

NAMUNUKULA PLANTATIONS PLC

Company Reg. No. - PQ 136

2016/17

INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017


STATEMENT OF FINANCIAL POSITION

Interim Financial Statements


As at,	31.03.2017 Rs. '000	Restated 31.03.2016 Rs. '000	Restated 31.03.2015 Rs. '000
ASSETS			
Non Current Assets			
Leasehold Property, Plant & Equipment	189,525	207,016	224,687
Freehold Property, Plant & Equipment	363,197	387,591	405,319
Bearer Biological Assets	2,390,071	2,252,918	2,076,171
Consumable Biological Assets	125,318	113,684	111,108
Long Term Investments - (Unquoted)	102,288	107,365	99,458
Financial Assets	250,000	250,000	250,000
Intangible Assets	328,015	332,015	340,515
Total Non Current Assets	3,748,414	3,650,589	3,507,258
Current Assets			
Produce on bearer Biological asset	8,809	5,542	7,693
Inventories	231,505	212,330	211,195
Trade and Other Receivables	114,884	119,456	136,975
Amounts Due from Related Companies	19,790	7,075	-
ESC Recoverable	2,143	3,565	-
Income Tax Receivable	5,943	5,943	5,441
Cash and Cash Equivalents	10,108	20,977	10,452
Total Current Assets	393,180	374,887	371,756
Total Assets	4,141,594	4,025,475	3,879,014
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	350,000	350,000	350,000
Retained Earnings	2,211,817	1,957,531	1,834,191
Total Equity	2,561,817	2,307,531	2,184,191
Non Current Liabilities			
Interest Bearing Loans & Borrowings	99,576	134,276	187,750
Retirement Benefit Obligations	534,771	545,170	595,402
Deferred Tax Liability	52,958	26,348	20,158
Deferred Income	132,598	130,438	125,876
Liability to make Lease payment after one year	214,737	219,092	223,280
Total Non Current Liabilities	1,034,640	1,055,324	1,152,465
Current Liabilities			
Trade and Other Payables	403,509	404,974	440,023
Liability to make Lease payment within one year	4,355	4,187	4,026
Interest Bearing Loans & Borrowings	133,602	197,754	67,196
Amounts Due to Related Companies	3,672	55,705	31,112
Income Tax Liabilities	-	-	-
Total Current Liabilities	545,137	662,620	542,357
Total Liabilities	1,579,778	1,717,945	1,694,823
Total Equity and Liabilities	4,141,594	4,025,475	3,879,014
Net Assets per Share (Rs.)	107.87	97.16	91.97


* The above figures are subject to audit.

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


Sudheera Epatakumbura
Financial Controller

The Board of Directors are 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


N. C. Peiris
Director

Colombo.
30 May 2017

STATEMENT OF COMPREHENSIVE INCOME

Interim Financial Statements

	Quarter Ended 31.03.2017 Rs. '000	Quarter Ended 31.03.2016 Rs. '000	Increase / (Decrease) %	Year Ended 31.03.2017 Rs. '000	Year Ended 31.03.2016 Rs. '000	Increase / (Decrease) %
Revenue	621,733	486,982	28%	2,512,274	1,913,076	31%
Cost of sales	(561,060)	(522,271)	7%	(2,068,996)	(1,848,270)	12%
Gross profit	60,673	(35,289)	-272%	443,278	64,807	584%
Other income	36,324	15,911	128%	117,131	90,947	29%
Gain on change in fair value of biological assets	15,715	4,088	284%	15,715	4,088	284%
Administrative expenses	(17,518)	(10,645)	65%	(55,495)	(44,340)	25%
Management fee	(6,240)	8,123	177%	(91,524)	(25,478)	-259%
Finance cost	(12,809)	(14,220)	10%	(58,825)	(52,798)	-11%
Impairment of goodwill	(4,000)	(8,500)	53%	(4,000)	(8,500)	53%
Share of profit from joint venture	14,039	1,221	1050%	70,000	31,240	124%
Profit before taxation	86,184	(39,311)	-319%	436,280	59,966	628%
Income tax expense	(13,168)	7,502	276%	(34,330)	7,502	558%
Net profit for the period	73,017	(31,809)	-330%	401,950	67,468	496%
Other comprehensive income						
Actuarial gain/(loss) on defined benefit plans	36,160	90,968	60%	36,160	90,968	60%
Income tax effect	(5,699)	(13,190)	-57%	(5,699)	(13,190)	-57%
Other comprehensive income for the period	30,461	77,778	61%	30,461	77,778	61%
Total comprehensive income for the period	103,478	45,969	125%	432,411	145,246	198%
Basic Earnings per Share (Rs.)	3.07	(1.34)		16.92	2.84	

* The above figures are subject to audit.

STATEMENT OF CHANGES IN EQUITY

Interim Financial Statements

	Stated Capital Rs. '000	Accumulated Profit Rs. '000	Total Rs. '000
Balance as at 1 April 2015	350,000	1,843,890	2,193,890
Impact of the amendments of LKAS 16 and LKAS 41	-	7,693	7,693
Prior year adjustment of Long Term Investment	-	(17,392)	(17,392)
Balance as at 1 April 2015 (Restated)	350,000	1,834,191	2,184,191
Super Gain Tax for the year of assessment 2013/14	-	(21,906)	(21,906)
Balance as at 1 April 2015 (Adjusted)	350,000	1,812,285	2,162,285
Dividend	-	-	-
Net profit for the period	-	67,468	67,468
Other Comprehensive Income/(Loss)	-	77,778	77,778
Balance as at 1 April 2016	350,000	1,957,531	2,307,531
Dividend	-	(178,125)	(178,125)
Net profit for the period	-	401,950	401,950
Other Comprehensive Income/(Loss)	-	30,461	30,461
Balance as at 31 March 2016	350,000	2,211,817	2,561,817

* The above figures are subject to audit.

STATEMENT OF CASH FLOWS

Interim Financial Statements

Period ended,	31.03.2017	31.03.2016
	Rs. '000	Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation	436,280	59,966
ADJUSTMENTS FOR,		
Depreciation	133,109	125,452
Finance Cost	58,825	52,798
Provision for Defined Benefit Plan Cost	92,176	92,439
Amortization of Grants	(3,719)	(3,605)
Fair Valuation charged against timber proceeds	814	3,663
Gain on change in fair value of biological assets	(15,715)	(4,088)
Impairment of goodwill	4,000	8,500
Share of Profit of Joint Venture	(70,000)	(31,240)
Profit from Sale of Fixed Assets	(4,273)	(1,062)
Provision for Bad & Doubtful Debts	43,634	-
Operating profit before working capital changes	675,131	302,823
(Increase)/Decrease in Inventories	(19,175)	(1,135)
(Increase)/Decrease in Trade and other Receivables	(39,062)	17,519
(Increase)/Decrease in Amounts due from Related Companies	(12,715)	(7,075)
Increase/(Decrease) in Trade and Other Payables	(1,465)	(35,049)
Increase/(Decrease) in Amounts due to Related Companies	(52,033)	24,593
Cash Generated from Operating Activities	550,680	301,676
Finance Cost Paid	(15,321)	(10,115)
Defined Benefit Plan Cost Paid	(66,415)	(51,702)
Income Tax (Paid) / Refund	(11,997)	(25,472)
Net Cash Flow From Operating Activities	456,946	214,387
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(5,301)	(14,089)
Share buy back (Unquoted Investment)	64,578	23,333
Dividend Received	10,499	-
Investments in Immature plantation	(223,076)	(252,710)
Proceeds from Disposal of Property, Plant & Equipment	4,273	1,062
Grants Received	5,880	8,167
Net Cash Flow From Investing Activities	(143,147)	(234,237)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Government Lease rentals	(47,691)	(46,710)
Proceeds from borrowings	-	-
Repayment of loans	(32,473)	(55,340)
Dividend Paid	(178,125)	-
Net Cash Flow From Financing Activities	(258,289)	(102,050)
Net Increase/(Decrease) in Cash and Cash Equivalents	55,509	(121,900)
A. Cash & Cash Equivalents at the Beginning of the Period	(123,304)	(1,404)
B. Cash & Cash Equivalents at the End of the Period	(67,794)	(123,304)
NOTE A - Cash & Cash Equivalents at the Beginning of the Period		
Cash & Bank Balances	20,977	10,452
Bank Overdrafts	(144,280)	(11,856)
	(123,304)	(1,404)
NOTE B - Cash & Cash Equivalents at the End of the Period		
Cash & Bank Balances	10,108	20,977
Bank Overdrafts	(77,902)	(144,280)
	(67,794)	(123,304)

* The above figures are subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

Interim Financial Statements

1. Market Price per Share

	Quarter Ended 31.03.2017 Rs.	Quarter Ended 31.03.2016 Rs.	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
Last traded price	74.00	59.50	74.00	59.50
Highest	87.00	72.00	87.00	85.00
Lowest	71.00	51.00	55.00	51.00

2. Stated Capital of Namunukula Plantations PLC amounts to Rs. 350,000,010 represented by 23,750,001 shares.
3. The Interim Financial Statements of the Company are unaudited and have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) and are in compliance with Sri Lanka Accounting Standard 34 - 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.
4. The interim financial statements of the company have been prepared on the basis of the same accounting policies and methods applied for year ended 31 March 2016.
5. The presentation and classification of figures for the corresponding period of the previous year have been re-arranged, where relevant, for better presentation and to be comparable with those of the current period.
6. There has been no significant change in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2016.
7. There have been no material events occurring after the reporting date, that require adjustments or disclosure in the Financial Statements.
8. Mr. Gerard Amerasinghe has been appointed as an Independent Director with effect from 19th October 2016.
9. Dr. Jayatissa De Costa, Non executive director up to the last Annual General Meeting held on 30th June 2016, Ceased to be a Director from the Directorate of the company w.e.f 30th June 2016 and Mr. Prasanna Fernando and Mr. Nicholas Mark Thompson have resigned from the Directorate of the company with effect from 25th August 2016 and 05th April 2017 respectively
10. The company has paid Interim dividends of Rs. 0.50 per share and Rs. 7.00 per share for the year 2016/17 on 12th October 2016 and 27th March 2017.
11. Ministry of Plantation Industries has informed (letter dated 22.07.2016) to pay an interim allowance of Rs.100/- per worker for each day worked during the months of June and July pending finalization of wage negotiations. The interim allowance cost for the month of June & July was Rs. 18.29 Mn which has charged to the income Statement. To effect the payment, term loan facility was granted by Sri Lanka Tea Board.
12. In accordance with the Collective Agreement between the Employers' Federation of Ceylon (EFC) and the Trade Unions, with effect from 15 October 2016, the daily basic wage of workers have been increased from Rs. 450/- to Rs.500/-. An allowance of Rs.30/- of Fixed Price Share supplement is paid in addition to Rs.60/- as an attendance incentive. Rs.140/- as a productivity incentive, totaling to Rs.730/- per day, as compared to Rs. 620/- previously.
13. Mr. Sriyan Eriyagama has been appointed as Chief Executive Officer of the Company with effect from 01st January 2017.
14. Amendments to LKAS 16 and LKAS 41, require to recognise harvestable produce growing on Bearer Plants at fair value less cost to sell separately from its bearer plants prior to harvest. The fair value of such agricultural produce growing on Bearer Plants, recognised in Financial Statements retrospectively. Gain on fair value of Produce on bearer Biological asset is Rs. 3.2 Mn (2015/16 - Loss of 2.1 Mn)

15. Twenty largest shareholders of the company,

	As at 31.03.2017		As at 31.03.2016	
	No. of shares held	% of Holding	No. of shares held	% of Holding
1 RPC Plantation Management Services (Pvt) Ltd	15,412,737	64.90%	15,412,737	64.90%
2 The Secretary to the Treasury	3,763,300	15.85%	3,763,300	15.85%
3 Mr. T.T.T Al Nakib	395,000	1.66%	395,000	1.66%
4 National Development Bank PLC/Sakuvi Investment Trust (Pvt) Ltd	368,000	1.55%	368,000	1.55%
5 Bank of Ceylon A/C Ceybank Century Growth Fund	263,612	1.11%	345,349	1.45%
6 Seylan Bank PLC/Mr.Thirugnanasambandar	256,328	1.08%	247,573	1.04%
7 Sampath Bank PLC/Mr.T.Senthilvel	158,137	0.67%	96,487	0.41%
8 National Savings bank	150,000	0.63%	150,000	0.63%
9 Bank of Ceylon No .1 Account	80,000	0.34%	80,000	0.34%
10 Mr.H.A.A.H.Algharabally	77,000	0.32%	77,000	0.32%
11 Mr.K.C.Vignarajah	74,604	0.31%	74,538	0.31%
12 Cocoshell Activated Carbon Co. Ltd	57,387	0.24%	57,387	0.24%
13 Mrs. K.S. Cooray	50,000	0.21%	50,000	0.21%
14 Mrs. J.K.P Singh	50,000	0.21%	50,000	0.21%
15 Pershing LLC S/A Averbach Grauson & Co.	50,000	0.21%	-	0.00%
16 Elgin Investments Limited	44,735	0.19%	-	0.00%
17 Mr.Z.G.Carimjee	43,200	0.18%	43,200	0.18%
18 T.S.T.T.T. Sathe Secretary to the Treasury-Sundry	38,298	0.16%	38,298	0.16%
19 Mr.N.A. Withana	34,351	0.14%	34,351	0.14%
20 Northstar Holdings (Pvt) Ltd	29,900	0.13%	29,900	0.13%
Sub Total	21,396,589	90.09%		
Balance held by 11,620 (2015/16 - 11,708) shareholders	2,353,412	9.91%	2,375,381	10.00%
Total No. of Shares	23,750,001	100.00%	23,750,001	100.00%

The Percentage of shares held as at ,

	31.03.2017			31.03.2016		
	No of Shareholders	No.of shares	%	No of Shareholders	No.of shares	%
Public Holding	11,638	8,334,264	35.09%	11,726	8,334,264	35.09%
Other Holding	2	15,415,737	64.91%	2	15,415,737	64.91%
Total No. of Shares	11,640	23,750,001	100.00%	11,728	23,750,001	100.00%

16. Directors' & CEO's Shareholding

The Directors of the Company hold shares in the Company as follows.

	As at 31.03.2017 No. of Shares	As at 31.03.2016 No. of Shares
Dr. S Yaddehige - Chairman	Nil	Nil
Mr. S S Poholiyadde	3,000	3,000
Mr. N C Peiris	Nil	Nil
Mr. B A T Rodrigo	Nil	Nil
Mr. Shaminda Yaddehige	Nil	Nil
Mr. Nicholas Mark Thompson (Resigned w.e.f. 05 April 2017)	Nil	Nil
Mr. Shirley Gerard Devinda Amerasinghe (Appointed w.e.f. 19 October 2016)	Nil	Nil
Mr. Sriyan Eriyagama - CEO	Nil	Nil

SEGMENT INFORMATIONS

Interim Financial Statements

For the period ended 31 March,

	Tea		Rubber		Oil Palm		Coconut		Cinnamon		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	1,253,767	1,025,243	313,135	285,885	897,501	566,079	25,847	22,003	22,024	13,867	2,512,274	1,913,076
Revenue Expenditure	(1,286,222)	(1,168,004)	(299,961)	(281,237)	(231,563)	(164,402)	(15,149)	(12,408)	(15,885)	(9,465)	(1,848,780)	(1,635,515)
Depreciation / Amortization	(32,745)	(31,556)	(37,225)	(38,582)	(49,531)	(41,962)	(4,771)	(5,021)	(5,569)	(4,995)	(129,840)	(122,116)
Gratuity	(55,136)	(57,382)	(19,565)	(18,901)	(14,208)	(12,776)	(910)	(817)	(556)	(762)	(90,376)	(90,639)
Segment Results	(120,336)	(231,699)	(43,616)	(52,835)	602,200	346,939	5,017	3,757	14	(1,355)	443,278	64,807
Other Income											117,131	90,947
Gain on change in fair value of biological assets											15,715	4,088
Administrative Expenses											(55,495)	(44,340)
Management Fee											(91,524)	(25,478)
Finance Cost											(58,825)	(52,798)
Impairment Loss on goodwill											(4,000)	(8,500)
Share of Profit from the Joint Venture											70,000	31,240
Profit before Taxation											436,280	59,966
Income Tax (Expense)/Reversal											(34,330)	7,502
Net Profit for the period											401,950	67,468

* The above figures are subject to audit.

CORPORATE INFORMATION

Interim Financial Statements

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 Plantations.

Ultimate Parent Enterprise

Richard Pieris & Company PLC.

Board of Directors

Dr. S Yaddhegige - Chairman

Mr. S S Poholiyadde

Mr. N C Peiris

Mr. B A T Rodrigo

Mr. Shaminda Yaddhegige

Mr. Nicholas Mark Thompson (Resigned w.e.f. 05 April 2017)

Mr. Gerard Amerasinghe (Appointed w.e.f. 19 October 2016)

Dr. Jayatissa De Costa (Ceased to be a director w.e.f. 30 June 2016)

Mr. Prasanna Fernando (Resigned w.e.f. 25 August 2016)

Stock Exchange Listings

The Ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

Registered / Head Office

No: 310, High Level Road, Nawinna,

Maharagama, Sri Lanka.

Auditors

Messrs. Ernst & Young, Chartered Accountants,

201, De Saram Place, P.O. Box 101, Colombo 10, Sri Lanka.

Company Secretaries

Richard Pieris Group Services (Pvt) Ltd,

Secretaries,

No: 310, High Level Road, Nawinna,

Maharagama, Sri Lanka.

Telephone: + (94) 11 4310564

Bankers

Bank of Ceylon - Corporate Branch & Regional Branches

People's Bank - Pelawatta Branch

Hatton National Bank - City Branch

Sampath Bank - Head Office Branch

Development Finance Corporation of Ceylon

National Development Bank

Indian Overseas Bank / Indian Bank

Nations Trust Bank PLC

Contact Details

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