as at 1st April 2022	52,521,178	41,613,945	1,982,289,597	2,076,424,720
Profit for the period	-	-	347,795,538	347,795,538
Dividend paid for the year 2021/22	-	-	(9,625,000)	(9,625,000)
Surcharge Tax paid for the year 2020/21	-	-	(157,986,260)	(157,986,260)
Balance as at 30th September 2022	52,521,178	41,613,945	2,162,473,875	2,256,608,998

Company	Stated Capital Rs.	Other Reserves Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 1st April 2021	52,521,178	41,613,945	1,128,702,052	1,222,837,175
Profit for the period	-	-	190,308,629	190,308,629
Dividend paid for the year 2020/21	-	-	(27,500,000)	(27,500,000)
Balance as at 30th September 2021	52,521,178	41,613,945	1,291,510,681	1,385,645,804
Balance as at 1st April 2022	52,521,178	41,613,945	1,982,289,617	2,076,424,740
Profit for the period	-	-	347,795,538	347,795,538
Dividend paid for the year 2021/22	-	-	(9,625,000)	(9,625,000)
Surcharge Tax paid for the year 2020/21	-	-	(157,986,260)	(157,986,260)
Balance as at 30th September 2022	52,521,178	41,613,945	2,162,473,895	2,256,609,018

The above figures are not audited.

CONVENIENCE FOODS (LANKA) PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

For the 06 Months Ended 30th September	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Cash Flows from Operating Activities				
Profit Before Tax	425,775,256	286,484,377	425,775,256	286,484,377
Adjustments for:				
Depreciation of Property, Plant and Equipment	38,566,747	16,992,977	38,566,747	16,992,977
Amortization of Intangible Assets	807,444	667,765	807,444	667,765
Depreciation of Right of use Assets	4,149,368	1,885,023	4,149,368	1,885,023
Profit on Disposal of Assests	-	(7,851,676)	-	(7,851,676)
Interest Income	(15,162,423)	(33,094,588)	(15,162,423)	(33,094,588)
Interest Expenses	83,599,656	712,922	83,599,656	712,922
Provision for Retirement Benefit Obligation	9,953,394	7,832,430	9,953,394	7,832,430
Operating Profit before Working Capital Changes	547,689,442	273,629,231	547,689,442	273,629,231
Changes in Working Capital				
(Increase)/Decrease in Inventories	(424,141,387)	(56,731,389)	(424,141,387)	(56,731,389)
(Increase)/Decrease in Trade and Other Receivables	(1,207,258,561)	(48,878,617)	(1,207,258,561)	(48,878,617)
(Increase)/Decrease in Amount due from Related Companies	(30,484,985)	695,670	(30,484,985)	695,670
Increase/(Decrease) in Amount due to Related Companies	906,072,028	(30,850,691)	906,072,028	(30,850,691)
Increase/(Decrease) in Trade and Other Payables	501,361,283	49,497,823	501,361,283	49,497,823
Cash Generated from Operations	293,237,821	187,362,027	293,237,821	187,362,027
Retiring Gratuity Paid	333,200	(219,210)	333,200	(219,210)
Interest Paid	(83,599,656)	(712,922)	(83,599,656)	(712,922)
Income Tax Paid	(68,559,835)	(58,443,210)	(68,559,835)	(58,443,210)
Surcharge Tax Paid	(157,986,260)	-	(157,986,260)	-
Net Cash Flows from Operating Activities	(16,574,729)	127,986,685	(16,574,729)	127,986,685
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(44,454,719)	(19,258,614)	(44,454,719)	(19,258,614)
Purchase of Intangible Assets	(1,185,925)	-	(1,185,925)	-
Proceeds from Disposal of Assests	-	7,868,479	-	7,868,479
Interest Received	15,162,423	33,094,588	15,162,423	33,094,588
Net Movement of Investment in Fixed Deposits	216,172,453	(129,723,763)	216,172,453	(129,723,763)
Net Cash Flows Used in Investing Activities	185,694,232	(108,019,310)	185,694,232	(108,019,310)
Cash Flows from Financing Activities				
Dividend Paid	(9,625,000)	(15,125,000)	(9,625,000)	(15,125,000)
Repayment of Lease	(458,548)	(1,825,293)	(458,548)	(1,825,293)
Net Cash Flows Used in Financing Activities	(10,083,548)	(16,950,293)	(10,083,548)	(16,950,293)
Net (Decrease) / Increase in Cash and Cash Equivalents	159,035,954	3,017,082	159,035,954	3,017,082
Cash and Cash Equivalents at the Beginning of the Period	173,094,623	73,242,903	173,094,623	73,242,903
Cash and Cash Equivalents at the End of the Period	332,130,577	76,259,984	332,130,577	76,259,984
Cash in Hand and at Bank	332,130,577	76,259,984	332,130,577	76,259,984
Bank Overdrafts	-	-	-	-
Cash and Cash Equivalents at the End of the Period	332,130,577	76,259,984	332,130,577	76,259,984

Figures in brackets indicate deductions.
The above figures are not audited.

CONVENIENCE FOODS (LANKA) PLC NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1 Corporate information

Convenience Foods (Lanka) PLC ('the Company') is engaged in the manufacture and marketing of Textured Vegetable Protein (TVP), Culinary and other food products.

Convenience Foods (Lanka) PLC is a public limited company incorporated and domiciled in Sri Lanka and listed in the Colombo Stock Exchange.

2 Approval of financial statements

The interim condensed financial statements of the group and the company for the six months period ended 30th September 2022 were authorised for issue by the Board of Directors on 03rd November 2022.

3 Basis of preparation

The interim financial statements of the company and group for the six months period ended 30th September 2022 have been prepared in accordance with the requirements of LKAS - 34 Interim Financial Reporting and have been prepared in accordance with the same accounting policies and methods set out in the Annual Audited Financial Statements for the year ended 31st March 2022.

4 Segmental information

Segmental information is not presented since the company does not have distinguishable components to be identified as a segment as all operations are treated as one segment.

5 Significant unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the period ended 30th September 2022.

6 Events after the reporting period

There were no significant events after the reporting period that would require adjustments to or disclosures in these interim financial statements for the period ended 30th September 2022.

7. Commitments and contingencies.

Financial commitments

Commitments on account of Letters of credit as at 30th September 2022 was Rs. 292,143,695 (31st March 2022: Rs. 744,148,456). Shipping Guarantees as at 30th September 2022 was Nil (31st March 2022: Rs. 122,037,530). Import Bills as at 30th September 2022 was Nil (31st March 2022: Rs. 4,483,794).

Capital commitments

There were no significant capital commitments as at reporting date.

Contingencies - pending litigations

There were no other significant contingent liabilities as at the reporting date, except for the following;

The Company had made an appeal to the Court of Appeal on a question of law arising from the determination of the Board of Review and is made under and in terms of Section 122 (1) of the Inland Revenue Act No. 28 of 1979 (as amended). The income tax payable as per the Board of Review determination for the year of assessment 1991/1992 amounts to a sum of Rs. 8,871,886 and surcharge on income tax of Rs. 1,072,031 (plus any penalties payable thereon). The Court of Appeal has given judgment in favor of the Company and has annulled the assessment. The Commissioner General of Inland Revenue has filed a petition in the Supreme Court seeking Special Leave to Appeal against the judgment of the Court of Appeal on this matter. The Supreme Court has granted Special Leave to Appeal to questions of law raised by both parties. The matter has been fixed for argument on 19 October 2022.

CONVENIENCE FOODS (LANKA) PLC
ADDITIONAL NOTES
1 Share prices during the Quarter

	06 Months Ended 30th September 2022	06 Months Ended 30th September 2021
	Rs.	Rs.
Highest	1,347.00	1,300.00
Lowest	950.75	1,000.00
Last traded	1,300.25	1,020.20

2 Names and the number of shares held by the 25 major shareholders

	As At 30th September 2022	
	No of Shares	% of Holding
1 CBL INVESTMENTS LIMITED	1,962,977	71.38%
2 HATTON NATIONAL BANK PLC/DAWI INVESTMENT TRUST (PVT) LTD	263,404	9.58%
3 J.B. COCOSHELL (PVT) LTD	211,686	7.70%
4 MR A.M.D.E.S. JAYARATNE	18,570	0.68%
5 MR K.C. VIGNARAJAH	14,730	0.54%
6 COCOSHELL ACTIVATED CARBON COMPANY (PVT) LTD	14,000	0.51%
7 MR U.I. SURİYABANDARA	10,000	0.36%
8 MR S.R.S. DE SARAM & MRS S.T.T. JAYASUNDERA	8,943	0.33%
9 MR G.W. AMARATUNGA	8,677	0.32%
10 MR L.H.S. PEIRIS	8,499	0.31%
11 MR E.D.K. WEERASURIYA & MR S. WEERASURIYA	8,169	0.30%
12 MR R.J.S. JAYAMAHA	7,000	0.26%
13 MR Z.G. CARIMJEE	6,867	0.25%
14 MRS S. VIGNARAJAH	6,300	0.23%
15 MRS M.M. UDESHI	6,000	0.22%
16 DFCC BANK PLC/MR.P.PRANAVAN	5,675	0.21%
17 DR S. YADDEHIGE	4,798	0.17%
18 DAWI INVESTMENT TRUST (PVT) LTD	4,761	0.17%
19 MR N.K. FLEMMING	4,064	0.15%
20 MR U.C. BANDARANAYAKE & MRS L. BANDARANAYAKE	4,023	0.15%
21 MR A.J. RUMY	3,900	0.14%
22 MR S.K. HATHIRAMANI (DECEASED)	3,850	0.14%
23 MRS Z.M. ADAMALLY	3,433	0.13%
24 SAMPATH BANK PLC/MR. ABISHEK SITHAMPALAM	3,000	0.11%
25 MRS Y.K. AMARASINGHE	2,409	0.09%
Sub total	2,595,735	94.39%
Others	154,265	5.61%
Issued Capital	2,750,000	100.00%

3 Director's holding as at 30th September 2022

Mr. R S Wickramasingha	Nil
Ms. D S Wickramasingha	Nil
Mr. E T De Zoysa	Nil
Ms. N K Wickramasingha	Nil
Mr. L J M De Silva	Nil
Mr. M U S G Thilakawardana	Nil
Dr. D M A Kulasooriya	Nil
Mr. M S Nanayakkara	Nil

4 Public holding percentage as at 30th September 2022 was 28.619% and comprised of approximately 1,599 Shareholders.
5 The Float adjusted market capitalization of the company as at 30th September 2022 was Rs. 1,023,326,655.75
6 The Float adjusted market capitalization of the company falls under Option 5 of Rule 7.13.1 (a) of the Listing rules of the Colombo Stock Exchange and the company has complied with the minimum public holding requirement applicable under said option.