

NAMUNUKULA PLANTATIONS PLC



INTERIM FINANCIAL STATEMENTS

2017/18


FOR THE
SIX MONTHS
ENDED 30 SEPTEMBER 2017

STATEMENT OF FINANCIAL POSITION


As at,	30.09.2017	30.09.2016	Audited 31.03.2017
	Rs. '000	Rs. '000	Rs. '000
ASSETS			
Non Current Assets			
Leasehold Property, Plant & Equipment	181,856	198,266	189,525
Freehold Property, Plant & Equipment	372,380	377,944	363,197
Bearer Biological Assets	2,430,481	2,320,209	2,390,071
Consumable Biological Assets	125,318	112,870	125,318
Long Term Investments - (Unquoted)	115,397	141,004	102,288
Financial Assets	250,000	250,000	250,000
Intangible Assets	328,015	332,015	328,015
Total Non Current Assets	<u>3,803,447</u>	<u>3,732,309</u>	<u>3,748,414</u>
Current Assets			
Produce on bearer Biological asset	8,809	5,542	8,809
Inventories	342,293	283,624	231,505
Trade and Other Receivables	143,692	157,738	114,884
Amounts Due from Related Companies	18,630	21,751	19,790
ESC Recoverable	8,965	7,609	2,143
Income Tax Receivable	5,943	-	5,943
Cash and Cash Equivalents	123,253	11,430	10,108
Total Current Assets	<u>651,585</u>	<u>487,692</u>	<u>393,180</u>
TOTAL ASSETS	<u>4,455,032</u>	<u>4,220,001</u>	<u>4,141,594</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	350,000	350,000	350,000
Retained Earnings	2,517,896	2,202,270	2,211,817
Total Equity	<u>2,867,896</u>	<u>2,552,270</u>	<u>2,561,817</u>
Non Current Liabilities			
Interest Bearing Loans & Borrowings	94,304	129,429	99,576
Retirement Benefit Obligations	507,175	522,265	534,771
Deferred Tax Liability	52,958	26,348	52,958
Deferred Income	131,805	131,927	132,598
Lease Creditor	10,577	-	-
Liability to make Lease payment after one year	212,768	216,973	214,737
Total Non Current Liabilities	<u>1,009,587</u>	<u>1,026,942</u>	<u>1,034,640</u>
Current Liabilities			
Trade and Other Payables	452,262	421,721	403,509
Liability to make Lease payment within one year	4,441	4,270	4,355
Lease Creditor	10,110	-	-
Interest Bearing Loans & Borrowings	68,497	130,883	133,602
Amounts Due to Related Companies	18,386	74,426	3,672
Income Tax Liabilities	23,854	9,488	-
Total Current Liabilities	<u>577,550</u>	<u>640,789</u>	<u>545,137</u>
TOTAL LIABILITIES	<u>1,587,136</u>	<u>1,667,731</u>	<u>1,579,778</u>
TOTAL EQUITY AND LIABILITIES	<u>4,455,032</u>	<u>4,220,001</u>	<u>4,141,594</u>
NET ASSETS PER SHARE (RS.)	<u>120.75</u>	<u>107.46</u>	<u>107.87</u>

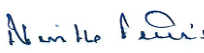
* The above figures are subject to audit.

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,
10 November 2017

STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended 30.09.2017 Rs. '000	Quarter Ended 30.09.2016 Rs. '000	Increase / (Decrease) %	Period Ended 30.09.2017 Rs. '000	Period Ended 30.09.2016 Rs. '000	Increase / (Decrease) %	Audited Year Ended 31.03.2017 Rs. '000
Revenue	840,549	708,328	19%	1,533,084	1,261,873	21%	2,512,274
Cost of Sales	(586,182)	(504,641)	16%	(1,140,999)	(986,011)	16%	(2,068,996)
Gross Profit	254,366	203,687	25%	392,085	275,863	42%	443,278
Other Income	29,675	31,707	-6%	60,451	50,995	19%	117,131
Change in fair value of Biological Assets	-	-	--	-	-	--	15,715
Administrative Expenses	(16,937)	(13,190)	28%	(29,895)	(23,905)	25%	(55,495)
Management Fee	(49,569)	(38,180)	30%	(80,341)	(56,502)	42%	(91,524)
Finance Cost	(12,881)	(15,867)	-19%	(25,476)	(32,795)	-22%	(58,825)
Impairment of Goodwill	-	-	--	-	-	--	(4,000)
Share of Profit from the Joint Venture	2,433	35,360	-93%	13,108	40,997	-68%	70,000
Profit Before Taxation	207,087	203,517	2%	329,933	254,652	30%	436,280
Income Tax (Expense) / Reversal	(13,885)	(12,071)	15%	(23,854)	(15,431)	55%	(34,330)
Net Profit for the Year	193,202	191,446	1%	306,079	239,221	28%	401,950
Other comprehensive income							
Actuarial gain/(loss) on defined benefit plans	-	-	--	-	-	--	36,160
Income tax effect	-	-	--	-	-	--	(5,699)
Other comprehensive income for the period	-	-	--	-	-	--	30,461
Total comprehensive income for the period	193,202	191,446	1%	306,079	239,221	28%	432,411
Basic Earnings per Share (Rs.)	8.13	8.06		12.89	10.07		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	1,974,923	2,324,923
Net Profit for the period	-	239,221	239,221
Other Comprehensive Income/(Loss)	-	-	-
Dividends	-	(11,875)	(11,875)
Balance as at 30 September 2016	<u>350,000</u>	<u>2,202,270</u>	<u>2,552,270</u>
Balance as at 1 April 2017	350,000	2,211,817	2,561,817
Net Profit for the period	-	306,079	306,079
Other Comprehensive Income/(Loss)	-	-	-
Balance as at 30 September 2017	<u><u>350,000</u></u>	<u><u>2,517,896</u></u>	<u><u>2,867,896</u></u>

* The above figures are subject to audit.

STATEMENT OF CASH FLOWS

Period ended,	30.09.2017	30.09.2016
	Rs. '000	Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Taxation	329,933	254,652
ADJUSTMENTS FOR		
Depreciation	75,790	63,687
Finance Cost	25,476	32,795
Provision for Defined Benefit Plan Cost	22,094	21,726
Amortization of Grants	(1,824)	(1,805)
Fair Valuation charged against timber proceeds	-	814
Share of Profit of Joint Venture	(13,108)	(40,997)
Operating profit before working capital changes	<u>438,360</u>	<u>330,872</u>
(Increase)/Decrease in Inventories	(110,789)	(71,294)
(Increase)/Decrease in Trade and other Receivables	(28,808)	(38,282)
(Increase)/Decrease in Amounts due from Related Companies	1,160	(14,676)
Increase/(Decrease) in Trade and Other Payables	48,759	16,747
Increase/(Decrease) in Amounts due to Related Companies	14,715	18,721
Cash Generated from Operating Activities	<u>363,396</u>	<u>242,088</u>
Finance Cost Paid	(2,655)	(11,082)
Defined Benefit Plan Cost Paid	(49,689)	(44,631)
Income Tax (Paid) / Refund	(6,822)	(4,043)
Net Cash Flow From Operating Activities	<u>304,229</u>	<u>182,333</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(2,499)	(3,514)
Share buy back (Unquoted Investment)	-	22,506
Dividend Received	-	2,245
Investments in Immature plantation	(91,473)	(108,973)
Grants Received	1,007	3,294
Net Cash Flow From Investing Activities	<u>(92,964)</u>	<u>(84,443)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Government Lease rentals	(24,704)	(23,846)
Proceeds from borrowings	40,626	21,000
Repayment of loans	(36,140)	(27,203)
Dividend Paid	-	(11,875)
Net Cash Flow From Financing Activities	<u>(20,218)</u>	<u>(41,924)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	191,047	55,966
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>123,253</u></u>	<u><u>(67,337)</u></u>
NOTE A : Cash & Cash Equivalents at the Beginning of the Period		
Cash & Bank Balances	10,108	20,977
Bank Overdrafts	(77,902)	(144,280)
	<u>(67,794)</u>	<u>(123,304)</u>
NOTE B : Cash & Cash Equivalents at the End of the Period		
Cash & Bank Balances	123,253	11,430
Bank Overdrafts	-	(78,767)
	<u>123,253</u>	<u>(67,337)</u>

* The above figures are subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

1. Market Price per Share

	Quarter Ended 30.09.2017 Rs.	Quarter Ended 30.09.2016 Rs.	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
Last traded price	90.00	74.80	74.00	59.50
Highest	91.00	79.00	87.00	85.00
Lowest	72.10	70.10	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 2017.
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. These interim financial statements does not include the Gain/(Loss) arising from the valuation of biological assets as the amounts involved are not considered material.
7. Financial Statements does not include/classify Actuarial Gain/(Loss) on defined benefit plan costs as the valuation is done at the year end.
8. 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 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,

	As at 30.09.2017		As at 31.03.2017	
	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 Seylan Bank PLC/Mr.Thirugnanasambandar	460,391	1.94%	256,328	1.08%
4 Mr. T.T.T Al Nakib	395,000	1.66%	395,000	1.66%
5 National Development Bank PLC/Sakuvi Investment Trust (Pvt) Ltd	368,000	1.55%	368,000	1.55%
6 Sampath Bank PLC/Mr.T.Senthilvel	149,538	0.63%	158,137	0.67%
7 J.B. Cocoshell (Pvt) Ltd	130,900	0.55%	-	0.00%
8 Mr.D.F.G.Dalpethado	127,047	0.53%	-	0.00%
9 Pershing LLC S/A Averbach Grauson & Co.	100,000	0.42%	50,000	0.21%
10 Bank of Ceylon No .1 Account	80,000	0.34%	80,000	0.34%
11 Mr.H.A.A.H.Algharabally	77,000	0.32%	77,000	0.32%
12 Mr.K.C.Vignarajah	74,604	0.31%	74,604	0.31%
13 Cocoshell Activated Carbon Co. Ltd	57,387	0.24%	57,387	0.24%
14 Mrs. J.K.P Singh	50,000	0.21%	50,000	0.21%
15 Mr.Z.G.Carimjee	43,200	0.18%	43,200	0.18%
16 T.S.T.T.T. Sathe Secretary to the Treasury-Sundry	38,298	0.16%	38,298	0.16%
17 Mr.N.A. Withana	34,351	0.14%	34,351	0.14%
18 Northstar Holdings (Pvt) Ltd	29,900	0.13%	29,900	0.13%
19 Mrs.S.Vignarajah	29,000	0.12%	29,000	0.12%
20 Mrs.K.Fernando	25,000	0.11%	25,000	0.11%
Sub Total	21,445,653	90.30%		
Balance held by 11,563 (2016/17 - 11,620) shareholders	2,304,348	9.70%	2,353,412	9.91%
Total No. of Shares	23,750,001	100.00%	23,750,001	100.00%

The Percentage of shares held as at ,

	As at 30.09.2017			As at 31.03.2017		
	No. of Shareholders	No. of shares held	%	No. of Shareholders	No. of shares held	%
Public Holding	11,581	8,334,264	35.09%	11,638	8,334,264	35.09%
Other Holding	2	15,415,737	64.91%	2	15,415,737	64.91%
Total No. of Shares	11,583	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 30.09.2017 No. of Shares	As at 31.03.2017 No. of Shares
Dr. S Yaddhige - 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 Yaddhige	Nil	Nil
Mr. Shirley Gerard Devinda Amerasinghe	Nil	Nil
Mr. Sriyan Eriyagama - CEO	Nil	Nil

SEGMENT INFORMATIONS

REVENUE Summary Sale of Goods	2017		2016	
	Rs. '000		Rs. '000	Rs. '000
Tea	802,045		626,746	
Rubber	134,626		123,103	
Oil Palm	563,805		488,084	
Coconut	22,086		14,074	
Cinnamon	10,521		9,867	
	<u>1,533,084</u>		<u>1,261,873</u>	

For the period ended 30 September,	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	802,045	626,746	134,626	123,103	563,805	488,084	22,086	14,074	10,521	9,867	1,533,084	1,261,873
Revenue Expenditure	(748,266)	(632,178)	(117,348)	(140,262)	(164,912)	(114,267)	(8,681)	(9,387)	(8,107)	(7,015)	(1,047,315)	(903,110)
Depreciation / Amortization	(16,646)	(15,132)	(18,833)	(17,733)	(31,704)	(24,151)	(2,442)	(2,413)	(2,866)	(2,645)	(72,490)	(62,075)
Gratuity	(11,686)	(11,675)	(5,279)	(4,894)	(3,833)	(3,852)	(246)	(240)	(150)	(165)	(21,194)	(20,826)
Gross Profit/(Loss)	<u>25,446</u>	<u>(32,240)</u>	<u>(6,833)</u>	<u>(39,786)</u>	<u>363,356</u>	<u>345,813</u>	<u>10,718</u>	<u>2,034</u>	<u>(602)</u>	<u>42</u>	<u>392,085</u>	<u>275,863</u>
Other Income											60,451	50,995
Administrative Expenses											(29,895)	(23,905)
Management Fees											(80,341)	(56,502)
Finance Cost											(25,476)	(32,795)
Share of Profit from the Joint Venture											13,108	40,997
Profit before Taxation											<u>329,933</u>	<u>254,652</u>
Income Tax (Expense)/Reversal											(23,854)	(15,431)
Net Profit for the period											<u>306,079</u>	<u>239,221</u>

* 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

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