

# **Kegalle Plantations PLC**

## **Provisional Financial Statements**

**FOR THE YEAR ENDED  
31 MARCH 2010.**

**KEGALLE PLANTATIONS PLC**

310, High Level Road, Nawinna  
Maharagama

**BALANCE SHEET**

	Company		Group	
	As at 31 March 2010 Rs. '000	As at 31 March 2009 Rs. '000	As at 31 March 2010 Rs. '000	As at 31 March 2009 Rs. '000
<b>ASSETS</b>				
<b><u>Non-Current Assets</u></b>				
Leasehold Property	172,944	177,853	172,944	177,853
Immovable Estate Assets on Finance Leases	146,179	157,144	146,179	157,144
Tangible Assets other than Immature / Mature Plantations	371,493	337,345	450,778	429,723
Immature / Mature Plantations	899,063	812,360	899,063	812,360
Long Term Investments	225,000	75,000	225,000	75,000
Other Investments	-	5,297	-	5,297
	<u>1,814,679</u>	<u>1,564,998</u>	<u>1,893,964</u>	<u>1,657,376</u>
<b><u>Current Assets</u></b>				
Inventories	247,714	146,373	249,462	149,649
Trade & Other Receivables	263,662	265,630	269,122	273,201
ACT/VAT Recoverable	20,188	25,262	28,473	33,547
Amount due from Related Companies	52,862	66,161	9,414	24,808
Short Term Investment	719,993	379,090	719,993	379,090
Cash and Bank Balances	20,685	64,033	22,988	64,534
	<u>1,325,104</u>	<u>946,549</u>	<u>1,299,452</u>	<u>924,830</u>
<b>Total Assets</b>	<b><u>3,139,783</u></b>	<b><u>2,511,547</u></b>	<b><u>3,193,416</u></b>	<b><u>2,582,206</u></b>
<b>EQUITY &amp; LIABILITIES</b>				
<b><u>Capital &amp; Reserves</u></b>				
Stated Capital	250,000	250,000	250,000	250,000
General Reserve	225,000	225,000	225,000	225,000
Retained Profit	1,223,311	872,281	1,234,239	893,605
Share Holders' Fund	<u>1,698,311</u>	<u>1,347,281</u>	<u>1,709,239</u>	<u>1,368,605</u>
<b><u>Non-Current Liabilities</u></b>				
Interest Bearing Loans & Borrowings	343,570	291,167	343,570	291,167
Retirement Benefit Obligations	316,754	233,477	316,849	233,572
Deferred Income	172,656	148,093	199,992	179,780
Net Liability to the Lessor - Payable after one Year	<u>290,772</u>	<u>294,728</u>	<u>290,772</u>	<u>294,728</u>
	<u>1,123,753</u>	<u>967,465</u>	<u>1,151,183</u>	<u>999,247</u>
<b><u>Current Liabilities</u></b>				
Interest Bearing Loans and Borrowings	61,288	56,374	61,288	56,374
Net Liability to the Lessor - Payable within one Year	3,955	3,803	3,955	3,803
Trade & Other Payables	198,190	125,950	202,688	133,100
Dividend Payable	1,129	740	1,129	740
Amounts due to Related Companies	39,827	306	50,604	10,709
Income Tax Payable	<u>13,328</u>	<u>9,628</u>	<u>13,328</u>	<u>9,628</u>
	<u>317,719</u>	<u>196,801</u>	<u>332,994</u>	<u>214,354</u>
<b>Total Equity &amp; Liabilities</b>	<b><u>3,139,783</u></b>	<b><u>2,511,547</u></b>	<b><u>3,193,416</u></b>	<b><u>2,582,206</u></b>
<b>Net Asset Value per Share (Rs.)</b>	<b>67.93</b>	<b>53.89</b>	<b>68.37</b>	<b>54.74</b>

The figures relating to fourth quarter are subject to audit.

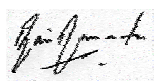
These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



C. Pietersz

Group Chief Financial Officer

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



R L Kumararatne

Director

Colombo

19 May 2010



S.S. Poholiyadde

Director

KEGALLE PLANTATIONS PLC  
310, High Level Road, Nawinna  
Maharagama

PROVISIONAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2010

**INCOME STATEMENT**

	Company						Group					
	Quarter Ended			Year Ended			Quarter Ended			Year Ended		
	31 March		Variance	31 March		Variance	31 March		Variance	31 March		Variance
	2010 Rs. '000	2009 Rs. '000	+ / (-) %	2010 Rs. '000	2009 Rs. '000	+ / (-) %	2010 Rs. '000	2009 Rs. '000	+ / (-) %	2010 Rs. '000	2009 Rs. '000	+ / (-) %
<b>Continuing Operations</b>												
Revenue	692,478	343,529	102	2,216,497	1,927,762	15	692,478	358,489	93	2,216,497	1,942,722	14
Cost of Sales	(437,507)	(323,055)	(35)	(1,762,417)	(1,507,216)	(17)	(437,507)	(347,443)	(26)	(1,762,417)	(1,531,604)	(15)
Gross Profit	254,971	20,474	1,145	454,080	420,546	8	254,971	11,046	2,208	454,080	411,118	10
Other Income	24,452	24,572	(0)	82,629	61,149	35	24,452	28,788	(15)	82,629	65,365	26
Administrative Expenses	(12,051)	(16,404)	27	(44,516)	(58,510)	24	(12,051)	(22,780)	47	(44,516)	(64,886)	31
Management Fee	(43,987)	4,390	1,102	(82,193)	(71,749)	(15)	(43,987)	4,390	1,102	(82,193)	(71,749)	(15)
Finance Cost	(16,917)	(18,377)	8	(62,396)	(55,388)	(13)	(16,917)	(24,673)	31	(62,396)	(61,684)	(1)
Reversal/(Provision) for Doubtful Receivables	50,958	(64,891)	-	50,958	(104,891)	-	50,958	(59,000)	-	50,958	(59,000)	-
Profit/(Loss) before Taxation	257,426	(50,235)	612	398,562	191,158	108	257,426	(62,229)	514	398,562	219,164	82
Income Tax Expenses	(12,866)	(3,421)	(276)	(22,531)	(13,747)	(64)	(12,866)	(3,421)	(276)	(22,531)	(13,747)	(64)
Profit/(Loss) for the period from continuing operations	244,560	(53,656)	556	376,030	177,411	112	244,560	(65,650)	473	376,030	205,417	83
<b>Discontinued Operations</b>												
Profit/(Loss) after tax for the period from discontinued operations	-	-	-	-	-	-	(7,481)	24,649	130	(10,396)	-	-
<b>Profit/(Loss) for the period</b>	<b>244,560</b>	<b>(53,656)</b>	<b>556</b>	<b>376,030</b>	<b>177,411</b>	<b>112</b>	<b>237,079</b>	<b>(41,001)</b>	<b>678</b>	<b>365,634</b>	<b>205,417</b>	<b>78</b>
<b>Attributable to :</b>												
Equity holders of the parent							237,079	(41,001)	(678)	365,634	205,417	(78)
Minority Interest							-	-	-	-	-	-
							<b>237,079</b>	<b>(41,001)</b>	<b>(678)</b>	<b>365,634</b>	<b>205,417</b>	<b>(78)</b>
Earnings Per Share ( for the period) - Basic	9.78	(2.15)		15.04	7.10		9.48	(1.64)		14.63	8.22	
Dividend Per Share	-	-		3.00	1.00		-	-		3.00	1.00	

The figures relating to fourth quarter are subject to audit.

**KEGALLE PLANTATIONS PLC**  
310, High Level Road, Nawinna  
Maharagama

**CASH FLOW STATEMENT**

	Company		Group	
	Year Ended		Year Ended	
	31 March		31 March	
	2010	2009	2010	2009
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>				
Net Profit before Taxation from continuing operations	398,562	191,158	398,562	219,164
Net Loss before Taxation from discontinued operations	-	-	(10,396)	-
<b>ADJUSTMENTS FOR</b>				
Interest Income	(55,145)	(38,722)	(55,145)	(38,722)
Depreciation / Amortisation	78,058	72,777	78,058	79,135
Provision for Defined Benefit Plans	114,914	34,326	114,914	34,421
Amortization of Grants	(5,280)	(4,678)	(9,631)	(8,895)
Impairment of Property, Plant & Equipment	-	-	13,093	-
(Reversal)/Provision for Bad and Doubtful Debts	(50,958)	104,891	(50,958)	59,000
Finance Cost	62,396	55,388	62,396	61,684
<b>Operating Profit before Working Capital changes</b>	<b>542,547</b>	<b>415,139</b>	<b>540,892</b>	<b>405,788</b>
(Increase)/Decrease in Trade & Other Receivable	58,000	44,587	60,112	93,178
(Increase)/Decrease in Inventories	(101,341)	56,346	(99,813)	66,424
(Increase)/Decrease in amounts due from Related Companies	13,299	(58,015)	13,299	(58,015)
Increase/(Decrease) in Trade & Other Payables	66,227	(23,562)	63,575	(20,517)
(Increase)/Decrease in amounts due to Related Companies	39,521	227	41,990	(506)
<b>Cash Generated from/(Used in) Operations</b>	<b>618,254</b>	<b>434,722</b>	<b>620,055</b>	<b>486,352</b>
Defined Benefit Plan Costs paid	(31,637)	(37,052)	(31,637)	(37,052)
ESC Paid	(4,772)	(5,462)	(4,772)	(5,462)
Finance Cost Paid	(45,442)	(38,287)	(45,442)	(44,584)
Income Tax Paid	(8,046)	(358)	(8,046)	(358)
<b>Net Cash from/(Used in) Operating Activities</b>	<b>528,357</b>	<b>353,563</b>	<b>530,159</b>	<b>398,896</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>				
Investments	(144,703)	(5,297)	(144,703)	(5,297)
Interest Received	55,145	38,722	55,145	38,722
Grant Received	29,843	32,418	29,843	32,418
Field Development Expenditure	(114,439)	(89,993)	(114,439)	(89,993)
Purchase of Property, Plant & Equipment	(68,597)	(75,947)	(68,597)	(75,947)
<b>Net Cash from/(used in) Investing Activities</b>	<b>(242,750)</b>	<b>(100,097)</b>	<b>(242,750)</b>	<b>(100,097)</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>				
Dividend Paid	(24,611)	(53,484)	(24,611)	(53,484)
Payment of Government Lease Rentals	(20,758)	(20,758)	(20,758)	(20,758)
Proceeds from Loan	137,323	99,128	137,323	99,128
Repayment of Loans	(80,005)	(48,364)	(80,005)	(83,164)
<b>Net Cash from/(Used in) Financing Activities</b>	<b>11,949</b>	<b>(23,478)</b>	<b>11,949</b>	<b>(58,278)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	297,556	229,988	299,358	240,521
<b>Cash &amp; Cash Equivalents at the beginning of the period</b> Note A	<b>443,123</b>	<b>213,134</b>	<b>443,624</b>	<b>203,102</b>
<b>Cash &amp; Cash Equivalents at the end of the period</b> Note B	<b>740,679</b>	<b>443,123</b>	<b>742,981</b>	<b>443,624</b>
<b>NOTES</b>				
<b>A. Cash &amp; Cash Equivalents at the beginning of the period</b>				
Cash & Bank Balances	64,033	16,036	64,534	16,259
Short Term Investment	379,090	198,163	379,090	198,163
Bank Overdrafts	-	(1,066)	-	(11,321)
	<b>443,123</b>	<b>213,134</b>	<b>443,624</b>	<b>203,102</b>
<b>B. Cash &amp; Cash Equivalents at the end of the period</b>				
Cash & Bank Balances	20,685	64,033	22,988	64,534
Short Term Investment	719,993	379,090	719,993	379,090
	<b>740,679</b>	<b>443,123</b>	<b>742,981</b>	<b>443,624</b>

The figures relating to fourth quarter are subject to audit.

**KEGALLE PLANTATIONS PLC**  
310, High Level Road, Nawinna  
Maharagama

**STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 31 March 2010

	Company				Group			
	Stated Capital	General Reserve	Accumulated Profit/(Loss)	Total	Stated Capital	General Reserve	Accumulated Profit/(Loss)	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 31 March 2008	250,000	225,000	744,870	1,219,870	250,000	225,000	738,188	1,213,188
Net Profit for the period	-	-	177,411	177,411	-	-	205,417	205,417
Dividend Paid			(50,000)	(50,000)			(50,000)	(50,000)
Balance as at 31 March 2009	<u>250,000</u>	<u>225,000</u>	<u>872,281</u>	<u>1,347,281</u>	<u>250,000</u>	<u>225,000</u>	<u>893,605</u>	<u>1,368,605</u>
Net Profit for the period			376,030	376,030			365,634	365,634
Dividend Paid			(25,000)	(25,000)			(25,000)	(25,000)
Balance as at 31 March 2010	<u>250,000</u>	<u>225,000</u>	<u>1,223,311</u>	<u>1,698,311</u>	<u>250,000</u>	<u>225,000</u>	<u>1,234,239</u>	<u>1,709,239</u>

The figures relating to fourth quarter are subject to audit.

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 March 2010

- |                                 | Year Ended |       |
|---------------------------------|------------|-------|
|                                 | 31 March   |       |
| 1                               | 2010       | 2009  |
| Market Price per Share          | Rs.        | Rs.   |
| Highest (02 February 2010)      | 52.00      | 69.50 |
| Lowest (06 April 2009)          | 19.00      | 19.00 |
| At the Year End (31 March 2010) | 47.00      | 19.00 |
- 2 The Board of Directors of Hamefa Kegalle (Pvt) Ltd (fully owned subsidiary of Kegalle Plantations PLC) decided to discontinue commercial operations with effect from April 2009. On 31 March 2010 Company acquired 15Mn ordinary shares in Richard Pieris Natural Foams Ltd (RPNF) for Rs. 10/- per share. This will increase the existing stake of the Company in RPNF from 17% to 35%. As a result, RPNF has become an Associate of the Company.
  - 3 There have been no other events other than declaration of first and final Dividend of Rs. 75Mn (Rs. 3/- per share) subsequent to the Balance Sheet date .
  - 4 Stated Capital of Kegalle Plantations PLC amount to Rs. 250,000,010 represented by 25,000,001 shares.
  - 5 The Interim Financial Statements of the Company/Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31 March 2009 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/Group.
  - 6 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.
  - 7 There has been no significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2010

## 8 Twenty Largest Shareholders As at 31 March

	2010		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 Ltd	571,900	2.29%	571,900	2.29%
Waldock Mackenzie Ltd/Mr.A.F.Munas & Mrs.N Munas	469,000	1.88%	125,000	0.50%
J B Cocoshell (Pvt) Ltd	362,500	1.45%	104,000	0.42%
Pershing LLC S/A Averbach Grauson & Co.	296,800	1.19%		
HSBC International Nominees Ltd-SSBT-Deutsche Bank	205,000	0.82%	205,000	0.82%
Tranz Dominon L.L.C	185,000	0.74%	102,200	0.41%
Miss.M.D Bollagala	176,900	0.71%		
Cocoshell Activated Carbon Company Ltd	146,100	0.58%	136,800	0.55%
Mr.D.F.G.Dalpethado	143,901	0.58%		
H.Don Carolis & Sons Ltd	140,000	0.56%	140,000	0.56%
Mrs.N.Muljie	135,100	0.54%		
Waldock Mackenzie Ltd /Mr.K.Omprasadham	112,000	0.45%		
Employees Provident Fund	110,300	0.44%		
Alliance Finance Company PLC	104,000	0.42%	68,300	0.27%
Mr.A.K.Kumarasena	100,000	0.40%	160,300	0.64%
Mas Capital (Pvt) Ltd	99,800	0.40%		
E.W Balasuriya & Co. (Pvt) Ltd	77,700	0.31%		
Almar Trading Co (Pvt) ;td	77,300	0.31%		
Mr.A.W Edwards	65,000	0.26%	77,000	0.31%
<b>Sub Total</b>	<b>20,593,401</b>	<b>82.00%</b>	<b>18,705,600</b>	<b>74.00%</b>
Balance held by 9,349 shareholders (2009/10- 9,247 shareholders)	4,406,600	18.00%	6,294,401	26.00%
<b>Total Shares</b>	<b>25,000,001</b>	<b>100.00%</b>	<b>25,000,001</b>	<b>100.00%</b>

The percentage of shares held as at 31 March 2010 is as follows;

	<u>No of Shares</u>	<u>%</u>
Public Holding	7,984,901	31.94
Other Holding	17,015,100	68.06
	<b>25,000,001</b>	<b>100.00</b>

## 9 Directors' Shareholding as at 31 March;

	2010	2009
	No. of Shares	
Dr. S Yaddhegige	-	-
Mr. J. H. P.Ratnayake	-	-
Mr. R. L. Kumararatne	-	-
Mr. L. N. De S. Wijeyeratne	-	-
Mr. P. D. Samarasinghe	-	-
Mr. S. S. Poholiyadde	307	307
Dr. R C W M R A Nugawela	-	-

**KEGALLE PLANTATIONS PLC**

310, High Level Road, Nawinna

Maharagama

**Company**

**SEGMENT INFORMATION**

For the Year Ended 31 March 2010	Rubber		Tea		Coconut		Others		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	1,277,707	1,210,430	864,394	646,719	28,286	31,077	46,111	39,537	2,216,497	1,927,763
Revenue Expenditure	(806,250)	(781,028)	(748,821)	(603,618)	(16,129)	(16,601)	(533)	(476)	(1,571,733)	(1,401,723)
Depreciation / Amortization	(48,500)	(46,041)	(26,459)	(24,508)	(723)	(530)	(88)	(88)	(75,770)	(71,167)
Gratuity	(56,830)	(18,182)	(56,184)	(14,768)	(1,900)	(1,376)	-	-	(114,914)	(34,326)
<b>Segment Results</b>	<b>366,127</b>	<b>365,178</b>	<b>32,929</b>	<b>3,825</b>	<b>9,534</b>	<b>12,571</b>	<b>45,490</b>	<b>38,973</b>	<b>454,080</b>	<b>420,546</b>
Other Operating Income									82,629	61,149
Unallocated Expenses									(44,516)	(58,510)
Management Fees									(82,193)	(71,749)
Finance Cost									(62,396)	(55,388)
Reversal/(Provision) for Doubtful Receivables									50,958	(104,891)
<b>Profit Before Tax</b>									<b>398,562</b>	<b>191,158</b>

**Group**

**SEGMENT INFORMATION**

For the Year Ended 31 March 2010	Rubber		Tea		Coconut		Others		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	1,277,707	1,210,430	864,394	646,719	28,286	31,077	46,111	54,497	2,216,497	1,942,722
Revenue Expenditure	(806,250)	(781,028)	(748,821)	(603,618)	(16,129)	(16,601)	(533)	(18,506)	(1,571,733)	(1,419,753)
Depreciation / Amortization	(48,500)	(46,041)	(26,459)	(24,508)	(723)	(530)	(88)	(6,446)	(75,770)	(77,526)
Gratuity	(56,830)	(18,182)	(56,184)	(14,768)	(1,900)	(1,376)	-	-	(114,914)	(34,326)
<b>Segment Results</b>	<b>366,127</b>	<b>365,178</b>	<b>32,929</b>	<b>3,825</b>	<b>9,534</b>	<b>12,571</b>	<b>45,490</b>	<b>29,544</b>	<b>454,080</b>	<b>411,118</b>
Other Operating Income									82,629	65,365
Unallocated Expenses									(44,516)	(64,886)
Management Fees									(82,193)	(71,749)
Finance Cost									(62,396)	(61,684)
Reversal/(Provision) for Doubtful Receivables									50,958	(59,000)
Profit/(Loss) for the period from continuing operation									398,562	219,164
Profit/(Loss) for the period from discontinuing operation									(10,396)	-
<b>Profit Before Tax</b>									<b>388,165</b>	<b>219,164</b>

The figures relating to fourth quarter are subject to audit.

## Corporate Information

Name of the Company	: KEGALLE PLANTATIONS PLC
Legal Form	: A quoted public Company with limited liability, Incorporated in Sri Lanka under the Companies Act No. 07 of 2007.
Date of Incorporation	: 22 June 1992
Company Registration No	: Re registered No. of Company P Q 135
Head/Registered Office	: No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Management Company	: RPC Plantation Management Services (Pvt) Limited, No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Board of Directors	: Dr. Sena Yaddhegige - Chairman Mr. J H P Ratnayake - Deputy Chairman Mr. R L Kumararatne - Director Mr. P D Samarasinghe - Director Mr. S S Poholiyadde - Director Mr. L N de S Wijeyeratne - Director Dr. R C W M R A Nugawela - Director
Stock Exchange Listing	: The Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.
Senior Management	: Mr. R L Kumararatne - Managing Director Mr. S S Poholiyadde - Chief Executive Officer Mrs. L C Herath - Chief Financial Officer Mr. S Nagahawatta - Manager Mr. S C Bandaranayake - Engineer Mr. D H Bandara - Systems Administrator
Secretaries	: Richard Pieris Group Services (Pvt) Limited 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
Legal Advisors	: Paul Ratnayake Associates International Legal Consultants, Solicitors and Attorney-at-Law, No. 59, Gregory's Road, Colombo 7, Sri Lanka.
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