

# **Namunukula Plantations PLC**

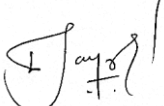
## **Interim Financial Statements**

**FOR THE NINE MONTHS ENDED  
31 DECEMBER 2011**


# BALANCE SHEET


	As at 31/12/11 Rs. '000	As at 31/12/10 Rs. '000	As at 31/03/11 Rs. '000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Leasehold Property, Plant & Equipment	255,244	269,732	266,109
Property, Plant & Equipment	266,659	233,200	249,548
Improvement to Leasehold Property	1,226,139	1,111,421	1,138,640
Long Term Investments -(Unquoted)	135,024	96,844	96,009
	<u>1,883,066</u>	<u>1,711,196</u>	<u>1,750,306</u>
<b>CURRENT ASSETS</b>			
Inventories	265,005	263,064	168,844
Trade and Other Receivables	163,073	105,806	142,284
ESC Recoverable	11,963	6,993	8,289
Amounts due from related companies	19,024	3,003	6,468
Cash and Bank balances	243,918	148,869	244,587
	<u>702,983</u>	<u>527,736</u>	<u>570,472</u>
<b>TOTAL ASSETS</b>	<u>2,586,049</u>	<u>2,238,932</u>	<u>2,320,778</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Stated Capital	350,000	350,000	350,000
Retained Profit	1,214,106	884,162	961,071
<b>Total Equity</b>	<u>1,564,106</u>	<u>1,234,162</u>	<u>1,311,071</u>
<b>NON CURRENT LIABILITIES &amp; DEFERRED INCOME</b>			
Interest Bearing Loans & Borrowings	50,972	105,474	75,978
Retiring Benefit Obligations	289,532	203,030	214,784
Deferred Income	112,054	112,245	112,243
Net liability to lessor payable after one year	235,836	239,349	238,480
	<u>688,394</u>	<u>660,098</u>	<u>641,485</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	204,204	164,057	200,024
Net liability to lessor payable within one year	3,580	3,408	3,442
Interest Bearing Loans & Borrowings	110,308	134,162	129,271
Amounts due to related companies	5,164	23,245	10,797
Income Tax Liabilities	10,293	19,800	24,688
	<u>333,549</u>	<u>344,672</u>	<u>368,222</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,586,049</u>	<u>2,238,932</u>	<u>2,320,778</u>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Net Assets per Share	65.86	51.96	55.20

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

  
 L.C. Herath (Mrs)  
 Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.  
 Approved & Signed for and on behalf of the Board of Directors of Namunukula Plantations PLC.

  
 S. S. Poholiyadde  
 Director/CEO

  
 J. H. P. Ratnayake  
 Director

# INCOME STATEMENT

	Quarter Ended			Nine months Ended		
	31 December		Variance	31 December		Variance
	2011	2010	+ / (-)	2011	2010	+ / (-)
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Turnover	468,687	537,644	(13)	1,460,819	1,559,737	(6)
Cost of Sales ( Note 7 )	(340,968)	(350,600)	3	(1,071,707)	(1,083,138)	1
Gross Profit / (Loss)	127,719	187,044	(32)	389,112	476,599	(18)
Other Income	9,622	562	1,612	23,441	7,064	232
Administration Expenses	(9,973)	(9,402)	(6)	(28,752)	(26,967)	(7)
Provision for Doubtful Receivable	(6,827)	(12,509)	45	(83,976)	(36,613)	(129)
Management Fee	(20,884)	(29,950)	30	(55,604)	(79,682)	30
Finance Cost	(8,270)	(14,999)	45	(33,140)	(38,066)	13
Share of Profit from the Joint Venture	19,350	3,410	467	74,975	27,185	176
Profit / (Loss) before Taxation	110,736	124,156	(11)	286,055	329,520	(13)
Income Tax Expense	(5,000)	(7,400)	32	(16,397)	(20,850)	21
Net Profit / (Loss) for the period	105,736	116,756	(9)	269,658	308,670	(13)

	Rs.	Rs.	Rs.	Rs.
Basic Earnings Per Share	4.45	4.92	11.35	13.00

# CASH FLOW STATEMENT

For the Nine months ended 31 December	2011 Rs. '000	2010 Rs. '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation	286,055	329,520
<b>ADJUSTMENTS FOR</b>		
Depreciation / Amortisation	62,884	57,494
Share of Profit from the Joint Venture	(74,975)	(27,185)
Provision for Defined Benefit Plans	92,523	14,603
Amortisation of Grants	(2,591)	(2,299)
Finance Cost	33,140	38,066
Profit from Sale of Fixed Assets	-	(382)
Provision for Doubtful Receivable	83,976	36,613
<b>Operating Profit before Working Capital changes</b>	<b>481,013</b>	<b>446,430</b>
(Increase)/Decrease in Amounts due from Related Companies	(53,456)	3,635
(Increase)/Decrease in Trade & Other Receivables	(63,864)	(22,459)
(Increase)/Decrease in Inventories	(96,161)	(126,549)
Increase/(Decrease) in Amounts due to Related Companies	(5,633)	22,206
Increase/(Decrease) in Trade & Other Payables	36,741	34,214
<b>Cash Generated from Operations</b>	<b>298,639</b>	<b>357,478</b>
Defined Benefit Plan Cost Paid	(17,775)	(16,537)
Finance Cost Paid	(9,121)	(22,859)
Income Tax Paid	(34,580)	(3,960)
<b>Net Cash from Operating Activities</b>	<b>237,164</b>	<b>314,121</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Grant Received	2,402	7,838
Dividend Received	35,959	15,044
Field Development Expenditure	(119,164)	(80,174)
Proceeds Disposal of PPE	-	382
Purchase of Property, Plant & Equipment	(37,424)	(9,829)
<b>Net Cash used in Investing Activities</b>	<b>(118,227)</b>	<b>(66,738)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of Government Lease Rentals	(59,021)	(31,824)
Proceeds from borrowings	52,770	-
Payment of loans	(93,493)	(73,816)
Dividend Paid	(16,625)	-
<b>Net Cash used in Financing Activities</b>	<b>(116,370)</b>	<b>(105,639)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,567</b>	<b>141,744</b>
Cash & Cash Equivalents at the beginning of the period ( Note : A)	241,351	(6,998)
Cash & Cash Equivalents at the end of the year period ( Note: B)	<b>243,918</b>	<b>134,746</b>
<b>NOTE A</b>		
Cash & Cash Equivalents at the beginning of the period		
Cash & Bank Balances	244,587	15,449
Bank Overdrafts	(3,236)	(22,447)
	<b>241,351</b>	<b>(6,998)</b>
<b>NOTE B</b>		
Cash & Cash Equivalents at the end of the period		
Cash & Bank Balances	243,918	148,869
Bank Overdrafts	-	(14,124)
	<b>243,918</b>	<b>134,746</b>

## STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. '000	Accumulated Profit / (Loss) Rs. '000	Total Rs. '000
<b>Balance as at 1 April 2010</b>	350,000	575,492	925,492
Net profit/(Loss) for the period	-	308,670	308,670
<b>Balance as at 31 December 2010</b>	<u>350,000</u>	<u>884,162</u>	<u>1,234,162</u>
<b>Balance as at 1 April 2011</b>	350,000	961,072	1,311,072
Net profit/(Loss) for the period	-	269,658	269,658
Dividend Paid	-	(16,625)	(16,625)
<b>Balance as at 31 December 2011</b>	<u>350,000</u>	<u>1,214,105</u>	<u>1,564,105</u>

## NOTES TO THE FINANCIAL STATEMENTS

### For the Nine months ended 31 December

- |  | 2011<br>Rs. | 2010<br>Rs. |
|--|-------------|-------------|
| 1 Market Price per Share               |             |             |
| - Last Traded price ( For the period ) | 65.00       | 119.10      |
| - Highest ( For the period )           | 139.90      | 126.00      |
| - Lowest ( For the period )            | 60.00       | 27.50       |
- 2 No circumstances have arisen since the Balance Sheet date, which would require adjustment or disclosure in the Accounts.
- 3 Stated Capital of Namunukula Plantations PLC amounts to Rs. 350,000,010 represented by 23,750,001 shares.
- 4 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.
- 5 The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the year ended 31 March 2011 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company.
- 6 There has been no significant changes in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2011.
- 7 In June 2011, as per the Collective Agreement, wage rate was increased from Rs. 447/75 to Rs. 572/- with retrospective effect from April 2011. Arrears payment from April to May 2011 was paid in August 2011. Total impact of the wage arrears and increase in gratuity provision amounting to Rs.86 Mn has been charged to Cost of Sales as follows;

Description	Amount In Rs '000
Cost of Manufacture for the period	985,426
Arrears in Wage ( April & May )	9,863
Adjustment to opening balance of Gratuity Provision	76,418
<b>Total Cost of sales</b>	<b>1,071,707</b>

These figures are subject to an Actuarial Valuation that will be carried out during the current financial Year.

- 8 Gratuity Impact adjustment to Uva range was not charged to P&L of the Company since Uva range estates are under the Court appointed Liquidator. However if the liability crystallizes Rs. 100 Mn impact in the form of Gratuity adjustment will arise.

## NOTES TO THE FINANCIAL STATEMENTS CONTD.....

### 9 Twenty Largest Shareholders

	As at 31/12/2011		As at 31/03/2011	
	No. of Shares held	% of the Holding	No. of Shares held	% of the Holding
1 RPC Plantation Management Services (Pvt) Ltd	14,561,600	61.31%	13,950,000	58.74%
2 The Secretary to the Treasury	3,763,300	15.85%	3,763,300	15.85%
3 Sakuvi Investment Trust (Pvt) Ltd	268,000	1.13%	268,000	1.13%
4 Bank of Ceylon A/C Ceybank Century Growth Fund	242,200	1.02%	206,900	0.87%
5 Mr T.T.T AL-Nakib	221,700	0.93%	-	-
6 Asian Alliance Insurance PLC-A/C 2	192,400	0.81%	-	-
7 Mr.J.R.De Silva	154,300	0.65%	380,100	1.60%
8 Asian Alliance Insurance PLC-General Fund	149,500	0.63%	-	-
9 Mr R.A Rishard	137,000	0.58%	127,000	0.53%
10 Mr M.M Mohamed Makeen	116,500	0.49%	153,200	0.65%
11 Pan Asia Banking Corporation PLC/ Sakuvi Investment	100,000	0.42%	100,000	0.42%
12 Bank of Ceylon No .1 Account	80,000	0.34%	80,000	0.34%
13 J.B.Cocoshell (Pvt) Ltd	72,300	0.30%	-	-
14 Mr. H.G. Carimjee	64,800	0.27%	64,800	0.27%
15 Cocoshell Activated Carbon Co. Ltd	57,700	0.24%	57,800	0.24%
16 Mrs. K.S. Cooray	50,000	0.21%	50,000	0.21%
17 Mr C.Chanmugam	50,000	0.21%	50,000	0.21%
18 Macksons Holding (pvt) Ltd	41,500	0.17%	-	-
19 Mr K.C.Vignaraja	40,800	0.17%	-	-
20 T.S.T.T.T .Sathe Secretary to the Treasury-Sundry	38,298	0.16%	-	-
<b>Sub Total</b>	<b>20,401,898</b>	<b>85.90%</b>	<b>19,251,100</b>	<b>81.06%</b>
Balance held by 12,801 shareholders ( 2010/11 - 13,140 shareholders )	3,348,103	14.10%	4,498,901	18.94%
<b>Total No. of Shares</b>	<b>23,750,001</b>	<b>100.00%</b>	<b>23,750,001</b>	<b>100.00%</b>

### The Percentage of shares held as at

	As at 31/12/2011		As at 31/03/2011	
	No. of shares	%	No. of shares	%
Public Holding	5,425,101	22.84%	6,036,701	25.42%
Other Holding	18,324,900	77.16%	17,713,300	74.58%
<b>Total No. of Shares</b>	<b>23,750,001</b>	<b>100.00%</b>	<b>23,750,001</b>	<b>100.00%</b>

### 10 Director's Shareholding

The number of shares held by the Board of Directors are as follows;

	As at 31/12/2011	As at 31/03/2011
Dr. S. Yaddhige - Chairman	-	-
Mr.J.H.P. Ratnayeke	-	-
Mr.S.S. Poholiyadde	-	-
Mr.Neville Peiris	-	-
Mrs.L.D.Senanayake	-	-

## SEGMENT INFORMATION

For the Nine months ended 31 December

	Tea		Rubber		Oil Palm		Other Crops		Total	
	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000
Revenue	576,335	755,132	538,986	542,594	316,773	238,956	28,725	23,056	1,460,819	1,559,738
Revenue Expenditure	(557,644)	(700,171)	(271,363)	(218,000)	(72,161)	(79,302)	(17,075)	(15,149)	(918,243)	(1,012,622)
Depreciation / Amortization	(16,982)	(17,002)	(22,576)	(19,659)	(16,534)	(15,975)	(6,200)	(4,627)	(62,291)	(57,263)
Non Cash Expense -Gratuity	(26,382)	(4,611)	(52,317)	(6,942)	(11,196)	(1,494)	(1,278)	(206)	(91,173)	(13,253)
Segment Results	<u>(24,672)</u>	<u>33,348</u>	<u>192,730</u>	<u>297,993</u>	<u>216,882</u>	<u>142,185</u>	<u>4,172</u>	<u>3,074</u>	<u>389,112</u>	<u>476,600</u>
Other Income									23,441	7,064
Administrative Expenses									(28,752)	(26,967)
Provision for Doubtful Receivable									(83,976)	(36,613)
Management Fee									(55,604)	(79,682)
Finance Cost									(33,140)	(38,066)
Share of Profit from the Joint Venture									74,975	27,185
Profit / (Loss) before Taxation									<u>286,055</u>	<u>329,520</u>
Income Tax Expense									<u>(16,397)</u>	<u>(20,850)</u>
									<u>269,658</u>	<u>308,670</u>

# CORPORATE INFORMATION

**Name of Company**

Namunukula Plantations PLC

**Legal Form**

A Quoted Public Limited Liability Company  
Incorporated in Sri Lanka

**Date of Incorporation**

22 June 1992

**Company Registration No.**

P Q 136

**Principal Business Activities**

Cultivation, Manufacture & Sale of Tea, Rubber, Oil palm, Coconut, Cinnamon & Other Plantations

**Ultimate Parent Enterprise**

Richard Pieris & Company PLC

**Board of Directors**

Dr. S. Yaddhegige - Chairman  
Mr. J.H.P. Ratnayake  
Mr.S.S. Poholiyadde - Chief Executive Officer  
Mr.N. Peiris  
Mrs.L.D.Senanayake

**Registered / Head Office**

No: 310, High Level Road, Nawinna,  
Maharagama, Sri Lanka.

**Company Secretaries**

Richard Pieris Group Services (Pvt) Ltd  
Secretaries  
No: 310, High Level Road, Nawinna  
Maharagama, Sri Lanka.  
Telephone: + (94) 11 4310564

**Auditors**

Messrs. Ernst & Young  
Chartered Accountants  
P.O. Box 101, Colombo.  
Sri Lanka.

**Bankers**

People's Bank - Pelawatte Branch  
Hatton National Bank - City Branch  
Sampath Bank - Head Office Branch  
Development Finance Corporation of Ceylon  
National Development Bank

**Legal Advisors**

Paul Ratnayake Associates  
International Legal Consultants  
Solicitors and Attorneys-at-law  
No. 59, Gregory's Road,  
Colombo 07.

**Contact Details**

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