

# **Namunukula Plantations PLC**

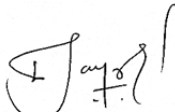
## **Interim Financial Statements**

**FOR THE SIX MONTHS ENDED  
30 SEPTEMBER 2011**


# BALANCE SHEET


	As at 30/09/11 Rs. '000	As at 30/09/10 Rs. '000	As at 31/03/11 Rs. '000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Leasehold Property, Plant & Equipment	258,864	273,355	266,109
Property, Plant & Equipment	248,255	239,117	249,548
Improvement to Leasehold Property	1,214,820	1,095,185	1,138,640
Long Term Investments -(Unquoted)	133,654	95,105	96,009
	<u>1,855,593</u>	<u>1,702,762</u>	<u>1,750,306</u>
<b>CURRENT ASSETS</b>			
Inventories	225,787	177,363	168,844
Trade and Other Receivables	152,033	116,123	142,284
ESC Recoverable	10,781	5,646	8,289
Amounts due from related companies	28,497	1,708	6,468
Cash and Bank balances	233,142	107,507	244,587
	<u>650,241</u>	<u>408,347</u>	<u>570,472</u>
<b>TOTAL ASSETS</b>	<u>2,505,834</u>	<u>2,111,109</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	1,108,369	767,406	961,071
<b>Total Equity</b>	<u>1,458,369</u>	<u>1,117,406</u>	<u>1,311,071</u>
<b>NON CURRENT LIABILITIES &amp; DEFERRED INCOME</b>			
Interest Bearing Loans & Borrowings	57,464	137,484	75,978
Retiring Benefit Obligations	290,297	204,706	214,784
Deferred Income	111,682	111,804	112,243
Net liability to lessor payable after one year	236,707	240,218	238,480
	<u>696,150</u>	<u>694,212</u>	<u>641,485</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	207,149	150,327	200,024
Net liability to lessor payable within one year	3,543	3,375	3,442
Interest Bearing Loans & Borrowings	114,732	116,853	129,271
Amounts due to related companies	11,694	14,265	10,797
Income Tax Liabilities	14,197	14,671	24,688
	<u>351,315</u>	<u>299,491</u>	<u>368,222</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,505,834</u>	<u>2,111,109</u>	<u>2,320,778</u>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Net Assets per Share	61.41	47.05	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. Ratnayeke  
 Director

11 November 2011  
 Colombo

# INCOME STATEMENT

	Quarter Ended			Six months Ended		
	30 September		Variance	30 September		Variance
	2011	2010	+ / (-)	2011	2010	+ / (-)
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Turnover	561,725	530,091	6	992,132	1,022,093	(3)
Cost of Sales ( Note 7 )	(320,923)	(362,075)	11	(730,739)	(732,537)	0
Gross Profit / (Loss)	240,802	168,016	43	261,394	289,556	(10)
Other Income	6,984	1,936	261	13,819	6,502	113
Administration Expenses	(9,504)	(8,600)	(11)	(18,779)	(17,565)	(7)
Provision for Doubtful Receivable	(55,982)	(17,665)	(217)	(77,149)	(24,104)	(220)
Management Fee	(33,905)	(27,721)	(22)	(34,720)	(49,732)	30
Finance Cost	(14,926)	(8,801)	(70)	(24,870)	(23,068)	(8)
Share of Profit from the Joint Venture	35,288	9,741	262	55,625	23,775	134
Profit / (Loss) before Taxation	168,757	116,906	44	175,319	205,364	(15)
Income Tax Expense	(6,099)	(8,350)	27	(11,397)	(13,450)	15
Net Profit / (Loss) for the period	162,658	108,556	50	163,922	191,914	(15)
	<b>Rs.</b>	<b>Rs.</b>		<b>Rs.</b>	<b>Rs.</b>	
Basic Earnings Per Share	6.85	4.57		6.90	8.08	

# CASH FLOW STATEMENT

For the six months ended 30 September	2011 Rs. '000	2010 Rs. '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation	175,319	205,364
<b>ADJUSTMENTS FOR</b>		
Depreciation / Amortisation	41,182	42,055
Share of Profit from the Joint Venture	(55,625)	9,738
Provision for Defined Benefit Plans	86,991	(1,532)
Amortisation of Grants	(1,967)	23,068
Finance Cost	24,870	(23,775)
Profit from Sale of Fixed Assets	-	(381)
Provision for Doubtful Receivable	77,149	24,104
<b>Operating Profit before Working Capital changes</b>	<b>347,919</b>	<b>278,640</b>
(Increase)/Decrease in Amounts due from Related Companies	(22,029)	4,930
(Increase)/Decrease in Trade & Other Receivables	(86,897)	(19,849)
(Increase)/Decrease in Inventories	(56,943)	(40,848)
Increase/(Decrease) in Amounts due to Related Companies	897	13,227
Increase/(Decrease) in Trade & Other Payables	31,682	15,798
<b>Cash Generated from Operations</b>	<b>214,627</b>	<b>251,898</b>
Defined Benefit Plan Cost Paid	(11,478)	(15,300)
Finance Cost Paid	(8,851)	(9,997)
Income Tax Paid	(24,262)	(2,449)
<b>Net Cash from Operating Activities</b>	<b>170,036</b>	<b>224,153</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Grant Received	1,406	6,630
Dividend Received	17,980	15,044
Field Development Expenditure	(74,461)	(57,618)
Proceeds from Long Term Investments	-	(10,249)
Purchase of Property, Plant & Equipment	(34,634)	381
<b>Net Cash used in Investing Activities</b>	<b>(89,709)</b>	<b>(45,812)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of Government Lease Rentals	(42,103)	-
Proceeds from borrowings	33,194	(18,845)
Payment of loans	(63,001)	-
Dividend Paid	(16,625)	(58,806)
<b>Net Cash used in Financing Activities</b>	<b>(88,535)</b>	<b>(77,651)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(8,208)</b>	<b>100,689</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)	233,142	93,691
<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)
	241,351	(6,998)
<b>NOTE B</b>		
Cash & Cash Equivalents at the end of the period		
Cash & Bank Balances	233,142	107,507
Bank Overdrafts	-	(13,816)
	233,142	93,691

## STATEMENT OF CHANGES IN EQUITY

	<b>Stated Capital Rs. '000</b>	<b>Accumulated Profit / (Loss) Rs. '000</b>	<b>Total Rs. '000</b>
<b>Balance as at 1 April 2010</b>	350,000	575,492	925,492
Net profit/(Loss) for the period	-	191,914	191,914
<b>Balance as at 30 September 2010</b>	<u>350,000</u>	<u>767,406</u>	<u>1,117,406</u>
<b>Balance as at 1 April 2011</b>	350,000	961,072	1,311,072
Net profit/(Loss) for the period	-	163,922	163,922
Dividend Paid	-	(16,625)	(16,625)
<b>Balance as at 30 September 2011</b>	<u>350,000</u>	<u>1,108,369</u>	<u>1,458,369</u>

## NOTES TO THE FINANCIAL STATEMENTS

### For the six months ended 30 September

- |  | <b>2011<br/>Rs.</b> | <b>2010<br/>Rs.</b> |
|--|---------------------|---------------------|
| <b>1 Market Price per Share</b>        |                     |                     |
| - Last Traded price ( For the period ) | 94.90               | 124.30              |
| - Highest ( For the period )           | 139.90              | 126.00              |
| - Lowest ( For the period )            | 86.10               | 29.75               |
- 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 is 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	644,458
Arrears in Wage ( April & May )	9,863
Adjustment to opening balance of Gratuity Provision	76,418
<b>Total Cost of sales</b>	<b>730,739</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 30/09/2011		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	223,400	0.94%	206,900	0.87%
5 Mr T.T.T AL-Nakib	219,000	0.92%	-	-
6 Asian Alliance Insurance PLC-A/C 2	192,400	0.81%	-	-
7 Mr.J.R.De Silva	176,100	0.74%	380,100	1.60%
8 Asian Alliance Insurance PLC-General Fund	171,100	0.72%	-	-
9 Mr R.A Rishard	137,000	0.58%	127,000	0.53%
10 Mr M.M Mohamed Makeen	102,700	0.43%	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 Ceylon Guardian Investment Trust PLC	50,000	0.21%	80,000	0.34%
18 Mr C.Chanmugam	50,000	0.21%	50,000	0.21%
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>20,418,498</b>	<b>85.97%</b>		
Balance held by 12,801 shareholders ( 2010/11 - 13,140 shareholders )	3,331,503	14.03%	3,869,601	16.29%
<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 30/09/2011		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 30/09/2011	As at 31/03/2011
Dr. S. Yaddhige - Chairman	-	-
Mr.J.H.P. Ratnayeke	-	-
Mr.S.S. Poholiyadde	-	-
Mr.Neville Peiris	-	-
Mrs.L.D.Senayake	-	-

## SEGMENT INFORMATION

For the six months ended 30 September

	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	381,833	515,306	370,836	299,160	217,195	192,630	22,268	14,998	992,132	1,022,093
Revenue Expenditure	(363,831)	(480,742)	(169,903)	(134,724)	(56,972)	(56,319)	(12,920)	(9,981)	(603,627)	(681,766)
Depreciation / Amortization	(11,309)	(11,321)	(14,497)	(14,534)	(11,082)	(12,966)	(4,132)	(3,112)	(41,021)	(41,933)
Non Cash Expense -Gratuity	(25,915)	(3,073)	(47,400)	(4,543)	(11,243)	(1,080)	(1,533)	(143)	(86,091)	(8,838)
Segment Results	<u>(19,222)</u>	<u>20,170</u>	<u>139,036</u>	<u>145,359</u>	<u>137,898</u>	<u>122,265</u>	<u>3,682</u>	<u>1,762</u>	<u>261,394</u>	<u>289,556</u>
Other Income									13,819	6,502
Administrative Expenses									(18,779)	(17,565)
Provision for Doubtful Receivable									(77,149)	(24,104)
Management Fee									(34,720)	(49,732)
Finance Cost									(24,870)	(23,068)
Share of Profit from the Joint Venture									55,625	23,775
Profit / (Loss) before Taxation									<u>175,319</u>	<u>205,364</u>
Income Tax Expense									<u>(11,397)</u>	<u>(13,450)</u>
									<u>163,922</u>	<u>191,914</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. Yaddhige - Chairman  
Mr. J.H.P. Ratnayeke  
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 Ratnayeke Associates  
International Legal Consultants  
Solicitors and Attorneys-at-law  
No. 59, Gregory's Road,  
Colombo 07.

**Contact Details**

Telephone : 0114310888  
Facsimile : 0114306726  
Internet : www.arpico.com  
E-mail : npl.rpk@arpico.com