

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

INTERIM FINANCIAL STATEMENT
AS AT 30th JUNE 2018



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 06 months ended 30th June 2018

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.A.S.Perera - Executive Director Mr.D Hasitha S Jayawardena - Non Executive Director 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.

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STATEMENT OF PROFIT OR LOSS

	03 Months ended 6/30/2018 Rs. '000	03 Months ended 6/30/2017 Rs. '000	06 Months ended 6/30/2018 Rs. '000	06 Months ended 6/30/2017 Rs. '000	(Audited) Year ended 12/31/2017 Rs. '000
Revenue	621,942	936,495	1,238,907	1,752,419	3,056,067
Cost of Sales	(653,392)	(781,065)	(1,239,191)	(1,529,223)	(2,932,347)
Gross Profit	(31,450)	155,430	(284)	223,196	123,720
Gain/(Loss) on Fair value of Biological Assets	(2,144)	22,066	(496)	22,987	74,112
Other Operating Income	15,550	170,429	40,672	203,475	302,985
Administration Expenses	(20,790)	(29,743)	(38,076)	(62,381)	(194,866)
Management Fee	-	4,488	-	(1,963)	(2,053)
Profit from Operating Activities	(38,834)	322,670	1,816	385,314	303,898
Finance Cost	(59,934)	(52,797)	(111,652)	(100,213)	(203,123)
Profit before Taxation	(98,768)	269,873	(109,836)	285,101	100,775
Income Tax Expenses	-	-	-	-	(192,437)
Net Profit/(Loss) for the Period.	(98,768)	269,873	(109,836)	285,101	(91,662)
Earning per Share	(4.18)	11.42	(4.65)	12.06	(3.88)
Net Assets per share	81.25	100.89	81.25	100.89	85.90
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)	28.00	17.50	32.30	17.50	20.00
Lowest (for the period)	17.00	12.00	17.00	10.60	11.80
Closing (for the period)	18.50	14.70	18.50	14.70	12.20

- 1) It is certified that the Financial Statements as at 30th June 2018 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.

D H S Jayawardena
Chairman/Managing Director

Anusha Perera
Executive Director

13th August, 2018

BALANGODA PLANTATIONS PLC
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STATEMENT OF COMPREHENSIVE INCOME

	03 Months ended 6/30/2018 Rs. '000	03 Months ended 6/30/2017 Rs. '000	06 Months ended 6/30/2018 Rs. '000	06 Months ended 6/30/2017 Rs. '000	(Audited) Year ended 12/31/2017 Rs. '000
Profit/ (Loss) for the year	(98,768)	269,873	(109,836)	285,101	(91,662)
Other Comprehensive Income					
Net change in fair value of available -for-sale financial assets	(42)	14	(38)	(39)	(47)
Actuarial gains / (Loss) on defined benefit Plans	-	-	-	-	26,095
Income tax effect	-	-	-	-	(3,653)
Total other comprehensive income for the year,net of tax	(42)	14	(38)	(39)	22,395
Total other comprehensive income for the year,net of tax	(98,810)	269,887	(109,874)	285,062	(69,267)

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 31 December 2016	350,000	1,569,770	357	179,371	2,099,498
Net Profit/(Loss) for the period	-	-	-	285,101	285,101
Transferred to Timber Reserve	-	18,000	-	(18,000)	-
Other Comprehensive Income	-	-	(39)	-	(39)
Balance as at 30 June 2017	350,000	1,587,770	318	446,472	2,384,560
Balance as at 31 December 2017	350,000	1,591,918	310	88,003	2,030,231
Net Profit/(Loss) for the period	-	-	-	(109,836)	(109,836)
Transferred to Timber Reserve	-	-	-	-	-
Other Comprehensive Income	-	-	(38)	-	(38)
Balance as at 30 June 2018	350,000	1,591,918	272	(21,833)	1,920,357

BALANGODA PLANTATIONS PLC

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Provisional Financial Statement for 06 months ended 30th June 2018

STATEMENT OF FINANCIAL POSITION

	<i>Restated</i> As at 6/30/2018 Rs. '000	<i>Restated</i> As at 6/30/2017 Rs. '000	(Audited) Year ended 12/31/2017 Rs. '000
ASSETS			
Non Current Assets			
Leasehold Property Plant & Equipment	218,102	233,782	226,017
Property Plant & Equipment			
Freehold Property Plant & Equipment	609,860	635,690	616,143
Bearer Biological Assets	2,551,916	2,414,891	2,489,634
Consumable Biological Assets	1,805,472	1,789,340	1,805,472
Available for sale Finance Assets	422	468	460
	<u>5,185,772</u>	<u>5,074,171</u>	<u>5,137,726</u>
CURRENT ASSETS			
Produce on Bearer Biological Assets	3,595	4,987	4,091
Inventories	348,815	387,341	277,726
Trade & Other Receivables	126,135	167,881	94,022
ACT Recoverable	-	29,469	-
VAT Receivable	13,132	12,189	13,007
Economic Service Charge Recoverable	21,813	13,890	14,899
Amounts due from Related Companies	11,183	7,309	10,808
Short Term Investments	298	3,317	327
Cash and cash equivalents	12,812	13,608	14,509
	<u>537,783</u>	<u>639,991</u>	<u>429,389</u>
TOTAL ASSETS	<u>5,723,555</u>	<u>5,714,162</u>	<u>5,567,115</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	350,000	350,000	350,000
Timber Reserves	1,591,918	1,587,770	1,591,918
Available for Sale Reserves	272	318	310
Retained Earnings	(21,833)	446,472	88,003
TOTAL EQUITY	<u>1,920,357</u>	<u>2,384,560</u>	<u>2,030,231</u>
Non Current Liabilities & Deferred Income			
Interest Bearing Loans & borrowings	1,523,297	945,483	1,320,109
Deferred Tax Liabilities	192,979	4,921	192,979
Deferred Grants & Subsidies	164,569	175,074	169,783
Retirement Benefit Obligations	685,533	684,384	683,471
Net Liabilities to the lessor payable after one year	90,566	92,534	91,551
	<u>2,656,944</u>	<u>1,902,396</u>	<u>2,457,893</u>
Current Liabilities			
Interest Bearing Loans & Borrowings	111,552	125,306	145,148
Net Liabilities to the lessor payable within one year	1,969	1,896	1,934
Dividends Payable	6,247	6,373	6,247
Income Tax Liabilities	15,829	15,328	15,829
Trade & other Payable	448,624	772,121	422,594
Amount due to related companies	104,070	2,515	49,280
Bank Overdraft	457,963	503,667	437,959
	<u>1,146,254</u>	<u>1,427,206</u>	<u>1,078,991</u>
TOTAL EQUITY AND LIABILITIES	<u>5,723,555</u>	<u>5,714,162</u>	<u>5,567,115</u>

BALANGODA PLANTATIONS PLC

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Provisional Financial Statement for 06 months ended 30th June 2018

STATEMENT OF CASHFLOW

	06 Months ended 6/30/2018 Rs. '000	06 Months ended 6/30/2017 Rs. '000	(Audited) Year ended 12/31/2017 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Taxation	(109,836)	285,101	100,775
ADJUSTMENT FOR			
Depreciation/ Amortization	44,112	48,470	108,370
Retirement Benefit Obligation - Provision	31,180	31,955	117,436
Amortization of Grants	(5,215)	(5,290)	(10,580)
Interest Income	(95)	(173)	(157)
Povision for Obsolete Stock	-	-	(127)
Provision for Doubtful Debts	-	-	4
Interest Expense	111,652	100,213	203,123
Profit on Disposal of Property Plant & Equipment	-	-	5,903
Impairment of Immature Pantation (Rubber)	-	-	20,720
Gain/Losses on Fair Value of Biological Assets	496	(18,000)	(74,112)
Loss of disposal of valuable timber trees	-	-	53,118
Operating Profit Before Working Capital Changes	72,294	442,276	524,473
(Increases)/Decrease in Inventories	(71,089)	(46,480)	63,003
(Increases)/Decrease in Trade & Other Receivables	(32,144)	(69,827)	4,154
(Increases)/Decrease in amount due from Related Companies	(374)	(2,281)	(5,781)
Increases/(Decrease) in Trade & Other Payables	(22,142)	41,141	(289,963)
Increases/(Decrease) in amounts due to Related Companies	54,790	(131,087)	(84,322)
Cash Generated from Operations	1,335	233,742	211,564
Payment of Economic Service Charges	(6,915)	(5,907)	(14,449)
Retirement Benefit Obligation - Payments	(29,118)	(25,154)	(85,452)
Interest Paid	(56,440)	(67,277)	(186,485)
Net cash from Operating Activities	(91,138)	135,404	(74,822)
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest Received	-	85	151
Grants Received	-	-	-
Purchases of Property Plant & Equipment	(6,127)	(4,711)	(7,189)
Investment in Immature Plantations	(86,068)	(124,622)	(262,284)
Proceeds from sale of Property Plant & Equipment	-	-	6,011
Net Cash from/(used in) Investing Activities	(92,195)	(129,248)	(263,311)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts of Loan	250,914	84,926	569,282
Repayment of Loans	(81,321)	(98,206)	(151,220)
Payment to Lessor on lease Rights	(7,991)	(15,426)	(38,734)
Dividends Paid	-	-	(126)
Net cash Used in Financing Activities	161,602	(28,706)	379,202
Net Increase /(Decrease) in Cash & Cash Equivalents	(21,731)	(22,550)	41,069
Cash & Cash Equivalents at the beginning of the year	(423,123)	(464,192)	(464,192)
Cash & Cash Equivalents at the end of the year	(444,854)	(486,742)	(423,123)
	(21,731)	(22,550)	41,069

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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. No circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the financial statements.
3. Same accounting policies and methods of computation are followed in the interim financial statements for the 06 months period ended 30 June 2018, as compared with the annual financial statements for the year ended 31 December 2017.
4. 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
5. Amendment to LKAS 16 and LKAS 41, on Bearer plants, harvestable biological assets growing on the bearer plants are measured at their fair value less cost to sell and accounted retrospectively.
6. The aggregate value of the non-recurrent Related Party Transaction of the loans of Rs.251Mn obtained from Melstacorp PLC has exceeded 10% of equity.

BALANGODA PLANTATIONS PLC**110, Norris Canal Road - Colombo -10****Provisional Financial Statement for 06 months ended 30th June 2018****ADDITIONAL NOTES**

The Names and the Numbers of shares held be the 20 largest holders of voting and non-voting shares and the percentage of such shares held - 30th June, 2018.

No	NAME/ADDRESS	NO. OF SHARES	% OF ISSUED CAPITAL
1	Melstacorp PLC	13,853,663	58.61
2	Employees Provident Fund	1,351,098	5.72
3	Associated Electrical Corporation Ltd.	328,170	1.39
4	Sandwave Limited	166,611	0.71
5	Seylan Bank PLC/S R Fernando	149,097	0.63
6	First Capital Markets Limited / Ventura Crystal (Pvt) Limited	136,000	0.58
7	Cocoshell Activated Carbon Company Limited	129,700	0.55
8	Mr.KMSM Rajabudeen	116,679	0.49
9	Mr.R Maheshwaran	112,834	0.48
10	Mr. Ajith Krishantha Palliya Guruge Don	108,000	0.46
11	Capital Trust holdings Ltd	107,982	0.46
12	Mr.F A Azhar	106,391	0.45
13	Mr.K.N.Karunaratne	105,200	0.45
14	Mr.M.A.Nazeer	100,018	0.42
15	Merchant Bank of Sri Lanka PLC/J.A.S.Priyantha	90,625	0.38
16	People's Leasing & Finance PLC/Mr.M I Samsudeen	74,900	0.32
17	Mr.R E Rambukwella	68,255	0.29
18	Mr.M S M Nadheer	66,430	0.28
19	Mr.F.S.Mariathan	64,181	0.27
20	Mr.M Z Rasheed	60,433	0.26

Number of Public Shareholders - 18,498

The Public holding percentage - 41.37%

A statement of each director's holding and Chief Executive Officer's holding in shares of the entity at the end of each financial period 30th June, 2018

Name	Non CDS	CDS	Total
Mr.D H S Jayawardena - Chairman/MD	-	-	-
Mr.A.S.Perera - Executive Director	-	-	-
Mr.D Hasitha S Jayawardena - Non Executive Director	-	-	-
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		

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SEGMENT INFORMATION

REVENUE

Sale of Goods

Segmental Information	2018-06-30	2017-06-30	2018-06-30	2017-06-30	30-06-2018	30-06-2017
Segment	Tea	Tea	Rubber	Rubber	Total	Total
	Rs.	Rs.	Rs.	Rs.		
(a) Segment Revenue						
Revenue	1,107,723	1,615,863	131,184	136,556	1,238,907	1,752,419
Cost of Sales	(1,091,851)	(1,391,593)	(134,948)	(137,630)	(1,226,799)	(1,529,223)
Segment Results	15,872	224,270	(3,764)	(1,074)	12,108	223,196
Unallocated						
Other Operating Income					40,176	203,475
Administrative Expenses					(38,076)	(62,381)
Management Fees					-	(1,963)
Finance Cost					(111,652)	(100,213)
Gain on Change in Fair Value of Biological Asset					-	22,987
Profit/(Loss) before Income Tax Expense					(97,444)	285,101
(b) Segment Assets						
Non Current Assets	968,304	1,025,795	2,311,817	2,159,098	3,280,121	3,184,893
Current Assets	372,959	400,763	35,880	39,049	408,839	439,812
	1,341,263	1,426,558	2,347,697	2,198,147	3,688,960	3,624,705
Unallocated						
Non Current Assets					1,905,651	1,889,278
Current Assets					128,944	200,179
Total Assets					5,723,555	5,714,162
Segment Liabilities						
Non Current Liabilities	730,000	731,727	120,102	127,731	850,102	859,458
Current Liabilities	359,247	405,016	50,531	47,139	409,778	452,155
Total Liabilities	1,089,247	1,136,743	170,633	174,870	1,259,880	1,311,613
Unallocated						
Non Current Liabilities					1,806,842	1,042,939
Current Liabilities					711,619	975,050
Total Liabilities					3,778,341	3,329,602
Equity					1,945,214	2,384,560