

Lanka Walltiles PLC

Provisional Financial Statements

For the Six months ended 30th September 2018

LANKA WALLTILES PLC
Provisional Financial Statements
For the Six months ended 30th September 2018

Statement of Financial Position				
As at	GROUP		COMPANY	
	30.09.2018 (Unaudited) Rs.'000	31.03.2018 (Audited) Rs.'000	30.09.2018 (Unaudited) Rs.'000	31.03.2018 (Audited) Rs.'000
ASSETS				
Non-current assets				
Property, plant & equipment	15,006,902	14,316,493	4,113,018	4,114,548
Consumable biological assets	543,815	536,575	-	-
Investment Properties	459,407	459,407	-	-
Intangible assets - goodwill	24,519	24,519	-	-
Investments in subsidiaries	-	-	1,276,096	1,276,096
Long term receivables	27,285	27,285	-	-
Deferred tax assets	14,685	14,686	-	-
Total non-current Assets	16,076,612	15,378,965	5,389,114	5,390,644
Current assets				
Inventories	7,427,131	6,113,247	1,893,639	1,606,272
Trade and other receivables	3,554,126	3,450,285	800,820	725,049
Amounts due from related parties	28,252	55,427	41,439	34,628
Income Tax Receivable	96,902	60,851	24,237	-
Short term investments	3,363	3,239	3,363	3,239
Cash and cash equivalents	191,883	660,879	19,880	61,004
Total current assets	11,301,656	10,343,928	2,783,377	2,430,192
Total assets	27,378,268	25,722,893	8,172,491	7,820,836
EQUITY AND LIABILITIES				
Stated capital (No. of shares 54.6 million)	787,765	787,765	787,765	787,765
Reserves	2,566,572	2,566,671	1,531,815	1,531,815
Retained earnings	7,287,828	7,162,378	2,716,928	2,661,459
Share holders' funds	10,642,166	10,516,814	5,036,509	4,981,039
Non controlling interest	3,885,859	3,897,935	-	-
Total equity	14,528,023	14,414,749	5,036,509	4,981,039
Non-current liabilities				
Interest bearing liabilities	1,855,253	1,712,118	106,740	165,180
Deferred tax liabilities	2,000,885	2,032,023	887,282	887,282
Retirement benefit liability	812,764	778,830	115,843	108,706
Deferred income & Capital grants	134,341	136,532	-	-
Total non-current liabilities	4,803,243	4,659,503	1,109,865	1,161,168
Current liabilities				
Trade and other payables	2,115,658	2,714,644	349,320	479,476
Income tax liabilities	7,658	81,847	-	23,834
Amounts due to related parties	42,797	48,528	195,822	167,860
Current portion of interest bearing liabilities	5,880,889	3,803,622	1,480,976	1,007,459
Total current liabilities	8,047,002	6,648,641	2,026,118	1,678,629
Total equity and liabilities	27,378,268	25,722,893	8,172,491	7,820,836
Net Assets Value Per Share (Rs.)	194.91	192.62	92.24	91.23

sgd
Dhammika Perera
Chairman

sgd
J A P M Jayasekera
Managing Director

November 9, 2018

LANKA WALLTILES PLC
Provisional Financial Statements
For the Six months ended 30th September 2018

Statement of Comprehensive Income

Period ended	GROUP					COMPANY				
	Six Months			Quarter		Six Months			Quarter	
	30.09.2018 Rs.'000	30.09.2017 Rs.'000	Variance %	30.09.2018 Rs.'000	30.09.2017 Rs.'000	30.09.2018 Rs.'000	30.09.2017 Rs.'000	Variance %	30.09.2018 Rs.'000	30.09.2017 Rs.'000
Revenue	8,665,383	7,999,360	8.3	4,858,766	4,385,776	1,428,516	1,479,698	(3.5)	786,458	826,974
Cost of sales	(6,739,990)	(5,567,666)	(21.1)	(3,786,242)	(2,930,493)	(1,011,870)	(905,842)	(11.7)	(543,256)	(469,745)
Gross profit	1,925,393	2,431,694	(20.8)	1,072,523	1,455,283	416,646	573,856	(27.4)	243,202	357,229
Other income	63,766	64,138	(0.6)	42,318	38,613	35,231	157,401	(77.6)	20,258	149,901
Distribution cost	(889,612)	(756,552)	(17.6)	(491,834)	(388,614)	(216,078)	(203,400)	(6.2)	(116,605)	(99,768)
Administrative expenses	(522,391)	(461,325)	(13.2)	(293,198)	(230,048)	(84,846)	(88,433)	4.1	(44,987)	(46,463)
Finance income	6,196	94,952	(93.5)	(175)	63,644	160	225	(28.8)	38	90
Finance cost	(358,028)	(270,598)	(32.3)	(192,600)	(152,763)	(74,071)	(53,134)	(39.4)	(39,583)	(27,089)
Profit before tax	225,325	1,102,308	(79.6)	137,034	786,114	77,041	386,515	(80.1)	62,322	333,899
Income tax expense	(89,014)	(293,335)	69.7	(49,988)	(218,005)	(21,572)	(64,058)	(66.3)	(17,450)	(50,904)
Profit for the period	136,310	808,973	(83.2)	87,046	568,109	55,470	322,457	(82.8)	44,872	282,995
Other comprehensive income										
Actuarial Gain/ (Loss) on Retirement Benefit Liability	(16,627)	-	-	(8,313)	-	-	-	-	-	-
Foreign currency translation differences of foreign operations	(285)	-	-	152	-	-	-	-	-	-
Total comprehensive income for the period	119,399	808,973	(85.2)	78,884	568,109	55,470	322,457	(82.8)	44,872	282,995
Profit attributable to:										
Equity holders of Lanka Walltiles PLC	133,743	579,856	(76.9)	86,463	409,677	55,470	322,457	(82.8)	44,872	282,995
Non controlling interest	2,567	229,117	(98.9)	582	158,432	-	-	-	-	-
Profit for the year	136,310	808,973	(83.2)	87,046	568,109	55,470	322,457	(82.8)	44,872	282,995
Total comprehensive income attributable to:										
Equity holders of Lanka Walltiles PLC	125,164	579,856	(78.4)	82,276	409,677	55,470	322,457	(82.8)	44,872	282,995
Non controlling interest	(5,766)	229,117	(102.5)	(3,392)	158,432	-	-	-	-	-
Total comprehensive income	119,399	808,973	(85.2)	78,884	568,109	55,470	322,457	(82.8)	44,872	282,995
Earnings Per Share - Basic (Rs.)	2.45	10.62		1.58	7.50	1.02	5.91		0.82	5.18

Segmental Information

Period ended	GROUP			COMPANY		
	30.09.2018 Rs.'000	30.09.2017 Rs.'000	Variance %	30.09.2018 Rs.'000	30.09.2017 Rs.'000	Variance %
Revenue	4,669,595	4,235,794	10.2	1,428,516	1,479,698	(3.5)
Tiles & associated items	929,498	1,170,858	(20.6)	-	-	-
Plantation products	1,738,172	1,302,627	33.4	-	-	-
Packing materials	1,381,158	1,343,830	2.8	-	-	-
Aluminium products	(53,041)	(53,750)	1.3	-	-	-
Inter Segment Sales	86,766	86,766	0.0	-	-	-
Consolidated revenue	8,665,383	7,999,360	8.3	1,428,516	1,479,698	(3.5)
Profit before tax	401,678	883,646	(54.5)	77,041	386,515	(80.1)
Tiles & associated items	(93,740)	27,970	(435.1)	-	-	-
Plantation products	766	57,868	(98.7)	-	-	-
Packing materials	(83,379)	132,824	(162.8)	-	-	-
Aluminium products	225,325	1,102,308	(79.6)	77,041	386,515	(80.1)
Consolidated profit before tax	225,325	1,102,308	(79.6)	77,041	386,515	(80.1)

LANKA WALLTILES PLC
Provisional Financial Statements
For the Six months ended 30th September 2018

Statement of Changes in Equity

	Attributable to equity holders of the parent				Non controlling Interest	Total Equity
	Stated capital	Reserve	Retained profit	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000		
GROUP						
Balance as at 1st April 2017	787,765	2,409,494	6,625,095	9,822,354	3,791,375	13,613,729
Profit for the year	-	-	579,856	579,856	229,117	808,973
Other comprehensive income	-	-	-	-	-	-
Dividend Paid	-	-	(218,400)	(218,400)	-	(218,400)
Dividend to non controlling interest	-	-	-	-	(67,438)	(67,438)
Share issued to minority shareholders					5,997	5997
Balance as at 30th September 2017	787,765	2,409,494	6,986,551	10,183,811	3,959,051	14,142,861
Balance as at 1st April 2018	787,765	2,566,671	7,162,378	10,516,814	3,897,935	14,414,749
Profit for the year	-	-	133,743	133,743	2,567	136,310
Other comprehensive income	-	(99)	(8,294)	(8,393)	(8,519)	(16,912)
Dividend Paid	-	-	-	-	-	-
Dividend to non controlling interest	-	-	-	-	(6,125)	(6,125)
Balance as at 30th September 2018	787,765	2,566,572	7,287,828	10,642,166	3,885,859	14,528,023
COMPANY						
Balance as at 1st April 2017	787,765	1,237,011	2,494,799	4,519,575	-	4,519,575
Profit for the year	-	-	322,457	322,457	-	322,457
Other comprehensive income	-	-	-	-	-	-
Dividend Paid	-	-	(218,400)	(218,400)	-	(218,400)
Balance as at 30th September 2017	787,765	1,237,011	2,598,855	4,623,631	-	4,623,630
Balance as at 1st April 2018	787,765	1,531,815	2,661,459	4,981,039	-	4,981,039
Profit for the year	-	-	55,470	55,470	-	55,470
Other comprehensive income	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Balance as at 30th September 2018	787,765	1,531,815	2,716,928	5,036,509	-	5,036,509

Share Price

Quarter ended	2018/2019 Rs.	2017/2018 Rs.	Variance %
Highest market price	93.50	130.50	-28
Lowest market price	76.00	99.10	-23
Closing market price	78.90	99.70	-21

LANKA WALLTILES PLC
Provisional Financial Statements
For the Six months ended 30th September 2018

Cash Flow Statement				
Period ended	GROUP		COMPANY	
	30.09.2018 Rs.'000	30.09.2017 Rs.'000	30.09.2018 Rs.'000	30.09.2017 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	225,325	1,102,308	77,041	386,515
Adjustments for;				
Depreciation & amortisation	399,257	347,721	79,460	76,703
Income from investments	-	-	-	(130,281)
Change in Fair value of biological assets	(4,766)	(6,407)	-	-
Profit/(loss) on sale of property, plant & equipment	(5,214)	1,493	1,571	(174)
Interest Income	(6,196)	(94,952)	-	-
Finance costs	358,028	270,598	74,071	53,134
Provision for retirement benefit obligations	62,318	51,853	9,017	6,750
Allowance for obsolete and slow moving inventories	1,700	2,000	800	2,000
Allowance for bad debts	2,729	1,338	2,000	-
Deferred income/ capital grants amortisation	(4,168)	(2,523)	-	-
Foreign exchange (gain)/ loss	29,003	633	(9,989)	(7,233)
Operating profit before working capital changes	1,058,015	1,674,063	233,971	387,414
(Increase)/ decrease in inventories	(1,310,818)	(788,081)	(288,167)	(165,223)
(Increase)/ decrease in trade and other receivables	(106,571)	(327,212)	(77,771)	(81,531)
(Increase)/ decrease in dues from related parties	27,175	(2,824)	(6,811)	(14,008)
Increase in dues to related parties	(5,731)	110,816	27,962	37,750
Increase/ (decrease) in trade and other payables	(625,526)	59,062	(130,280)	17,568
Cash generated from operations	(963,456)	725,824	(241,096)	181,970
Interest received	6,196	94,952	-	-
Finance costs paid	(358,028)	(270,598)	(74,071)	(53,134)
Retirement benefit costs paid	(48,165)	(41,251)	(1,882)	(659)
Income tax paid	(230,391)	(358,913)	(69,642)	(114,510)
Net cash from/ (used in) operating activities	(1,593,843)	150,014	(386,690)	13,667
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES				
Acquisition of property, plant & equipment	(1,011,794)	(384,068)	(79,582)	(42,868)
Acquisition of plantation assets	(87,475)	(125,713)	-	-
proceeds from sale of property, plant & equipment	7,578	412	80	362
Income from investments	-	-	-	130,281
Net cash flows from / (used in) investing activities	(1,091,691)	(509,369)	(79,502)	87,775
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest bearing borrowings obtained	3,479,293	2,775,452	332,644	250,000
Repayment of interest bearing borrowings	(1,856,156)	(2,654,497)	(117,047)	(136,525)
Dividend paid - on ordinary shares	-	(218,400)	-	(218,400)
Dividend paid to non controlling interest	(6,125)	(67,438)	-	-
Capital grants received	1,977	2,199	-	-
Proceeds on issue of shares to minority shareholders	-	5,997	-	-
Net cash flows from financing activities	1,618,989	(156,687)	215,598	(104,925)
Net increase / (decrease) in cash and cash equivalents	(1,066,546)	(516,041)	(250,593)	(3,482)
MOVEMENT IN CASH & CASH EQUIVALENTS				
Foreign currency translation differences of foreign operations	285	-	-	-
Cash and cash equivalents at the beginning of the period	(303,251)	244,355	(285,869)	(331,418)
Cash and cash equivalents at the end of the period	(1,369,512)	(271,687)	(536,463)	(334,900)

Notes

1.) Corporate Information

Lanka Walltiles PLC ("the Company") is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the company is located at No.215, Nawala Road, Narahenpita, Colombo 05.

The Consolidated Financial Statements of the company for the period ended 30th September 2018 comprise Lanka Walltiles PLC (Parent Company) and its subsidiaries (together referred as the " Group"), namely Lanka Tiles PLC, Vallibel Plantation Management Limited, Horana Plantations PLC, Uni-Dil Packaging Ltd, Uni-Dil Packaging Solutions Ltd, Swisstek (Ceylon) PLC, Swisstek Aluminium Ltd, LWL Development (Pvt) Ltd, Beyond Paradise Collection Ltd, Lankatiles (Pvt) Ltd, LTL Development (Pvt) Limited and Swisstek Development (Pvt) Limited.

2.) The above figures are provisional & subject to audit.

3.) The same accounting policies as in the annual report for the year ended 31 March 2018 have been followed in the preparation of financial statements and are in compliance with LKAS 34 - Interim Financial Reporting.

The presentation and classification of the financial statements of the previous period have been amended, with those of the current period, where relevant, for better presentation and to be comparable.

4.) During the 6 month period, Group incurred Rs. 82.36 Mn (Company Rs. 13.16 Mn.) for the services rendered in improving the manufacturing processes. This service has been provided by related companies, Royal Ceramics Lanka PLC & Vallibel One PLC.

5.) There have been no changes in contingent assets and contingent liabilities since 31st March 2018.

6.) There have been no material events occurring after the Balance Sheet date that require adjustments or disclosure to these financial statements.

7.) Directors Holding in Shares as at 30th September 2018

Shareholder	No. of shares	%
Mr. A.M. Weerasinghe	6,610	0.012
Mr. J.A.P.M. Jayasekara	199	0.000
Mr. M W R N Somaratne	11,000	0.020

8.) 20 Major shareholders as at 30th September 2018

Shareholder	No. of shares	%
1.Royal Ceramics Lanka PLC	29,784,218	54.550
2.Mr.A.A. Page	5,159,756	9.450
3. CT Holdings PLC	1,499,628	2.747
4. Arunodhaya Investments (Pvt) Ltd	1,262,669	2.313
5. Arunodhaya (Pvt) Ltd	1,262,669	2.313
6. Arunodhaya Industries (Pvt) Ltd	1,262,669	2.313
7.Mr. D. F. G. Dalpethado & Mrs. H.F. A. K. D. Fonseka	1,006,788	1.844
8.Sri Lanka Insurance Corporation Ltd - Life Fund	807,600	1.479
9. Mrs. A Selliah	746,779	1.368
10. Mrs. A Kailasapillai	697,334	1.277
11.Seylan Bank PLC/W.D.N.H.Perera	689,800	1.263
12.Andysel (Pvt) Ltd	420,000	0.769
13.First Capital Limited	398,816	0.730
14.Mr.A H Udeshi	379,594	0.695
15. Akbar Brothers (Pvt) Ltd A/C No 1	374,534	0.686
16.Mr.K.Aravinthan	336,000	0.615
17. Mellon Bank N.A. - Commonwealth of Massachusetts	285,175	0.522
18. Bank of Ceylon A/C Ceybank Century Growth Fund	236,421	0.433
19. Mr. P K C P Samarasinghe	220,034	0.403
20. Ames Tile & Stone Ltd	177,450	0.325
Sub Total	47,007,934	86.095
Other Shareholders	7,592,066	13.905
Grand Total	54,600,000	100.000

9.) Percentage of public holding as at 30th September 2018 was 26.854 % comprising of 10,975 shareholders.

10.) The float adjusted market capitalization as at 30th September 2018 was Rs.1,156,854,917.70 under option 5 of rule 7.13.1 (a) of the Listing Rules and the company has complied with the minimum public holding requirement applicable under the said option.