

**BALANGODA PLANTATIONS PLC**  
**110, Norris Canal Road - Colombo -10**

INTERIM FINANCIAL STATEMENT  
AS AT 30TH SEPTEMBER 2016



***OUR VISION***

- *To achieve excellence in the production & marketing of tea and rubber both locally and internationally.*

***OUR MISSION***

- *To increase productivity*
- *To encourage team work and motivation amongst the employees and provide for career development*
- *To generate adequate return on capital*
- *To achieve excellence in every sphere of activity towards becoming a model in the private sector corporate entity*

**BALANGODA PLANTATIONS PLC**  
**110, Norris Canal Road - Colombo -10**  
**Provisional Financial Statement for 09 months ended 30th September 2016**

**CORPORATE INFORMATION**

Company	: Balangoda Plantations PLC
Legal Form	: Quoted Public Company
Date of Incorporation	: 11th June 1992
Company Registration No	: P Q 165
Registered Office	: 110, Norris Canal Road, Colombo 10
Board of Directors	: Mr.D H S Jayawardena - Chairman/MD Mr.S K L Obeyesekere - Director/CEO Mr.C R Jansz - Non Executive Director Mr.A.L.Gooneratne - Non Executive Director Dr.A.Shakthevale - Independent Director Mr.D.S.K.Amarasekera - Independent Director
Secretary	: Mr. P A Jayatunga, 833, Sirimavo Bandaranaike Mawatha, Colombo 14. Telephone 2524734 / 2522871
Registrars	: P W Corporate Secretarial (Pvt) Ltd., 3/17, Kynsey Road, Colombo 8. Telephone: 4640360 - 3
Auditors	: Messrs. Ernst & Young, Chartered Accountants, 201 De Saram Place, Colombo 10
Legal Advisors	: Prasanna Goonewardene & Company, Attorneys-at-Law, Solicitors & Notaries Public, 26/01, Colonel T. G. Jayawardena Mawatha, Colombo 3.
Bankers	: Hatton National Bank PLC, Head Office Branch, 481, Darley Road, Colombo -10
Managing Agents	: Stassen Exports (Pvt) Limited, 833, Sirimavo Bandaranaike Mawatha, Colombo 14.

**BALANGODA PLANTATIONS PLC**

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 09 months ended 30th September 2016

**STATEMENT OF COMPREHENSIVE INCOME**

	03 Months ended 30/09/2016 Rs. '000	03 Months ended 30/09/2015 Rs. '000	09 Months ended 30/09/2016 Rs. '000	09 Months ended 30/09/2015 Rs. '000	(Audited) Year ended 31/12/2015 Rs. '000
Revenue	564,407	548,516	1,848,068	1,844,674	2,413,055
Cost of Sales	(615,972)	(678,088)	(1,950,741)	(2,156,776)	(2,862,356)
Gross Profit	(51,565)	(129,572)	(102,673)	(312,102)	(449,301)
Gain/(Loss) on Fair value of Biological Assets	18,000	18,000	54,000	54,000	89,603
Other Operating Income	21,339	27,437	83,842	88,783	128,084
Administration Expenses	(31,068)	(30,561)	(94,524)	(94,892)	(125,154)
Management Fee	(6,227)	(6,227)	(18,681)	(18,681)	(24,908)
Profit from Operating Activities	(49,521)	(120,923)	(78,036)	(282,892)	(381,676)
Finance Cost	(1,487)	(11,482)	(40,858)	(27,443)	(48,778)
Profit before Taxation	(51,008)	(132,405)	(118,894)	(310,335)	(430,454)
Income Tax Expenses	-	-	-	-	87,295
Net Profit/(Loss) for the Period.	(51,008)	(132,405)	(118,894)	(310,335)	(343,159)
Earning per Share	(2.16)	(5.60)	(5.03)	(13.13)	(14.52)
Net Assets per share	91.72	97.79	91.72	97.79	96.75
Number of Shares	23,636,363	23,636,363	23,636,363	23,636,363	23,636,363
Market Value of Share					
Highest (for the period)	16.60	23.90	20.00	29.00	29.00
Lowest (for the period)	14.00	18.00	12.00	18.00	16.90
Closing (for the period)	14.00	19.00	14.00	19.00	17.60

- 1) It is certified that the Financial Statements as at 30th September 2016 have been prepared in compliance with the Provisions of the Companies Act No. 7 of 2007.
- 2) These interim financial statements are provisional and subject to audit.
- 3) These financial statements comply with the Sri Lanka Accounting Standards (SLFRS/LKAS) and the Statements of Recommended Practices (SoRP) and provide the information required by the Colombo Stock Exchange and LKAS 34.

Director

Director

07th November 2016

**BALANGODA PLANTATIONS PLC**  
**110, Norris Canal Road - Colombo -10**  
**Provisional Financial Statement for 09 months ended 30th September 2016**

**STATEMENT OF COMPREHENSIVE INCOME**

	03 Months ended 30/09/2016 Rs.'000	03 Months ended 30/09/2015 Rs. '000	09 Months ended 30/09/2016 Rs.'000	09 Months ended 30/09/2015 Rs. '000	<b>(Audited) Year ended 31/12/2015 Rs. '000</b>
Profit/ (Loss) for the year	(51,008)	-132,405	(118,894)	-310,335	-343,159
<b>Other Comprehensive Income</b>					
Net change in fair value of available -for-sale financial assets	-10	-	59	-	-182
Actuarial gains / (Loss) on defined benefit Plans	-	-	-	-	10,012
Income tax effect	-	-	-	-	-1,578
Total other comprehensive income for the year,net of tax	-10	-	59	-	8,252
<b>Total other comprehensive income for the year,net of tax</b>	<b><u>-51,018</u></b>	<b><u>-132,405</u></b>	<b><u>-118,835</u></b>	<b><u>(310,335)</u></b>	<b><u>-334,907</u></b>

**STATEMENT OF CHANGES IN EQUITY**

	Stated Capital Rs. '000	Timber Reserves Rs. '000	Available for Sale Reserves Rs. '000	Retained Profit/(Loss) Rs. '000	Total Equity Rs. '000
Balance as at 31st December 2014	350,000	1,475,497	663	795,473	2,621,633
Net Profit/(Loss) for the period	-	-	-	-310,335	-310,335
Transferred to Timber Reserve	-	54,000	-	(54,000)	-
Balance as at 30 September 2015	350,000	1,529,497	663	431,138	2,311,298
Balance as at 31 December 2015	350,000	1,565,100	481	371,144	2,286,725
Net Profit/(Loss) for the period	-	-	-	(118,894)	(118,894)
Transferred to Timber Reserve	-	54,000	-	-54,000	-
Other Comprehensive Income	-	-	59	-	59
Balance as at 30 September 2016	350,000	1,619,100	540	198,250	2,167,890

**BALANGODA PLANTATIONS PLC**

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 09 months ended 30th September 2016

**STATEMENT OF FINANCIAL POSITION**

	As at 30-09-2016 Rs. '000	As at 30-09-2015 Rs. '000	(Audited) Year ended 31-12-2015 Rs. '000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Leasehold Property Plant & Equipment	247,576	265,967	261,369
<b>Property Plant &amp; Equipment</b>			
Freehold Property Plant & Equipment	654,956	626,041	688,276
Bearer Biological Assets	2,260,992	1,999,524	2,088,810
Consumable Biological Assets	1,812,992	1,717,828	1,755,819
Available for sale Financial Assets	690	813	631
	<u>4,977,206</u>	<u>4,610,173</u>	<u>4,794,905</u>
<b>CURRENT ASSETS</b>			
Inventories	251,501	294,113	265,304
Trade & Other Receivables	167,813	110,786	142,643
ACT Recoverable	29,469	29,468	29,469
VAT Receivable	13,089	11,566	11,333
Economic Service Charge Recoverable	10,871	10,732	4,782
Amounts due from Related Companies	2,350	3,128	9,321
Short Term Investments	3,423	95,097	62,912
Call Deposits	23,870	25,536	24,329
	<u>502,386</u>	<u>580,426</u>	<u>550,093</u>
<b>TOTAL ASSETS</b>	<u>5,479,592</u>	<u>5,190,599</u>	<u>5,344,998</u>
<b>EQUITY AND LIABILITIES</b>			
Capital and Reserves			
Stated Capital	350,000	350,000	350,000
Timber Reserves	1,619,100	1,529,497	1,565,100
Available for sale Reserves	540	663	481
Retained Earnings	198,250	431,138	371,144
<b>TOTAL EQUITY</b>	<u>2,167,890</u>	<u>2,311,298</u>	<u>2,286,725</u>
<b>Non Current Liabilities &amp; Deferred Income</b>			
Interest Bearing Loans & borrowings	924,838	588,704	714,382
Deferred Tax Liabilities	45,754	140,360	45,754
Deferred Grants & Subsidies	183,013	194,129	191,421
Retirement Benefit Obligations	763,600	711,167	757,903
Net Liabilities to the lessor payable after one year	93,957	95,799	95,344
	<u>2,011,162</u>	<u>1,730,159</u>	<u>1,804,804</u>
<b>Current Liabilities</b>			
Interest Bearing Loans & Borrowings	123,778	39,110	129,127
Net Liabilities to the lessor payable within one year	1,841	1,771	1,789
Dividends Payable	6,536	6,608	6,536
Income Tax Liabilities	14,350	16,141	15,959
Trade & other Payable	557,125	488,226	494,584
Amount due to related companies	126,418	106,254	111,208
Bank Overdraft	470,492	491,032	494,266
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>5,479,592</u>	<u>5,190,599</u>	<u>5,344,998</u>

# BALANGODA PLANTATIONS PLC

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 09 months ended 30th September 2016

## STATEMENT OF CASHFLOW

	09 Months ended 30-09-2016 Rs. '000	09 Months ended 30-09-2015 Rs. '000	(Audited) Year ended 31-12-2015 Rs. '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Taxation	(118,894)	(310,335)	(430,454)
<b>ADJUSTMENT FOR</b>			
Depreciation/ Amortization	74,719	69,720	99,489
Retirement Benefit Obligation - Provision	49,574	55,648	117,566
Amortization of Grants	(8,408)	(8,567)	(11,275)
Interest Income	(410)	(5,825)	(7,531)
Provision for Obsolete Stock	-	-	641
Provision for Doubtful Debts	-	-	429
Interest Expense	40,858	27,443	48,778
Profit on Disposal of Property Plant & Equipment	-	-	(2,731)
Profit on Sale of Timber Trees	-	-	(1,844)
Gain/Losses on Fair Value of Biological Assets	(54,000)	(54,000)	(89,603)
<b>Operating Profit Before Working Capital Changes</b>	<b>(16,561)</b>	<b>(225,916)</b>	<b>(276,535)</b>
(Increases)/Decrease in Inventories	13,802	39,434	67,602
(Increases)/Decrease in Trade & Other Receivables	(26,967)	11,983	(785)
(Increases)/Decrease in amount due from Related Companies	6,970	1,712	(4,481)
Increases/(Decrease) in Trade & Other Payables	69,572	96,417	105,950
Increases/(Decrease) in amounts due to Related Companies	15,210	1,783	6,737
<b>Cash Generated from Operations</b>	<b>62,026</b>	<b>(74,587)</b>	<b>(101,512)</b>
Payment of Economic Service Charges	(6,088)	(5,019)	(6,906)
Retirement Benefit Obligation - Payments	(43,878)	(28,806)	(33,977)
Interest Paid	(35,264)	(13,490)	(39,824)
<b>Net cash from Operating Activities</b>	<b>(23,204)</b>	<b>(121,902)</b>	<b>(182,219)</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Interest Received	452	20,092	10,146
Grants Received	-	-	-
Purchases of Property Plant & Equipment	(3,666)	(119,206)	(143,894)
Investment in Immature Plantations	(199,445)	(157,758)	(314,309)
Proceeds from sale of Property Plant & Equipment	-	-	6,735
<b>Net Cash from/(used in) Investing Activities</b>	<b>(202,659)</b>	<b>(256,872)</b>	<b>(441,322)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts of Loan	327,000	114,766	344,136
Repayment of Loans	(121,893)	(23,935)	(37,610)
Payment to Lessor on lease Rights	(15,268)	(7,188)	(14,742)
Dividends Paid	-	-	-
<b>Net cash Used in Financing Activities</b>	<b>189,839</b>	<b>83,643</b>	<b>291,784</b>
Net Increase /(Decrease) in Cash & Cash Equivalents	<b>(36,024)</b>	<b>(295,131)</b>	<b>(331,757)</b>
Cash & Cash Equivalents at the beginning of the year	(407,025)	(75,268)	(75,268)
Cash & Cash Equivalents at the end of the year	(443,049)	(370,399)	(407,025)
	<b>(36,024)</b>	<b>(295,131)</b>	<b>(331,757)</b>

**BALANGODA PLANTATIONS PLC**  
**110, Norris Canal Road - Colombo -10**  
**Provisional Financial Statement for 09 months ended 30th September 2016**

**ADDITIONAL NOTES**

**Notes to the Financial Statement**

1. Other than contingent liabilities which may arise from fair value adjustments, there has not been a significant change in the nature of contingent assets and contingent liabilities which were disclosed in the Annual Report for the year ended 31
2. Liability to the management fees and other similar expenditure have been provided in the Interim accounts.
3. No circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the financial statements.
4. Same accounting policies and methods of computation are followed in the interim financial statements for the 09 months period ended 30 September 2016, as compared with the annual financial statements for the year ended 31 December 2015.
5. The Statement of Recommended Practice (SoRP) for Right-to-use of Land on Lease was approved by the Council of the Institute of Chartered Accountants of Sri Lanka on 19th December 2012. Subsequently, the amendments to the SoRP along with the modification to the title as Statement of Alternative Treatment (SoAT) were approved by the Council on 21st August 2013. The Company has not reassessed the Right-to-use of Land because this is not mandatory requirement.

**BALANGODA PLANTATIONS PLC****110, Norris Canal Road - Colombo -10****Provisional Financial Statement for 09 months ended 30th September 2016****ADDITIONAL NOTES**

The Names and the Numbers of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held - 30th September, 2016.

No	NAME/ADDRESS	NO. OF SHARES	% OF ISSUED CAPITAL
1	Melstacorp Limited	10,217,300	43.23
2	Milford Exports(Ceylon) (Pvt) Limited	3,636,363	15.38
3	Employees Provident Fund	1,351,098	5.72
4	Macksons Holdings (Pvt) Limited	662,459	2.80
5	Merchant Bank of Sri Lanka Ltd A/C No.1	497,486	2.10
6	Mr.M.M.M.Milfer	376,894	1.59
7	Dr.T Senthilverl	352,693	1.49
8	Associated Electrical Corporation Ltd.	195,866	0.83
9	Mr.M.H.Nassim Hussain	150,779	0.64
10	Cocoshell Activated Carbon Company Limited	145,900	0.62
11	Mr.K.N.Karunaratne	140,387	0.59
12	First Capital Markets Limited / Ventura Crystal (Pvt) Limited	136,000	0.58
13	Mrs.M.W.Pathmalatha	126,663	0.54
14	Mr. R. Maheswaran	112,834	0.47
15	Mr.A.J.M. Jinadasa	111,600	0.47
16	Mr. A. K. Palliya Guruge Don	108,000	0.46
17	Seylan Bank PLC/Mr.Duleep Nissanka Daluwatte	74,911	0.32
18	Mrs.W.W.Somawathie	68,600	0.29
19	Gnanam Imports(Pvt)Ltd	61,372	0.26
20	Tranz Dominion L.L.C	56,891	0.24

Number of Public Shareholders - 18,461

The Public holding percentage - 41.39%

A statement of each director's holding and Chief Executive Officer's holding in shares of the entity at the end of each financial year 30th September, 2016

Name	Non CDS	CDS	Total
Mr.D H S Jayawardena - Chairman/MD	-	-	-
Mr.S K L Obeyesekere - Director/CEO	-	-	-
Mr.C R Jansz - Non Executive Director	-	-	-
Mr. A.L. Gooneratne - Non Executive Director	-	-	-
Dr.A Shakthevale - Independent Director	-	-	-
Mr.D S K Amarasekera - Independent Director	-	-	-

Number of shares representing the Entity's stated Capital  
23,636,363



# BALANGODA PLANTATIONS PLC

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 09 months ended 30th September 2016

## SEGMENT INFORMATION

### REVENUE

#### Sale of Goods

Segmental Information Segment	30-09-2016 Tea	30-09-2015 Tea	30-09-2016 Rubber	30-09-2015 Rubber	30-09-2016 Total	30-09-2015 Total
	Rs.('000)	Rs.('000)	Rs.('000)	Rs.('000)	Rs.('000)	Rs.('000)
<b>(a) Segment Revenue</b>						
Revenue	1,690,402	1,706,490	157,666	138,184	1,848,068	1,844,674
Cost of Sales	(1,755,667)	(1,967,584)	(195,074)	(189,192)	(1,950,741)	(2,156,776)
Segment Results	(65,265)	(261,094)	(37,408)	(51,008)	(102,673)	(312,102)
<b>Unallocated</b>						
Other Operating Income					83,842	88,783
Administrative Expenses					(94,524)	(94,892)
Management Fees					(18,681)	(18,681)
Finance Cost					(40,858)	(27,443)
Gain on Change in Fair Value of Biological Asset					54,000	54,000
Profit/(Loss) before Income Tax Expense					<b>(118,894)</b>	<b>(310,335)</b>
<b>(b) Segment Assets</b>						
Non Current Assets	1,091,375	1,055,729	1,827,453	1,720,055	2,918,828	2,775,784
Current Assets	237,060	248,538	48,131	68,316	285,191	316,854
	<b>1,328,435</b>	<b>1,304,267</b>	<b>1,875,584</b>	<b>1,788,371</b>	<b>3,204,019</b>	<b>3,092,638</b>
<b>Unallocated</b>						
Non Current Assets					2,058,378	1,834,389
Current Assets					217,195	263,572
Total Assets					<b>5,479,592</b>	<b>5,190,599</b>
<b>Segment Liabilities</b>						
Non Current Liabilities	925,135	755,041	140,781	122,841	1,065,916	877,882
Current Liabilities	278,668	281,080	47,088	59,755	325,756	340,835
Total Liabilities	<b>1,203,803</b>	<b>1,036,121</b>	<b>187,869</b>	<b>182,596</b>	<b>1,391,672</b>	<b>1,218,717</b>
<b>Unallocated</b>						
Non Current Liabilities					945,246	852,277
Current Liabilities					974,784	808,307
Total Liabilities					<b>3,311,702</b>	<b>2,879,301</b>
<b>Equity</b>					<b>2,167,890</b>	<b>2,311,298</b>