

Kegalle Plantations PLC

Provisional Financial Statements


**FOR THE NINE MONTHS ENDED
31ST DECEMBER 2009.**

KEGALLE PLANTATIONS PLC
310, High Level Road, Nawinna
Maharagama

BALANCE SHEET

	Company			Group		
	As at 31/12/2009 Rs. '000	As at 31/12/2008 Rs. '000	As at 31/03/2009 Rs. '000	As at 31/12/2009 Rs. '000	As at 31/12/2008 Rs. '000	As at 31/03/2009 Rs. '000
ASSETS						
Non-Current Assets						
Leasehold right to bare land	174,157	179,080	177,853	174,157	179,080	177,853
Immovable estate Assets on Finance Leases	149,452	159,907	157,144	149,452	159,907	157,144
Tangible Assets other than Immature / Mature Plantations	336,285	325,861	337,345	423,893	419,411	429,723
Immature / Mature Plantations	880,250	799,140	812,360	880,250	799,140	812,360
Long Term Investments	75,000	75,000	75,000	75,000	75,000	75,000
Other Investments	-	5,275	5,297	-	5,275	5,297
	<u>1,615,144</u>	<u>1,544,263</u>	<u>1,564,999</u>	<u>1,702,752</u>	<u>1,637,813</u>	<u>1,657,377</u>
Current Assets						
Inventories	251,297	169,492	146,372	254,678	173,534	149,649
Trade & Other Receivable	322,908	345,370	265,630	331,401	358,751	273,201
ACT/VAT Recoverable	19,381	19,212	25,262	19,388	19,212	33,547
Amount due from Related Companies	72,281	132,576	66,161	28,588	74,823	24,808
Short Term Investment	573,509	337,576	379,090	573,509	337,576	379,090
Cash and Bank Balances	78,273	4,402	64,033	80,668	4,469	64,534
	<u>1,317,649</u>	<u>1,008,628</u>	<u>946,548</u>	<u>1,288,232</u>	<u>968,365</u>	<u>924,829</u>
Total Assets	<u>2,932,793</u>	<u>2,552,891</u>	<u>2,511,547</u>	<u>2,990,984</u>	<u>2,606,178</u>	<u>2,582,206</u>
EQUITY & LIABILITIES						
Capital & Reserves						
Stated Capital	250,000	250,000	250,000	250,000	250,000	250,000
General Reserve	225,000	225,000	225,000	225,000	225,000	225,000
Retained Profit	978,751	925,937	872,281	997,160	934,606	893,605
Share Holders' Fund	<u>1,453,751</u>	<u>1,400,937</u>	<u>1,347,281</u>	<u>1,472,160</u>	<u>1,409,606</u>	<u>1,368,605</u>
Non-Current Liabilities						
Interest Bearing Borrowings	362,493	303,405	291,167	362,493	336,957	291,167
Retirement Benefit Obligations	354,117	232,876	233,477	354,212	232,876	233,572
Deferred Income	162,703	140,706	148,093	191,227	140,706	179,780
Net Liability to the Lessor - Payable after one Year	291,724	295,622	294,728	291,724	295,622	294,728
	<u>1,171,037</u>	<u>972,609</u>	<u>967,465</u>	<u>1,199,656</u>	<u>1,006,161</u>	<u>999,247</u>
Current Liabilities						
Interest Bearing Loans and Borrowings	71,524	55,446	56,374	71,524	55,509	56,374
Net Liability to the Lessor - Payable within 1 Year	3,955	3,722	3,803	3,955	3,722	3,803
Trade & Other Payables	217,819	108,886	135,578	222,425	114,387	142,728
Dividends Payable	1,322	1,073	740	1,322	1,073	740
Amounts due to Related Parties	13,385	10,218	306	19,941	15,720	10,709
	<u>308,005</u>	<u>179,345</u>	<u>196,801</u>	<u>319,167</u>	<u>190,411</u>	<u>214,354</u>
Total Equity & Liabilities	<u>2,932,793</u>	<u>2,552,891</u>	<u>2,511,547</u>	<u>2,990,983</u>	<u>2,606,178</u>	<u>2,582,206</u>
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net Asset Value per Share	58.15	56.04	53.89	58.89	56.38	54.74

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.


I.C. Herath

Chief Financial Officer

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


P. D. Samarasinghe
Director


S.S. Pothiyadde
Director

03rd February 2010

KEGALLE PLANTATIONS PLC
310, High Level Road, Nawinna
Maharagama

PROVISIONAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2009

INCOME STATEMENT	Company						Group					
	Quarter Ended			Nine Months Ended			Quarter Ended			Nine Months Ended		
	31st December		Variance + / (-) %	31st December		Variance + / (-) %	31st December		Variance + / (-) %	31st December		Variance + / (-) %
	2009	2008		2009	2008		2009	2008		2009	2008	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000		Rs. '000	Rs. '000		Rs. '000	Rs. '000		
Continuing operations												
Revenue	609,915	325,391	87	1,524,019	1,584,233	(4)	609,915	325,391	87	1,524,019	1,584,233	(4)
Cost of Sales (Note 6)	(443,095)	(314,437)	(41)	(1,324,910)	(1,184,161)	(12)	(443,095)	(314,437)	(41)	(1,324,910)	(1,184,161)	(12)
Gross Profit	166,820	10,954	1,423	199,109	400,072	(50)	166,820	10,954	1,423	199,109	400,072	(50)
Other Operating Income	22,183	12,979	71	58,177	36,577	59	22,183	12,979	71	58,177	36,577	59
Administrative Expenses	(11,893)	(15,947)	25	(32,465)	(42,106)	23	(11,893)	(15,947)	25	(32,465)	(42,106)	23
Management Fee	(29,379)	(7,860)	(274)	(38,206)	(76,139)	50	(29,379)	(7,860)	(274)	(38,206)	(76,139)	50
Finance Cost	(15,875)	(13,029)	(22)	(45,479)	(37,011)	(23)	(15,875)	(13,029)	(22)	(45,479)	(37,011)	(23)
Provision for Doubtful Receivables	-	-	-	-	(40,000)	-	-	-	-	-	-	-
Profit/(Loss) before taxation	131,856	(12,903)	1,122	141,136	241,393	(42)	131,856	(12,903)	1,122	141,136	281,393	(50)
Income Tax Expenses	(2,722)	(1,224)	(122)	(9,666)	(10,326)	6	(2,722)	(1,224)	(122)	(9,666)	(10,326)	6
Profit/(Loss) for the period from continuing operations	129,134	(14,127)	1,014	131,470	231,067	(43)	129,134	(14,127)	1,014	131,470	271,067	(51)
Loss after tax for the period from discontinued operations	-	-	-	-	-	-	(772)	(9,728)	92	(2,915)	(24,649)	88
Profit/(Loss) for the period	129,134	(14,127)	1,014	131,470	231,067	(43)	128,362	(23,855)	638	128,555	246,418	(48)
Attributable to :												
Equity holders of the parent							128,362	(23,855)	(638)	128,555	246,418	48
Minority Interest							-	-	-	-	-	-
							128,362	(23,855)	(638)	128,555	246,418	48
Earnings Per Share (for the period) - Basic	5.17	(0.57)		5.26	9.24		5.13	(0.95)		5.14	9.86	
Dividend per Share	-	-		-	-							

KEGALLE PLANTATIONS PLC
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CASH FLOW STATEMENT

	Company		Group	
	Nine Months Ended 31st December		Nine Months Ended 31st December	
	2009	2008	2009	2008
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before Taxation from continuing operations	141,136	241,393	141,136	281,393
Net Profit/(Loss) before Taxation from discontinued operations	-	-	(2,915)	(24,649)
ADJUSTMENTS FOR				
Depreciation / Amortisation	57,983	53,878	62,752	59,063
Provision for Defined Benefit Plans	143,931	20,368	143,931	20,368
Amortization of Grants	(3,482)	(2,880)	(6,644)	(5,231)
Provision for Bad and Doubtful Debts	-	40,000	-	-
Profit on Disposal of Property Plant & Equipment	-	-	(5)	-
Finance Cost	32,763	37,011	32,769	44,686
Operating Profit before Working Capital changes	372,331	389,770	371,024	375,630
(Increase)/Decrease in Trade & Other Receivable	(51,398)	19,193	(46,270)	17,261
(Increase)/Decrease in Inventories	(104,923)	33,227	(105,025)	42,539
(Increase)/Decrease in amounts due from Related Companies	(6,120)	(109,539)	(6,120)	(51,786)
Increase/(Decrease) in Trade & Other Payables	82,241	(40,624)	80,422	17,251
(Increase)/Decrease in amounts due to Related Companies	13,079	3,889	13,079	(52,469)
Cash Generated from Operations	305,210	295,916	307,110	348,426
Defined Benefit Plan Costs paid	(23,290)	(23,695)	(23,290)	(23,695)
Finance Cost Paid	(20,047)	(24,186)	(20,053)	(31,861)
Tax Paid	(9,666)	(10,326)	(9,666)	(10,326)
Net Cash from Operating Activities	252,207	237,709	254,101	282,544
CASH FLOWS FROM INVESTING ACTIVITIES				
Grant Received	18,092	23,233	18,092	23,233
Field Development Expenditure	(88,702)	(70,321)	(88,702)	(70,321)
Purchase of Property, Plant & Equipment	(24,724)	(56,008)	(24,724)	(56,008)
Investment - Projects	5,297	(5,276)	5,297	(5,276)
Dividend Paid	(24,418)	(53,151)	(24,418)	(53,151)
Net Cash used in Investing Activities	(114,455)	(161,523)	(114,455)	(161,523)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of Government Lease Rentals	(15,568)	(15,667)	(15,568)	(15,667)
Proceeds from Loan	137,322	99,128	137,322	99,128
Repayment of Loans	(59,622)	(36,801)	(59,622)	(71,601)
Net Cash from Financing Activities	62,132	46,660	62,132	11,860
Net Increase/(Decrease) in Cash & Cash Equivalents	199,884	122,846	201,778	132,881
Cash & Cash Equivalents at the beginning of the period <small>Note A</small>	443,123	213,134	443,624	203,103
Cash & Cash Equivalents at the end of the period <small>Note B</small>	643,007	335,980	645,402	335,984
NOTES				
A. Cash & Cash Equivalents at the beginning of the period				
Cash & Bank Balances	64,033	16,036	64,534	16,259
Short Term Investment	379,090	198,163	379,090	198,163
Bank Overdrafts	-	(1,065)	-	(11,319)
	443,123	213,134	443,624	203,103
B. Cash & Cash Equivalents at the end of the period				
Cash & Bank Balances	78,273	4,402	80,668	4,469
Short Term Investment	573,509	337,576	573,509	337,576
Bank Overdrafts	(8,775)	(5,998)	(8,775)	(6,061)
	643,007	335,980	645,402	335,984

KEGALLE PLANTATIONS PLC
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STATEMENT OF CHANGES IN EQUITY								
For the Nine Months Ended 31st December 2009								
	Company				Group			
	Stated Capital Rs. '000	General Reserve Rs. '000	Accumulated Profit/(Loss) Rs. '000	Total Rs. '000	Stated Capital Rs. '000	General Reserve Rs. '000	Accumulated Profit/(Loss) Rs. '000	Total Rs. '000
Balance as at 31st March 2008	250,000	225,000	744,870	1,219,870	250,000	225,000	738,188	1,213,188
Net Profit / (Loss) for the period	-	-	231,067	231,067	-	-	246,418	246,418
Dividend Paid			(50,000)	(50,000)			(50,000)	(50,000)
Balance as at 31st December 2008	<u>250,000</u>	<u>225,000</u>	<u>925,937</u>	<u>#####</u>	<u>250,000</u>	<u>225,000</u>	<u>934,606</u>	<u>1,409,606</u>
Balance as at 31st March 2009	250,000	225,000	872,281	1,347,281	250,000	225,000	893,605	1,368,605
Net Profit / (Loss) for the period			131,470	131,470			128,555	128,555
Dividend Paid			(25,000)	(25,000)			(25,000)	(25,000)
Balance as at 31st December 2009	<u>250,000</u>	<u>225,000</u>	<u>978,751</u>	<u>1,453,751</u>	<u>250,000</u>	<u>225,000</u>	<u>997,160</u>	<u>1,472,160</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Nine Months Ended 31st December 2009

- | | | Period Ended
31st December | |
|---|--|-------------------------------|-------|
| | | 2009 | 2008 |
| | | Rs. | Rs. |
| 1 | Market Price per Share | | |
| | Highest | 35.00 | 52.00 |
| | Lowest | 29.00 | 21.25 |
| | Last Traded | 33.50 | 28.00 |
| 2 | Subsequent to the last Annual Report date, Hamefa Kegalle (Pvt) Ltd, the fully owned subsidiary of Kegalle Plantations PLC discontinued commercial operations and steps are being taken to dispose the assets. There have been no other events subsequent to the Balance Sheet date, which require disclosure in the Interim Financial Statements. | | |
| 3 | Stated Capital of Kegalle Plantations PLC amount to Rs. 250,000,010 represented by 25,000,001 shares. | | |
| 4 | The above figures are provisional and subject to Audit. The Interim Financial Statements of the Company has been prepared on the basis of the same accounting policies and methods applied for the year ended 31 st March 2009 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting. | | |
| 5 | The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, to be comparable with those of the current year. | | |
| 6 | There are no material changes in contingent liabilities since the last Annual Report Balance Sheet date which require disclosure. | | |
| 7 | As per the new Collective Agreement, new wage rates were agreed upon in September 2009 with arrears payable for the period April to August. Total impact of the wage arrears and increase in gratuity provision arising from the increase in wage rate amounting to Rs. 181 mn was charged as Cost of Sales as at 30th September 2009. 50% of the said wage arrears was paid in October 2009 whilst 25% was paid in December 2009. Balance 25% is payable in January 2010. Gratuity Provision subject to an Actuarial Valuation to be carried out during the current financial year. | | |

Details	Amount Rs'000
Break up of the Cost of Sales	
Cost of Manufacture	1,143,742
Arrears in Wages	58,695
Adjustment to Opening Balance of Gratuity Provision	122,473
Total Cost of Sales	1,324,910

8 Twenty Largest Shareholders

	As at 31/12/2009		As at 31/03/2009	
	No of Shares	%	No of Shares	%
RPC Plantation Management Services (Pvt.) Ltd	17,015,100	68.06	17,015,100	68.06
Freudenberg Shipping Agencies Limited	571,900	2.29	571,900	2.29
Waldock Mackenzie Ltd/Mr.A.F Munas & Mrs. N. Mun	500,000	2.00		
J B Cocoshel (Pvt) Ltd	362,500	1.45	336,100	1.34
Mr.A.K.Kumarasena	250,000	1.00	160,300	0.64
DPMC Financial Services (Pvt) Ltd Account No.01	210,800	0.84		
HSBC International Nominees Ltd-SSBT-Deutsche Bank	205,000	0.82	205,000	0.82
Tranz Dominton, L.L.C	185,000	0.74	102,200	0.41
Cocoshell Activated Carbon Company Ltd	146,100	0.58	136,800	0.55
H Don Carolis & Sons Ltd	140,000	0.56	140,000	0.56
Mr.D.F.G.Dalpethado	139,301	0.56		
Mrs.N.Muljie	135,100	0.54	207,000	0.83
Waldock Mackenzie Ltd/Mr.K.Omprasadham	120,000	0.48	125,000	0.50
MAS Capital (Private) Limited	99,800	0.40		
Alliance Finance Company PLC	77,900	0.31	68,300	0.27
Alchemy Heavy Metals (Pvt) Ltd	77,600	0.31		
Pershing LLC S/A Averbach Grauson & CO	77,000	0.31		
Mr.A.W.Edwards	77,000	0.31	77,000	0.31
Mr.T.L.M Tmtaz	74,900	0.30		
Bank of Ceylon No. 1 Account	64,500	0.26		
Sub Total	20,529,501	82.12		
Balance held by 9,433 shareholders (2008/09 - 9,349 shareholders)	4,470,500	17.88		
Total Shares	25,000,001	100.00		

The percentage of shares held as at 31st December 2009 is as follows;

	No of Shares	%
Public Holding	7,984,594	31.94
Other Holding	17,015,407	68.06
	25,000,001	100.00

9 Directors' Shareholding as at 31st March 2009 is as follow;

	No. of Shares
Dr. S Yaddehige	-
Mr. J. H. P.Ratnayeke	-
Mr. R. L. Kumararatne	-
Mr. L. N. De S. Wijeyeratne	-
Mr. P. D. Samarasinghe	-
Mr. S. S. Poholiyadde	307
Dr. R C W M R A Nugawela	-

KEGALLE PLANTATIONS PLC

310, High Level Road, Nawinna

Maharagama

Company

SEGMENT INFORMATION

For the Nine Months Ended 31st December 2009	Rubber		Tea		Coconut		Others		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	802,462	1,003,999	670,762	525,810	22,037	25,172	28,758	29,252	1,524,019	1,584,233
Revenue Expenditure	(533,986)	(614,214)	(578,078)	(483,002)	(12,404)	(13,562)	(5)	(312)	(1,124,473)	(1,111,090)
Depreciation / Amortization	(35,968)	(34,407)	(20,260)	(18,019)	(212)	(212)	(66)	(66)	(56,506)	(52,704)
Gratuity	(82,218)	(11,694)	(58,269)	(8,209)	(3,444)	(465)	-	-	(143,931)	(20,368)
Segment Results	150,289	343,684	14,155	16,580	5,977	10,933	28,687	28,874	199,109	400,072
Other Operating Income									58,177	36,577
Unallocated Expenses									(32,465)	(42,106)
Management Fees									(38,206)	(76,139)
Finance Cost									(45,479)	(37,011)
Provision for Doubtful Receivables									-	(40,000)
Income Tax Expenses									(9,666)	(10,326)
Operating Profit of the Company									131,470	231,067

Group

SEGMENT INFORMATION

For the Nine Months Ended 31st December 2009	Rubber		Tea		Coconut		Others		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	802,462	1,003,999	670,762	525,810	22,037	25,172	28,758	29,252	1,524,019	1,584,233
Revenue Expenditure	(533,986)	(614,214)	(578,078)	(483,002)	(12,404)	(13,562)	(5)	(312)	(1,124,473)	(1,111,090)
Depreciation / Amortization	(35,968)	(34,407)	(20,260)	(18,019)	(212)	(212)	(66)	(66)	(56,506)	(52,704)
Gratuity	(82,218)	(11,694)	(58,269)	(8,209)	(3,444)	(465)	-	-	(143,931)	(20,368)
Segment Results	150,289	343,684	14,155	16,580	5,977	10,933	28,687	28,874	199,109	400,072
Other Operating Income									58,177	36,577
Unallocated Expenses									(32,465)	(42,106)
Management Fees									(38,206)	(76,139)
Finance Cost									(45,479)	(37,011)
Income Tax Expenses									(9,666)	(10,326)
Profit/(Loss) for the period from continuing operations									131,470	271,067
Loss after tax for the period from discontinued operations									(2,915)	(24,649)
Profit/(Loss) for the period									128,555	246,418

CORPORATE INFORMATION

Name of the Company	KEGALLE PLANTATIONS PLC
Legal Form	A quoted Public Company with limited liability Incorporated in Sri Lanka under the company Act No. 17 of 1982
Date of Incorporation	22nd June 1992
Company Registration No	P Q 135
Head / Registered Office	No 310, High Level Road, Nawinna Maharagama, Sri Lanka.
Board of Directors	Dr. S. Yaddhige - Chairman Mr J. H. P. Ratnayake - Deputy Chairman Mr R. L. Kumararatne Mr L. N De S. Wijeyeratne Mr P. D. Samarasinghe Mr. S. S. Poholiyadde Dr. R. C. W. M. R. A . Nugawela
Stock Exchange Listing	The Ordinary Shares of the Company is listed in the Colombo Stock Exchange of Sri Lanka
Secretaries	Richard Pieris Group Services (Pvt) Ltd No 310, High Level Road, Nawinna Maharagama, Sri Lanka Telephone : + (94) 11 4310500
Auditors	Messrs. Ernst & Young Chartered Accountants 201, De Saram Place , Colombo 10.
Bankers	Hatton National Bank PLC Bank of Ceylon National Development Bank PLC Peoples Bank Seylan Bank PLC
Contact Details	Telephone : + (94) 11 4310888 Facsimile : + (94) 11 4310799 Internet : www.arpico.com E-mail: ceokpl.rpk@arpico.com