

**Interim Financial Statements for
the Period - Ended**

25th Sept. 2018



UNION CHEMICALS LANKA PLC.
Converting Science to Technology

Reg.No: PQ 140

04th Floor, 50, Sarathi Building, Hyde Park
Corner, Colombo 02

Telephone: 94-11-2472924,2472925,

Fax: 94-11-2472926

E-Mail:ucll@ucll.lk

For The Period Ended 25Th Sept.,	Quarter Ended	Quarter Ended	Nine Months Ended	Nine Months Ended	Year Ended
	2018	2017	2018	2017	25-12-17 Audited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Continuing Operations					
Revenue	217,726	166,978	630,659	516,245	700,396
Cost of Sales	(182,279)	(135,335)	(530,305)	(416,591)	(564,690)
Gross profit/(loss)	35,447	31,643	100,355	99,654	135,706
Other operating income	6,164	592	7,486	1,691	2,302
Selling expenses	(7,027)	(6,576)	(12,015)	(15,455)	(16,710)
Administrative expenses	(14,128)	(13,280)	(45,008)	(38,322)	(54,681)
Results from Operating Activities	20,455	12,379	50,817	47,569	66,617
Financing income	668	1,574	2,929	4,712	6,701
Exchange gain /(loss)	(2,658)	360	(3,779)	582	1,057
Financing cost	(2,095)	(749)	(3,482)	(2,064)	(2,552)
Net financing cost	(4,085)	1,185	(4,333)	3,230	5,206
Profit before tax	16,370	13,564	46,485	50,798	71,823
Income tax expense	(5,322)	(4,069)	(14,368)	(15,099)	(21,215)
Profit for the period	11,049	9,495	32,116	35,700	50,608
Acturial gain/(loss) employee benefits	-	-	-	-	173
Total comprehensive income for the period	11,049	9,495	32,116	35,700	50,781
Earnings per Share (Rs.)	7.37	6.33	21.41	23.80	33.74

As at 25th Sept.,	As at 2018	As at 2017	As at 25-12-17 Audited
	Rs.'000	Rs.'000	Rs.'000
Assets			
Property, plant & equipment	219,861	182,125	182,521
Intangible assets	-	2	1
Retirement benefit assets	6,502	5,865	6,502
Other financial assets	85	266	351
Total non-current assets	226,449	188,258	189,375
Current assets			
Inventories	232,383	191,900	175,188
Trade and other receivables	219,854	183,662	201,708
Cash and cash equivalents	19,199	70,269	62,511
Total current assets	471,436	445,831	439,407
Total assets	697,886	634,089	628,782
Equity & liabilities			
Equity			
Stated capital (1,500,000 ordinary shares)	15,000	15,000	15,000
Retained earnings	515,824	488,127	492,708
Equity attributable to owners of the Company	530,824	503,127	507,708
Non-current liabilities			
Retirement benefit Obligations	13,362	10,910	11,230
Deferred tax liability	9,358	7,685	9,358
Term Loans (Secured)	23,550	-	-
Total non-current liabilities	46,269	18,595	20,588
Current liabilities			
Bank overdrafts	4,309	262	-
Loans and borrowings	45,720	24,891	39,458
Trade & other payables	57,834	72,593	45,507
Income tax payable	2,328	5,336	4,935
Dividend payable	10,601	9,287	10,586
Total current liabilities	120,792	112,368	100,486
Total equity & liabilities	697,886	634,089	628,782
	Rs.	Rs.	Rs.
Net Assets per Share	353.88	335.42	338.47

Figures are provisional & subject to audit.

certify that these financial statements comply with the requirement of Companies Act No 07 of 2007.

(Sgd).
UL Pushpakumara
Finance Manager

(Sgd).
H.A.D.U G Gunasekera
Managing Director

(Sgd).
K. M Dissanayaka
Director

26th Oct 2018

STATEMENT OF CHANGES IN EQUITY

As at 25th Sept.,	Stated Capital Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 26th December, 2016	15,000	468,927	483,927
Profit for the period ended 25th December , 2017		50,608	50,608
Acturial gain/(loss) employee benefits		173	173
Final dividend - 2016 (Rs. 11.00)		(16,500)	(16,500)
Interim dividend - 2017 (Rs. 8.00)		(10,500)	(10,500)
Balance as at 25th December 2017	15,000	492,708	507,708
Balance as at 26th December, 2016	15,000	468,927	483,927
Profit for the quarter ended 25th Sept. , 2017	-	35,700	35,700
Final dividend - 2016 (Rs. 11.00)		(16,500)	(16,500)
Balance as at 25th Sept., 2017	15,000	488,127	503,127
Balance as at 26th December, 2017	15,000	492,708	507,708
Profit for the quarter ended 25th Sept. , 2018	-	32,116	32,116
Final dividend - 2017 (Rs. 11.00)		(9,000)	(9,000)
Balance as at 25th Sept, 2018	15,000	515,824	530,824

STATEMENT OF CASH FLOW

For The Period Ended 25Th Sept.,

	2018	2017
	RS.'000	RS.'000
Cash flows from operating activities		
Profit before Tax	46,485	50,798
Adjustment for:		
Depreciation on property, plant and equipment	10,440	10,473
Provision for retirement gratuity	2,131	178
Impairment loss/(reversal) of trade receivables	1,672	(576)
(Gain)/Loss on disposal of property, plant and equipment	(5,376)	(2)
Interest income	(2,929)	(4,712)
Interest expense	3,482	2,064
Operating profit before working capital changes	55,906	58,223
(Increase)/Decrease in inventories	(57,195)	(35,264)
(Increase)/Decrease in trade and other receivables	(20,687)	18,718
Increase/(Decrease) in trade and other payables	12,206	9,345
Cash flows from operating activities	(9,770)	51,022
Retiring gratuity paid	-	504
Income tax paid	(16,975)	(26,042)
Interest paid	(3,362)	(2,120)
Net cash flows from operating activities	(30,108)	23,365
Cash flows from investing activities		
Purchase & construction of property, plant and equipment	(47,957)	(16,429)
Proceeds from disposal of property, plant and equipment	5,552	2
Interest income received	3,797	3,855
Net cash flows from investing activities	(38,607)	(12,572)
Cash flows from financing activities		
loans obtained during the year	944,436	616,874
Repayment of loans	(914,623)	(611,514)
Staff loans (granted)/recovered	266	(191)
Dividend paid	(8,985)	(15,258)
Net cash inflows from financing activities	21,093	(10,089)
Net increase/(decrease) in-cash & cash equivalents	(47,621)	703
Cash & cash equivalents at the beginning of the year	62,511	69,304
Cash & cash equivalents at the end of the period	14,890	70,007
Analysis of cash and cash equivalents		
Cash in hand and at bank	19,199	70,269
Bank overdrafts	(4,309)	(262)
	14,890	70,007

Notes to the Financial Statements

1.1 Accounting Policies and Methods

The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the period ended 25th December 2017, and are in compliance with Sri Lanka Accounting Standards 34- Interim Financial Reporting.

1.2 Application of Sri Lanka Accounting Standards (SLFRS/LKRS)

The Financial Statements for the period ended 25th December 2012 were the first Financial Statements prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKRS) effective from 1st January 2012.

1.3 Segmental Information

	2018			2017		
	Chemicals and plastics	Latex	Total	Chemicals and plastics	Latex	Total
For The Period Ended 25th Sept.,						
Reportable segmental analysis						
Segment revenue	218,811	411,848	630,659	155,423	360,822	516,245
Segment result from operating activities	10,136	40,681	50,817	8,926	38,643	47,569
Net finance cost	(863)	(3,469)	(4,333)	606	2,624	3,230
Segment profit before tax	9,273	37,213	46,485	9,531	41,268	50,798
As at 25th Sept.,						
Property, plant and equipment	43,854	176,007	219,861	34,174	147,954	182,127
Inventories	46,352	186,031	232,383	36,007	155,892	191,900
Trade and other receivables	76,280	143,574	219,854	55,294	128,368	183,662
Segment assets	166,486	505,613	672,098	125,475	432,214	557,689
Loans and borrowings	9,119	36,601	45,720	4,670	20,220	24,891
Trade and other payables	11,536	46,298	57,834	13,622	58,972	72,593
Segment liabilities	20,656	82,899	103,554	18,291	79,192	97,484

1.4 Related Party Transactions

There have not been any significant changes in the nature of the related party transactions which were disclosed in the Annual Report as at 25th December 2017.

1.5 Events Occurring after the Balance Sheet Date

Subsequent to the date of the balance sheet no events have arisen which require adjustment and/or disclose in the Financial Statements.

1.6 Contingencies

There were no changes in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 25th December, 2017.

1.7 Other Significant Event and Transactions

First Interim Dividend of Rs. 7/- per share for the financial period ended 25th December 2018 to be paid on 29th Oct 2018.

1.8 Market Value per Share during the quarter

	25th Sept. 2018 Rs.	25th Sept. 2017 Rs.
- Highest Price	400.00	630.00
- Lowest Price	310.00	390.00
Market Value per Share - Closing Price as at Sept.	400.00	390.00

1.9 Directors Shareholding

	25th Sept. 2018	25th Sept. 2017
Dr. A M Mubarak	-	-
H.A.D.U.G. Gunasekara (Managing Director)	638,623	638,623
People's Leasing & Finance PLC /Mr. H.A.D.U.G Gunasekara	151,316	151,303
G.R. Pathmaraj	9,687	9,687
T. N. Jayasinghe	-	-
R. D Zilwa	-	-
UL Pushpakumara	-	-
K. M Dissanayaka	-	-

1.10 Public Holding

Public holding as at 25th Sept., 2018 is 25.91 % (As at 25th Sept., 2017 was 25.61 %) and number of public shareholders as at 25th Sept., 2018 is 712.

1.11 Top 20 Shareholders as at 25th Jun. 2018

<u>Names</u>	<u>No. of Shares</u>	<u>%</u>
Mr. H.A.D.U.G. Gunasekara	638,623	42.57
Sampath Bank PLC/Mr.Shabbir Husain Abbas Gulamhussain	223,260	14.88
People's Leasing & Finance PLC/Mr. H.A.D.U.G. GUnasekara	155,196	10.35
K. G. Investment Limited	88,180	5.88
Commercial Bank of Ceylon PLC/S.A. Gulamhusein	66,996	4.47
Mrs. K Gunaratnam	55,615	3.71
Mr.K. Gunaratnam (Decd)	29,548	1.97
Mrs. L.A.M. Gunasekara	19,999	1.33
Mr. K.C. Vignarajah	17,633	1.18
Mr.U.I. Suriyabandara	15,606	1.04
Mrs. S. Mahendran	10,380	0.69
Dr. A.C. Visvalingam	10,359	0.69
Mrs. V. Wijayawardena	9,687	0.65
Mr. G.R. Pathmaraj	9,687	0.65
Ms. S. Gunaratnam	9,687	0.65
Mrs. P.G. King	9,687	0.65
Colombo Investment Trust PLC	6,400	0.43
Colombo Fort Investments PLC	5,500	0.37
Mr. S.K. Hathramani	4,900	0.33
Mrs.Rathnakumari Someswaran Asministratrix of the Estate of Mr. Somasundaram	3,646	0.24