

NAMUNUKULA PLANTATIONS PLC



INTERIM FINANCIAL STATEMENTS

2017/2018


FOR THE
TWELVE MONTHS
ENDED 31 MARCH 2018

STATEMENT OF FINANCIAL POSITION


As at,	31.03.2018	Audited
ASSETS	Rs. '000	31.03.2017
	Rs. '000	Rs. '000
Non Current Assets		
Leasehold Property, Plant & Equipment	174,330	189,525
Freehold Property, Plant & Equipment	419,792	363,197
Bearer Biological Assets	2,543,083	2,390,071
Consumable Biological Assets	148,866	125,318
Long Term Investments - (Unquoted)	110,574	102,288
Financial Assets	250,000	250,000
Intangible Assets	324,515	328,015
Total Non Current Assets	<u>3,971,159</u>	<u>3,748,414</u>
Current Assets		
Produce on bearer Biological asset	13,187	8,809
Inventories	291,688	231,505
Trade and Other Receivables	116,279	114,884
Amounts Due from Related Companies	10,447	19,790
ESC Recoverable	16,971	2,143
Income Tax Receivable	5,943	5,943
Cash and Cash Equivalents	36,929	10,108
Total Current Assets	<u>491,443</u>	<u>393,180</u>
TOTAL ASSETS	<u>4,462,602</u>	<u>4,141,594</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	350,000	350,000
Retained Earnings	2,237,086	2,211,817
Total Equity	<u>2,587,086</u>	<u>2,561,817</u>
Non Current Liabilities		
Interest Bearing Loans & Borrowings	60,100	99,576
Retirement Benefit Obligations	564,766	534,771
Deferred Tax Liability	206,413	52,958
Deferred Income	132,860	132,598
Lease Creditor	7,126	-
Liability to make Lease payment after one year	210,208	214,737
Total Non Current Liabilities	<u>1,181,473</u>	<u>1,034,640</u>
Current Liabilities		
Trade and Other Payables	397,653	403,509
Liability to make Lease payment within one year	4,529	4,355
Lease Creditor	8,505	-
Interest Bearing Loans & Borrowings	246,718	133,602
Amounts Due to Related Companies	14,759	3,672
Income Tax Liabilities	21,879	-
Total Current Liabilities	<u>694,044</u>	<u>545,137</u>
TOTAL LIABILITIES	<u>1,875,516</u>	<u>1,579,778</u>
TOTAL EQUITY AND LIABILITIES	<u>4,462,602</u>	<u>4,141,594</u>
NET ASSETS PER SHARE (RS.)	<u>108.93</u>	<u>107.87</u>

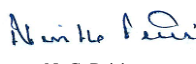
* The above figures are subject to audit.

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


Sudheera Epitakumbura
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 by,


S. S. Poholiyadde
Director


N. C. Peiris
Director

Colombo,
30 May 2018

STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended 31.03.2018 Rs. '000	Quarter Ended 31.03.2017 Rs. '000	Increase / (Decrease) %	Period Ended 31.03.2018 Rs. '000	Period Ended 31.03.2017 Rs. '000	Increase / (Decrease) %	Audited Year Ended 31.03.2017 Rs. '000
Revenue	616,275	621,733	-1%	2,839,057	2,512,274	13%	2,512,274
Cost of Sales	(585,505)	(561,060)	4%	(2,274,579)	(2,068,996)	10%	(2,068,996)
Gross Profit	30,771	60,673	-49%	564,478	443,278	27%	443,278
Other Income	61,590	36,324	70%	202,721	117,131	73%	117,131
Change in fair value of Biological Assets	27,909	15,715	78%	27,909	15,715	78%	15,715
Administrative Expenses	(12,550)	(17,518)	-28%	(62,815)	(55,495)	13%	(55,495)
Management Fee	(19,844)	(6,240)	218%	(133,721)	(91,524)	46%	(91,524)
Finance Cost	(12,868)	(12,809)	0%	(51,812)	(58,825)	-12%	(58,825)
Impairment of Goodwill	(3,500)	(4,000)	-13%	(3,500)	(4,000)	-13%	(4,000)
Share of Profit from the Joint Venture	2,566	14,039	-82%	8,285	70,000	-88%	70,000
Profit Before Taxation	74,073	86,184	-14%	551,546	436,280	26%	436,280
Income Tax (Expense) / Reversal	(146,341)	(13,168)	1011%	(177,994)	(34,330)	418%	(34,330)
Net Profit for the Year	(72,267)	73,017	-199%	373,552	401,950	-7%	401,950
Other comprehensive income							
Actuarial gain/(loss) on defined benefit plans	(18,353)	36,160	-151%	(18,353)	36,160	-151%	36,160
Income tax effect	2,569	(5,699)	-145%	2,569	(5,699)	-145%	(5,699)
Other comprehensive income for the period	(15,783)	30,461	-152%	(15,783)	30,461	-152%	30,461
Total comprehensive income for the period	(88,051)	103,478	-185%	357,769	432,411	-17%	432,411
Basic Earnings per Share (Rs.)	(3.04)	3.07		15.73	16.92		16.92

* The above figures are subject to audit.

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 1 April 2016	350,000	1,957,531	2,307,531
Net Profit for the period	-	401,950	401,950
Other Comprehensive Income/(Loss)	-	30,461	30,461
Dividends	-	(178,125)	(178,125)
Balance as at 31 March 2017	<u>350,000</u>	<u>2,211,817</u>	<u>2,561,817</u>
Balance as at 1 April 2017	350,000	2,211,817	2,561,817
Net Profit for the period	-	373,552	373,552
Other Comprehensive Income/(Loss)	-	(15,783)	(15,783)
Dividends	-	(332,500)	(332,500)
Balance as at 31 March 2018	<u><u>350,000</u></u>	<u><u>2,237,086</u></u>	<u><u>2,587,086</u></u>

* The above figures are subject to audit.

STATEMENT OF CASH FLOWS

Period ended,	31.03.2018 Rs. '000	31.03.2017 Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Taxation	551,546	436,280
ADJUSTMENTS FOR		
Depreciation	157,053	133,109
Finance Cost	51,812	58,825
Provision for Defined Benefit Plan Cost	97,428	92,176
Profit on Disposal of Property, Plant & Equipment	-	(4,273)
Amortization of Grants	(3,624)	(3,719)
Fair Valuation charged against timber proceeds	239	814
Gain on change in fair value of biological assets	(27,909)	(15,715)
Impairment of goodwill	3,500	4,000
Share of Profit of Joint Venture	(8,285)	(70,000)
Provision for Bad & Doubtful Debts	-	43,634
Operating profit before working capital changes	<u>821,759</u>	<u>675,131</u>
(Increase)/Decrease in Inventories	(60,183)	(19,175)
(Increase)/Decrease in Trade and other Receivables	(1,395)	(39,062)
(Increase)/Decrease in Amounts due from Related Companies	9,342	(12,715)
Increase/(Decrease) in Trade and Other Payables	(5,856)	(1,465)
Increase/(Decrease) in Amounts due to Related Companies	<u>11,088</u>	<u>(52,033)</u>
Cash Generated from Operating Activities	<u>774,755</u>	<u>550,680</u>
Finance Cost Paid	(6,759)	(15,321)
Defined Benefit Plan Cost Paid	(85,786)	(66,415)
Income Tax (Paid) / Refund	<u>(14,918)</u>	<u>(11,997)</u>
Net Cash Flow From Operating Activities	<u>667,293</u>	<u>456,946</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(71,122)	(5,301)
Share buy back (Unquoted Investment)	-	64,578
Dividend Received	-	10,499
Investments in Immature plantation	(256,619)	(223,076)
Expenditure on Timber Cultivation	(256)	-
Proceeds from Disposal of Property, Plant & Equipment	-	4,273
Grants Received	<u>3,886</u>	<u>5,880</u>
Net Cash Flow From Investing Activities	<u>(324,111)</u>	<u>(143,147)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Government Lease rentals	(49,408)	(47,691)
Proceeds from borrowings	40,626	-
Repayment of loans	(75,569)	(32,473)
Dividend Paid	<u>(332,500)</u>	<u>(178,125)</u>
Net Cash Flow From Financing Activities	<u>(416,850)</u>	<u>(258,289)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(73,668)	55,509
A. Cash & Cash Equivalents at the Beginning of the Year	<u>(67,794)</u>	<u>(123,304)</u>
B. Cash & Cash Equivalents at the End of the Year	<u><u>(141,462)</u></u>	<u><u>(67,794)</u></u>
NOTE A : Cash & Cash Equivalents at the Beginning of the Period		
Cash & Bank Balances	10,108	20,977
Bank Overdrafts	<u>(77,902)</u>	<u>(144,280)</u>
	<u>(67,794)</u>	<u>(123,304)</u>
NOTE B : Cash & Cash Equivalents at the End of the Period		
Cash & Bank Balances	36,929	10,108
Bank Overdrafts	<u>(178,391)</u>	<u>(77,902)</u>
	<u>(141,462)</u>	<u>(67,794)</u>

* The above figures are subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

1. Market Price per Share

	Quarter Ended 31.03.2018 Rs.	Quarter Ended 31.03.2017 Rs.	Year Ended 31.03.2018 Rs.	Year Ended 31.03.2017 Rs.
Last traded price	87.70	74.00	87.70	74.00
Highest	114.90	87.00	114.90	87.00
Lowest	85.00	71.00	72.10	55.00

2. Market Capitalization & Ratios

	Year Ended 31.03.2018	Year Ended 31.03.2017
Market Capitalization (Rs. '000)	2,082,875	1,757,500
Float adjusted Market Capitalization (Rs. '000)	677,083	616,736
Price Earning Ratio (times)	5.58	4.37

The company complies with option 05 of the listing rules 7.13.1 (a) - Less than Rs. 2.5 Bn. float adjusted market capitalization.

3. Stated Capital of Namunukula Plantations PLC amounts to Rs. 350,000,010 represented by 23,750,001 shares.
4. 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.
5. 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 2017.
6. 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.
7. These interim financial statements include the Gain/(Loss) arising from the valuation of biological assets and Actuarial Gain/(Loss) on defined benefit plan costs arising from the year end valuations.
8. Contingent liabilities that may result, depending on the timing of the taxability of certain fair value adjustments is amounted to approximately Rs 3,907,274/- (2016/17 - Rs.1,571,482/-). There has been no any significant change in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2017.
9. There have been no material events occurring after the reporting date, that require adjustments or disclosure in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

10. Twenty largest shareholders of the company (Voting shares),

	As at 31.03.2018		As at 31.03.2017	
	No. of shares held	% of Holding	No. of shares held	% of Holding
1 RPC Plantation Management Services (Pvt) Ltd	16,026,561	67.48%	15,412,737	64.90%
2 The Secretary to the Treasury	3,763,300	15.85%	3,763,300	15.85%
3 National Development Bank PLC/Sakuvi Investment Trust (Pvt) Ltd	368,000	1.55%	368,000	1.55%
4 Mr. T.T.T Al Nakib	350,000	1.47%	395,000	1.66%
5 Mr.D.F.G.Dalpethado	182,702	0.77%	-	0.00%
6 Pershing LLC S/A Averbach Grauson & Co.	100,000	0.42%	50,000	0.21%
7 Bank of Ceylon No .1 Account	80,000	0.34%	80,000	0.34%
8 Mr.H.A.A.H.Algharabally	77,000	0.32%	77,000	0.32%
9 Mr.K.C.Vignarajah	71,833	0.30%	74,604	0.31%
10 Cocoshell Activated Carbon Co. Ltd	57,387	0.24%	57,387	0.24%
11 Mrs. J.K.P Singh	48,938	0.21%	50,000	0.21%
12 Mr.Z.G.Carimjee	43,200	0.18%	43,200	0.18%
13 J.B. Cocoshell (Pvt) Ltd	39,075	0.16%	-	0.00%
14 T.S.T.T.T. Sathe Secretary to the Treasury-Sundry	38,298	0.16%	38,298	0.16%
15 Mr.N.A. Withana	34,351	0.14%	34,351	0.14%
16 Hatton National Bank PLC/Thilak Dias Gunasekera	30,000	0.13%	-	0.00%
17 Northstar Holdings (Pvt) Ltd	29,900	0.13%	29,900	0.13%
18 Mrs.S.Vignarajah	28,100	0.12%	29,000	0.12%
19 Mr.U.P.Jayasinghe	27,045	0.11%	18,500	0.08%
20 Mrs.K.Fernando	25,000	0.11%	25,000	0.11%
Sub Total	21,420,690	90.19%		
Balance held by 11,605 (2016/17 - 11,620) shareholders	2,329,311	9.81%	2,353,412	9.91%
Total No. of Shares	23,750,001	100.00%	23,750,001	100.00%

* There were no non voting shares as at 31 March 2018.

The Percentage of shares held as at ,

	As at 31.03.2018			As at 31.03.2017		
	No. of Shareholders	No. of shares held	%	No. of Shareholders	No. of shares held	%
Public Holding	11,623	7,720,440	32.51%	11,638	8,334,264	35.09%
Other Holding	2	16,029,561	67.49%	2	15,415,737	64.91%
Total No. of Shares	11,625	23,750,001	100.00%	11,640	23,750,001	100.00%

11. Directors' & CEO's Shareholding

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

	As at 31.03.2018 No. of Shares	As at 31.03.2017 No. of Shares
Dr. S Yaddhegige - 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 Yaddhegige	Nil	Nil
Mr. Shirley Gerard Devinda Amerasinghe	Nil	Nil
Mr. Sriyan Eriyagama - CEO	Nil	Nil

SEGMENT INFORMATIONS

REVENUE

Summary
Sale of Goods
Tea
Rubber
Oil Palm
Coconut
Cinnamon

	2018	2017
	Rs. '000	Rs. '000
Tea	1,509,036	1,253,767
Rubber	292,259	313,135
Oil Palm	973,985	897,501
Coconut	41,696	25,847
Cinnamon	22,081	22,024
	<u>2,839,057</u>	<u>2,512,274</u>

For the period ended 31 March,	Tea		Rubber		Oil Palm		Coconut		Cinnamon		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	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	1,509,036	1,253,767	292,259	313,135	973,985	897,501	41,696	25,847	22,081	22,024	2,839,057	2,512,274
Revenue Expenditure	(1,463,629)	(1,286,222)	(237,185)	(299,961)	(294,095)	(231,563)	(14,493)	(15,149)	(15,720)	(15,885)	(2,025,122)	(1,848,780)
Depreciation / Amortization	(34,453)	(32,745)	(38,873)	(37,225)	(69,411)	(49,531)	(5,725)	(4,771)	(5,366)	(5,569)	(153,828)	(129,840)
Gratuity	(58,533)	(55,136)	(17,335)	(19,565)	(18,367)	(14,208)	(833)	(910)	(561)	(556)	(95,628)	(90,376)
Gross Profit/(Loss)	(47,580)	(120,336)	(1,133)	(43,616)	592,112	602,200	20,645	5,017	434	14	564,478	443,278
Other Income											202,721	117,131
Gain on change in fair value of biological assets											27,909	15,715
Administrative Expenses											(62,815)	(55,495)
Management Fees											(133,721)	(91,524)
Finance Cost											(51,812)	(58,825)
Impairment Loss on goodwill											(3,500)	(4,000)
Share of Profit from the Joint Venture											8,285	70,000
Profit before Taxation											551,546	436,280
Income Tax (Expense)/Reversal											(177,994)	(34,330)
Net Profit for the period											373,552	401,950

* The above figures are subject to audit.

CORPORATE INFORMATIONS**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

Tax Identification No.

294001395

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. Gerard Amerasinghe

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 PLC - Corporate Branch & Regional Branches

People's Bank PLC - Pelawatta Branch

Hatton National Bank PLC - City Branch

Sampath Bank PLC - Head Office Branch

Development Finance Corporation of Ceylon Bank PLC

National Development Bank PLC

Indian Overseas Bank / Indian Bank

Nations Trust Bank PLC

Contact Details

Telephone : + (94) 11 4310500

Fax : + (94) 11 2801400

Website : www.arpico.com

Email : npl.rpk@arpico.com