

# **Maskeliya Plantations PLC**

## **Interim Financial Statements**



**FOR THE TWELVE MONTHS ENDED  
31 MARCH 2013**

## STATEMENT OF FINANCIAL POSITION

	As at 31/03/13 Rs. ' 000	As at 31/03/12 Rs. ' 000	As at 01/04/2011 Rs. ' 000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Lease hold Property ,Plant and Equipment	322,013	339,530	357,010
Freehold Property, plant & equipment	646,215	690,448	738,953
Bearer Biological Assets	1,766,676	1,598,574	1,355,903
Consumable Biological Assets	528,466	472,170	421,789
	<b>3,263,370</b>	<b>3,100,722</b>	<b>2,873,655</b>
<b>Current Assets</b>			
Inventories	426,732	430,874	436,840
ACT Recoverable	47,926	47,926	47,926
VAT Receivable	21,036	21,033	20,995
Trade and Other Receivables	153,848	128,291	170,424
ESC Recoverable	32,800	23,673	14,726
Amounts Due From Related Parties	2,918	2,555	7,906
Short Term Investment	300,000	-	-
Cash and bank balances	7,967	4,778	8,664
	<b>993,227</b>	<b>659,130</b>	<b>707,481</b>
<b>TOTAL ASSETS</b>	<b>4,256,597</b>	<b>3,759,852</b>	<b>3,581,136</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	673,721	350,000	350,000
General Reserve	540,000	540,000	540,000
Timber Reserves	485,714	429,857	380,314
Retained Earnings	(128,887)	(341,578)	(33,287)
<b>Total Equity</b>	<b>1,570,548</b>	<b>978,279</b>	<b>1,237,027</b>
<b>Non Current Liabilities &amp; Deferred Income</b>			
Interest Bearing Loans & Borrowings	809,873	396,708	210,869
Retiring Benefit Obligations	776,574	882,848	747,984
Deferred Tax Liability	59,063	26,625	104,491
Deferred Income	239,889	246,088	252,798
Liability to make Lease Payment after one year	119,049	120,955	122,787
	<b>2,004,448</b>	<b>1,673,224</b>	<b>1,438,929</b>
<b>Current Liabilities</b>			
Trade and Other Payables	373,363	438,104	423,706
Interest Bearing Loans & Borrowings	250,998	456,967	291,815
Liability to make Lease Payment within one year	1,906	1,833	1,762
Amounts Due to Related Parties	53,326	209,437	185,869
Dividends Payable	2,008	2,008	2,028
	<b>681,601</b>	<b>1,108,349</b>	<b>905,180</b>
<b>Total Equity and Liabilities</b>	<b>4,256,597</b>	<b>3,759,852</b>	<b>3,581,136</b>
	-	-	-
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Net Assets Per Share	29.11	36.26	45.86

The above figures are subject to audit

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



**Jagath Dissanayake**  
Group Chief Financial Officer

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

Approved and signed for and on behalf of the Board of Directors of Maskeliya Plantations PLC.



**S S Poholiyadde**  
Director  
30 May 2013  
Colombo



**J H P Ratnayake**  
Director

## STATEMENT OF COMPPREHENSIVE INCOME

	Quarter Ended 31 March			Year Ended 31 March		
	2,013	2,012	Variance	2,013	2,012	Variance
	Rs. ' 000	Rs. ' 000	+ / (-) %	Rs. ' 000	Rs. ' 000	+ / (-) %
Revenue	851,858	800,709	6	3,574,776	3,126,093	14
Cost of Sales	<u>(752,175)</u>	<u>(604,339)</u>	(24)	<u>(3,047,286)</u>	<u>(3,267,434)</u>	7
Gross Profit / (Loss)	99,683	196,370	(49)	527,490	(141,341)	473
Other Operating Income	19,674	6,600	198	42,100	16,688	152
Gain on Change in Fair Value of Biological Assets	55,857	49,543	13	55,857	49,543	13
Administration Expenses	(9,951)	(13,078)	24	(42,657)	(47,133)	9
Management Fee	(43,250)	(31,458)	(37)	(184,129)	(130,780)	(41)
Finance Cost	<u>(649)</u>	<u>(8,335)</u>	92	<u>(97,675)</u>	<u>(83,591)</u>	(17)
Profit / (Loss) before Taxation	121,364	199,642	39	300,986	(336,614)	189
Income Tax Expense	(32,438)	77,866	142	(32,438)	77,866	142
<b>Net Profit/(Loss) for the period</b>	<b><u>88,926</u></b>	<b><u>277,508</u></b>	68	<b><u>268,548</u></b>	<b><u>(258,748)</u></b>	<b>204</b>
	Rs.	Rs.		Rs.	Rs.	
Basic Earnings Per Share	2.36	9.99		7.11	(9.31)	

The above figures are subject to audit

# CASH FLOW STATEMENT

<b>For the Year ended</b>	<b>31/03/2013</b>	<b>31/03/2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>
Net Profit before Taxation	300,986	(336,614)
<b>ADJUSTMENTS FOR</b>		
Depreciation/Amortization	104,561	104,143
Provision for Defined Benefit Plan Cost	8,568	208,002
Amortisation of Grants	(12,190)	(12,304)
Gain/(Loss) on change in fair value - Timber plantations	(55,857)	(49,543)
Profit on Disposal of Property, Plant & Equipment	(3,815)	(1,225)
Finance Costs	97,675	83,591
<b>Operating Profit before Working Capital changes</b>	439,928	(3,950)
(Increase)/Decrease in Trade and other receivables	(25,996)	41,187
(Increase)/Decrease in Inventories	4,141	5,967
Increase/(Decrease) in Trade and other payables	(44,274)	(6,070)
Increase/(Decrease) in amounts due to Related Parties	(156,111)	23,569
(Increase)/Decrease in amounts due from Related Parties	(363)	5,351
<b>Cash Generated from Operations</b>	217,325	66,054
Finance Costs Paid	(70,093)	(58,066)
Defined Benefit Plan Costs paid	(114,841)	(73,139)
Tax Paid	(8,692)	(8,038)
<b>Net Cash from Operating Activities</b>	23,699	(73,189)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Grants Received	5,990	5,594
Proceed from Sale of Property, Plant & Equipment	3,815	1,225
Field Development Expenditure	(199,112)	(268,373)
Purchase of Property, Plant & Equipment	(12,241)	(13,294)
<b>Net Cash used in Investing Activities</b>	(201,548)	(274,848)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Unclaimed Dividends Paid	-	(19)
Payment of Government lease rentals	(49,882)	(6,820)
Proceeds from loans	600,000	350,000
Payment of loans	(134,962)	(224,089)
Proceeds from Issued of Ordinary Shares	323,721	-
<b>Net Cash from Financing Activities</b>	738,877	119,072
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	561,028	(228,965)
<b>A. Cash &amp; Cash Equivalents at the beginning of the period</b>	(317,226)	(88,261)
<b>B. Cash &amp; Cash Equivalents at the end of the period</b>	243,802	(317,226)
<b>NOTE A</b>		
Cash & Cash Equivalents at the beginning of the period		
Short Term Deposit		-
Cash & Bank Balances	4,778	8,664
Bank Overdrafts	(322,004)	(96,925)
	(317,226)	(88,261)
<b>NOTE B</b>		
Cash & Cash Equivalents at the end of the period		
Short Term Deposit	300,000	-
Cash & Bank Balances	7,967	4,778
Bank Overdrafts	(64,165)	(322,004)
	243,802	(317,226)

The above figures are subject to audit

-

-

## STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. ' 000	General Reserve Rs. ' 000	Retained Earnings Rs. ' 000	Timber Reserve Rs. ' 000	Total Rs. ' 000	Total Equity Rs. ' 000
<b>Balance as at 01 April 2011</b>	<b>350,000</b>	<b>540,000</b>	<b>(33,287)</b>	380,314	<b>347,027</b>	1,237,027
Net profit/ (Loss) for the period			<b>(308,291)</b>	49,543	<b>(258,748)</b>	(258,748)
<b>Balance as at 31 March 2012</b>	<b>350,000</b>	<b>540,000</b>	<b>(341,578)</b>	<b>429,857</b>	<b>88,279</b>	<b>978,279</b>
Proceeds on Right Issue	<b>323,721</b>	-	-	-	-	<b>323,721</b>
Net profit/(Loss) for the period	-	-	212,691	55,857	268,548	<b>268,548</b>
<b>Balance as at 31 March 2013</b>	<b>673,721</b>	<b>540,000</b>	<b>(128,887)</b>	<b>485,714</b>	<b>356,827</b>	<b>1,570,548</b>

The above figures are subject to audit

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March	Quarter Ended		Year Ended	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
<b>1 Market Price per Share</b>				
- Last Traded price	12.10	17.10	12.10	17.10
- Highest	14.00	21.30	21.00	31.00
- Lowest	12.10	13.50	10.00	13.50

2 Stated Capital of Maskeliya Plantations PLC amounts to 673,720,950 represented by 53,953,490 shares.

3 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 current year.

4 Net assets per share as at March 2012 & 2011 has not restated consequent to the right issue of shares in the third quarter of 2012/13.

5 The Interim Financial Statements of the Company are unaudited and have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS/LKAS) and are in compliance with Sri Lanka Accounting Standard 34- Interim Financial Reporting. Further, Provision of the Companies Act No.7 of 2007 have been considered in preparing the Interim Financial Statements of the Company.

These Financial Statements for the year ended 31 March 2013 are the first set of Financial Statements the Company has prepared in accordance with Sri Lanka Accounting Standards comprising with SLFRS and LKAS. The effect of SLFRS/LKAS on previously reported Financial Position & Financial Performance of the Company will be provided in the Annual Financial statements (Annual Report) for the year ended 31 March 2013.

6 Other than contingent liabilities which may arise from the fair value adjustments, there has been no material changes in the nature of the contingent liabilities, what was disclosed in the Annual Report for the year ended 31 March 2012.

7 Subsequent to the Statement of Financial Position date, the Employers' Federation of Ceylon signed a Plantation workers Wage Collective Agreement with Trade Union increasing the daily wage rate and attendance incentive to Rs.450/- and Rs.140/- respectively with effect 01 April 2013.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

8 Twenty Largest Shareholders

	as at 31/03/2013		as at 31/03/2012	
	Number of Shares held	% of the Holding	Number of Shares held	% of the Holding
R.P.C Mangement Services (Pvt) Ltd	44,998,397	83.40	19,823,844	73.48
Mr C.P De Silva	780,500	1.45	780,500	2.89
Amina Investment Ltd	600,000	1.11	187,000	0.69
David Pieris Motor Company Ltd	539,547	1.00	610,081	2.26
Mr.M.N.Singa Laxana	367,800	0.68	-	-
Seylan Bank Ltd/Govindasamy Ramanan	336,480	0.62	-	-
Est of Late Mr.M. Radhakrishnan (Deceased)	260,600	0.48	260,600	0.97
J.B. Cocoshell (Pvt) Ltd	145,931	0.27	-	-
HSBC International Nominees Ltd-SSBT-Deustche	141,600	0.26	70,800	0.26
Freudenberg Shipping Agencies Ltd	95,500	0.18	95,500	0.35
Dee Investment(Pvt)Ltd	84,100	0.16	84,100	0.31
Mr J. Asanath Priyantha	80,898	0.15	89,400	0.33
Mr R.R.S Ananda	80,000	0.15	80,000	0.30
Mr.W.S.R Fonseka	65,800	0.12	-	-
Mr.R. Ariffen	60,555	0.11	-	-
Mr.S.L. Dodampagalage	51,024	0.09	-	-
Mr.K. Rajakanthan	50,999	0.09	-	-
Confi Management Services (Pvt)Ltd	50,200	0.09	50,100	0.19
Emerging Markets Investment Management (Pvt)Ltd	50,000	0.09	50,000	0.19
Mr. R.N Machado	50,000	0.09	-	-
	<b>48,889,931</b>	<b>90.61</b>		
Balance held by 16,837 shareholders (2011/12 - 16,703 Shareholders)	5,063,559	9.39	4,285,945	15.89
Total no. of Shares	<b>53,953,490</b>	<b>100.00</b>	<b>26,976,745</b>	<b>100.00</b>

The percentage of shares held as at

	31/03/2013		31/03/2012	
	Number of Shares	%	Number of Shares	%
Public Holding	8,952,293	16.59	7,146,801	26.49
Other Holding	45,001,197	83.41	19,829,944	73.51
<b>Total</b>	<b>53,953,490</b>	<b>100.00</b>	<b>26,976,745</b>	<b>100.00</b>

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

As at	31/03/2013	31/03/2012
Dr.S.Yaddehige	-	-
J H P Ratnayake	-	-
S S Poholiyadde (Appointed w.e.f. 15.08.2012)	-	-
S.P. Jayakoddy (Resign w.e.f 13/08/2012)	-	4,700
Dr.A.Ekanayake (Resign w.e.f 31/08/2012)	-	-
Dr.H.S.D. Soysa	2,800	1,400
E M M Boyagoda (Appointed w.e.f. 02.05.2013)	-	-

## SEGMENT INFORMATION

### Geographical Segment

For the year ended 31 March 2013

	Maskeliya		Upcot		Talawakelle		Bandarawela		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Revenue	1,009,086	839,711	1,352,878	1,144,326	675,697	558,572	537,115	583,484	3,574,776	3,126,093
Revenue Expenditure	(778,004)	(736,529)	(1,056,347)	(1,064,328)	(516,319)	(507,079)	(583,487)	(647,353)	(2,934,157)	(2,955,289)
Depreciation/ Amortization	(32,010)	(27,550)	(28,014)	(31,046)	(20,156)	(22,040)	(24,381)	(23,507)	(104,561)	(104,143)
Gratuity	(497)	(58,065)	(3,900)	(78,729)	(1,535)	(27,545)	(2,636)	(43,663)	(8,568)	(208,002)
<b>Segment Results</b>	<b>198,575</b>	<b>17,567</b>	<b>264,617</b>	<b>(29,777)</b>	<b>137,687</b>	<b>1,908</b>	<b>(73,389)</b>	<b>(131,039)</b>	<b>527,490</b>	<b>(141,341)</b>
Other Income									42,100	16,688
Gain on Change in Fair Value of Biological Assets									55,857	49,543
Administration Expenses									(42,657)	(47,133)
Management Fees									(184,129)	(130,780)
Finance Cost									(97,675)	(83,591)
Income Tax expenses									(32,438)	77,866
<b>Profit /(Loss)for the period</b>									<b>268,548</b>	<b>(258,748)</b>

The above figures are subject to audit

## CORPORATE INFORMATION

<b>Name of Company</b>	Maskeliya Plantations PLC
<b>Legal Form</b>	A Quoted Public Company with Limited Liability Incorporated in Sri Lanka.
<b>Date of Incorporation</b>	22nd June 1992
<b>Company Registration No</b>	PQ 134
<b>Principal Business Activities</b>	Cultivation, Manufacture and Sale of Tea, Planting and Cultivation of Timber.
<b>Stock Exchange Listing</b>	The Ordinary Shares are listed with the Colombo Stock Exchange of Sri Lanka.
<b>Registered / Head Office</b>	310, High Level Road, Nawinna, Maharagama Sri Lanka
<b>Ultimate Parent Enterprise</b>	Richard Pieris & Company PLC
<b>Board of Directors</b>	Dr. Sena Yaddehige - Chairman J H P Ratnayake - Deputy Chairman S S Poholiyadde - Appointed w.e.f. 15.08.2012 S P Jayakoddy - Resigned w.e.f. 13.08.2012 Dr.A Ekanayake - Resigned w.e.f. 31.08.2012 Dr. H S D Soysa E M M Boyagoda - Appointed w.e.f 02.05.2013
<b>Secretaries</b>	Richard Pieris Group Services (Private) Limited 310, High Level Road, Nawinna, Maharagama. Sri Lanka  Telephone: +(94) 11-4310564
<b>Auditors</b>	Messrs Ernst & Young Chartered Accountants 201, De Saram Place, Colombo 10, Sri Lanka.
<b>Bankers</b>	Sampath Bank - Nawam Mawatha Branch Bank of Ceylon - Corporate Branch & Regional Branches Seylan Bank - Millennium Branch Hatton National Bank - City Office NDB Bank
<b>Legal Advisors</b>	Paul Ratnayake Associates International Legal Consultants Solicitors and Attorneys-at-law No.59, Gregory's Road Colombo 07.
<b>Contact Details</b>	Telephone : +(94) 11 4310888 Facsimile : +(94) 11 4310835 Internet : <a href="http://www.arpico.com">www.arpico.com</a> E-mail : <a href="mailto:mpl.rpk@arpico.com">mpl.rpk@arpico.com</a>