

ELPITIYA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30th SEPTEMBER 2016

ELPITIYA PLANTATIONS PLC

STATEMENT OF FINANCIAL POSITION

Group		Company		Group		Company	
Audited As at 31.03.2016 Rs.'000	Audited As at 31.03.2016 Rs.'000			Unaudited As at 30.09.2016 Rs.'000	Unaudited As at 30.09.2015 Rs.'000	Unaudited As at 30.09.2016 Rs.'000	Unaudited As at 30.09.2015 Rs.'000
		Assets					
		Non current assets					
274,573	274,573	Leasehold property plant and equipment		264,166	289,156	264,166	289,156
776,560	558,332	Freehold property plant and equipment		767,566	723,641	550,032	499,152
2,796,548	2,796,548	Bearer biological assets		2,862,058	2,720,475	2,862,058	2,720,475
949,013	949,013	Consumable biological assets		954,092	914,865	954,092	914,865
37,500	37,500	Other non current asset		37,500	-	37,500	-
220,057	144,128	Investments		214,432	163,265	141,376	63,128
5,054,251	4,760,094			5,099,814	4,811,402	4,809,224	4,486,776
		Current assets					
217,569	217,537	Inventories		210,722	209,409	210,690	209,377
204,767	202,359	Trade and other receivables		202,550	134,445	200,054	127,146
18,147	135,697	Amounts due from related companies		36,115	29,996	163,619	152,019
-	-	Income tax receivables		-	1,153	-	1,153
32,548	24,041	Cash and bank balances		70,902	30,724	65,061	25,013
473,031	579,633			520,288	405,727	639,424	514,708
5,527,282	5,339,728	TOTAL ASSETS		5,620,102	5,217,130	5,448,648	5,001,484
		Equity and liabilities					
		Capital and reserves					
694,236	694,236	Stated capital		694,236	694,236	694,236	694,236
756,836	756,836	Timber reserve		756,836	725,733	756,836	725,733
1,934,823	1,823,610	Accumulated profits		2,073,495	1,786,709	1,968,274	1,650,906
3,385,895	3,274,683	Total equity attributable to equity holders of the company		3,524,566	3,206,678	3,419,346	3,070,876
(3,854)	-	Non-controlling interest		(3,965)	(3,651)	-	-
3,382,041	3,274,683	Total equity		3,520,601	3,203,026	3,419,346	3,070,876
		Non current liabilities					
331,055	271,300	Interest bearing loans and borrowings		278,145	231,061	228,350	157,728
583,690	583,690	Retirement benefit obligations		567,126	623,531	567,126	623,531
263,801	263,801	Deferred income		261,195	165,339	261,195	165,339
125,918	125,918	Deferred tax liability		128,918	90,816	128,918	90,816
172,254	172,254	Net liability to the lessor payable		170,486	173,891	170,486	173,891
1,476,718	1,416,963			1,405,870	1,284,638	1,356,075	1,211,305
		Current liabilities					
353,325	333,407	Interest bearing loans and borrowings		333,629	375,084	313,711	365,918
3,274	3,274	Net liability to the lessor payable		3,340	3,211	3,340	3,211
264,764	264,302	Trade and other payables		283,241	250,562	282,795	249,595
44,253	44,253	Amounts due to related companies		72,788	100,578	72,823	100,578
2,906	2,847	Income tax payable		634	29	559	-
668,523	648,082			693,632	729,464	673,228	719,303
5,527,282	5,339,728	TOTAL EQUITY AND LIABILITIES		5,620,102	5,217,130	5,448,648	5,001,484
46.47	44.94	Net assets per share		48.37	44.01	46.93	42.14

Ruwan Nissanka
GM - Finance

Signed on behalf of the Board of Directors of Elpitiya Plantations PLC

Rohan.M. Fernando
Managing Director
07.11.2016

A. L. W. Goonewardena
Director
07.11.2016

ELPITIYA PLANTATIONS PLC

INCOME STATEMENT

Group

Audited Year ended 31.03.2016 Rs.'000		3 months			6 months ended		
		Unaudited 30.09.2016 Rs.'000	Unaudited 30.09.2015 Rs.'000	Change	Unaudited 30.09.2016 Rs.'000	Unaudited 30.09.2015 Rs.'000	Change
2,444,426	Revenue	789,430	619,061	28%	1,402,257	1,294,799	8%
(2,269,114)	Cost of sales	(670,942)	(624,895)	7%	(1,189,852)	(1,216,710)	-2%
175,312	Gross Profit	118,488	(5,834)	2131%	212,405	78,088	172%
43,850	Gain on fair value of biological assets	-	-	-	-	-	-
309,428	Other income	35,491	17,879	99%	57,861	45,841	26%
(285,214)	Administration expenses	(39,690)	(39,931)	-1%	(81,269)	(70,802)	15%
(35,890)	Management fee and workers profit share	(20,988)	2,338	-998%	(35,168)	(13,562)	159%
(76,935)	Finance cost	(28,895)	(22,254)	30%	(56,677)	(45,419)	25%
505	Finance income	82	-	100%	197	-	100%
89,455	Share of profit of joint ventures	35,068	35,397	-1%	44,485	48,251	-8%
220,511	Profit before taxation	99,556	(12,404)	903%	141,833	42,398	235%
(24,270)	Tax expenses	(1,505)	2,984	-150%	(3,273)	(45)	7236%
196,241	Profit for the period	98,051	(9,420)	1141%	138,560	42,353	227%
	Attributable to						
196,598	Equity holders of the parent	98,109	(9,299)	1155%	138,672	42,508	226%
(357)	Non controlling Interest	(58)	(122)	-52%	(112)	(155)	-28%
196,241	Net Profit for the period	98,051	(9,421)		138,560	42,353	

2.69 Earnings per share

1.35 (0.13)

1.90 0.58

Audited Year ended 31.03.2016 Rs.'000		3 months		06 months ended	
		Unaudited 30.09.2016 Rs.'000	Unaudited 30.09.2015 Rs.'000	Unaudited 30.09.2016 Rs.'000	Unaudited 30.09.2015 Rs.'000
196,241	Profit for the period	98,051	(9,421)	138,560	42,353
94,702	Actuarial gain on defined benefit plans	-	-	-	-
(14,925)	Income tax effect	-	-	-	-
79,777	Other comprehensive income for the period, net of tax	-	-	-	-
276,018	Total comprehensive income for the period, net of tax	98,051	(9,421)	138,560	42,353
	Attributable to				
276,376	Equity holders of the parent	98,109	(9,299)	138,672	42,508
(357)	Non controlling Interest	(58)	(122)	(112)	(155)
276,018	Total comprehensive income for the period	98,051	(9,421)	138,560	42,353

ELPITIYA PLANTATIONS PLC
INCOME STATEMENT

Company

Audited Year ended 31.03.2016 Rs.'000		3 months			6 months ended		
		Unaudited 30.09.2016 Rs.'000	Unaudited 30.09.2015 Rs.'000	Change	Unaudited 30.09.2016 Rs.'000	Unaudited 30.09.2015 Rs.'000	Change
2,419,784	Revenue	785,404	612,148	28%	1,391,846	1,284,215	8%
(2,253,166)	Cost of sales	(667,796)	(620,670)	8%	(1,183,550)	(1,208,539)	-2%
166,618	Gross profit	117,608	(8,522)	1480%	208,296	75,676	175%
43,850	Gain on fair value of biological assets	-	-	-	-	-	-
414,405	Other income	35,491	57,944	-39%	104,970	85,802	22%
(278,888)	Administration expenses	(37,778)	(38,870)	-3%	(77,950)	(68,642)	14%
(35,890)	Management fee and workers profit share	(20,988)	2,338	-998%	(35,168)	(13,562)	159%
(70,015)	Finance cost	(26,675)	(20,465)	30%	(52,595)	(41,878)	26%
174	Finance income	62	-	100%	111	-	100%
240,254	Profit before taxation	67,719	(7,576)	994%	147,664	37,396	295%
(24,178)	Tax expenses	(1,500)	3,000	-150%	(3,000)	-	100%
216,076	Profit for the period	66,219	(4,576)	1547%	144,664	37,396	287%

2.97	Earnings per share	0.91	(0.06)	1.99	0.51
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Audited Year ended 31.03.2016 Rs.'000		3 months		6 months ended	
		Unaudited 30.09.2016 Rs.'000	Unaudited 30.09.2015 Rs.'000	Unaudited 30.09.2016 Rs.'000	Unaudited 30.09.2015 Rs.'000
216,076	Profit for the period	66,219	(4,576)	144,664	37,396
94,702	Actuarial gain on defined benefit plans	-	-	-	-
(14,925)	Income tax effect	-	-	-	-
79,777	Other comprehensive income for the period, net of tax	-	-	-	-
295,853	Total comprehensive income for the period, net of tax	66,219	(4,576)	144,664	37,396

ELPITIYA PLANTATIONS PLC
STATEMENT OF CHANGES IN EQUITY

Group

	Stated capital	Retained earnings	Timber reserve	Total	Non controlling Interest	Total equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.000	Rs.000
Balance as at 01.04.2015	694,236	1,744,201	725,733	3,164,170	(3,496)	3,160,674
Net profit for the period	-	42,508	-	42,508	(155)	42,353
Balance as at 30.09.2015	694,236	1,786,709	725,733	3,206,678	(3,651)	3,203,026
Balance as at 01.04.2016	694,236	1,934,823	756,836	3,385,895	(3,854)	3,382,041
Net profit for the period	-	138,672	-	138,672	(112)	138,560
Balance as at 30.09.2016	694,236	2,073,495	756,836	3,524,566	(3,965)	3,520,601

Company

	Stated capital	Retained earnings	Timber reserve	Total equity
	Rs.'000	Rs.'000	Rs.'000	Rs.000
Balance as at 01.04.2015	694,236	1,613,511	725,733	3,033,480
Net profit for the period	-	37,396	-	37,396
Balance as at 30.09.2015	694,236	1,650,906	725,733	3,070,876
Balance as at 01.04.2016	694,236	1,823,610	756,836	3,274,682
Net Profit for the period	-	144,664	-	144,664
Balance as at 30.09.2016	694,236	1,968,274	756,836	3,419,346

ELPITIYA PLANTATIONS PLC
CASH FLOW STATEMENT

	Group		Company	
	Unaudited 6 months ended 30.09.2016 Rs.'000	Unaudited 6 months ended 30.09.2015 Rs.'000	Unaudited 6 months ended 30.09.2016 Rs.'000	Unaudited 6 months ended 30.09.2015 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before taxation	141,833	42,398	147,664	37,396
ADJUSTMENTS FOR				
Depreciation and amortization	93,088	84,634	87,495	79,044
Provision for defined benefit plans	12,654	21,125	12,654	21,125
Share of profit of joint ventures	(44,485)	(48,251)	-	-
Amortization of subleases income	(6,006)	(2,898)	(6,006)	(2,898)
Interest income	(85)	(159)	-	-
Finance cost	56,677	45,419	52,595	41,878
Share re purchase profit	-	-	(19,754)	(20,120)
Dividend income	-	-	(27,355)	(20,000)
Impairment for amount due from related companies	2,006	3,000	2,006	3,000
	113,850	102,871	101,635	102,029
Operating profit before working capital changes	255,683	145,268	249,299	139,425
Increase/ (Decrease)in trade and other receivables	212	54,697	299	56,393
Increase / (Decrease) in amounts due from related companies	(17,968)	(17,662)	(27,922)	(19,146)
Increase / (Decrease) in inventories	6,847	80,600	6,847	80,632
Increase / (Decrease) in trade and other payables	18,477	(25,419)	18,493	(24,401)
Increase / (Decrease) in amounts due to related companies	28,535	(25,573)	28,570	(25,573)
	36,102	66,643	26,287	67,905
Cash generated from operations	291,785	211,911	275,586	207,330
Cash received as sub lease of land	767	1,797	767	1,797
Finance cost paid	(39,735)	(28,220)	(35,653)	(24,650)
Defined benefit plan cost paid	(29,218)	(20,653)	(29,218)	(20,653)
Grants received	2,634	1,644	2,634	1,644
Income tax paid	(2,296)	(4,187)	(2,288)	(4,199)
	(67,849)	(49,619)	(63,758)	(46,061)
Net cash from operating activities	223,936	162,293	211,828	161,269
CASH FLOWS FROM INVESTING ACTIVITIES				
Field development expenditure	(122,284)	(107,129)	(122,284)	(107,129)
Share re purchase	22,506	23,333	22,506	23,333
Dividend received	27,355	20,000	27,355	20,000
Interest income received	85	143	-	-
Purchase of property, plant and equipment	(21,993)	(31,676)	(17,094)	(31,676)
Net Cash used in investing activities	(94,331)	(95,328)	(89,517)	(95,472)
	129,605	66,965	122,311	65,798
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans	30,000	40,000	30,000	40,000
Settlement of loans	(81,243)	(149,117)	(71,284)	(139,951)
Payment of government lease rentals	(18,645)	(18,261)	(18,645)	(18,261)
Lease rental paid	(809)	(4,079)	(809)	(4,079)
Net cash flow used in financing activities	(70,697)	(131,457)	(60,738)	(122,290)
Net Increase/Decrease in Cash & Cash Equivalents	58,908	(64,492)	61,573	(56,493)
A. Cash & Cash Equivalents at the beginning of the period	(158,249)	(169,372)	(166,756)	(183,084)
B. Cash & Cash Equivalents at the end of the period	(99,342)	(233,865)	(105,183)	(239,578)

NOTE A

Cash & Cash Equivalents at the beginning of the period

Cash and Bank
Overdraft

32,548	35,079	24,041	21,366
(190,797)	(204,450)	(190,797)	(204,450)
(158,249)	(169,372)	(166,756)	(183,084)

NOTE B

Cash & Cash Equivalents at the end of the period

Cash and Bank
Overdraft

70,902	30,724	65,061	25,013
(170,244)	(264,590)	(170,244)	(264,590)
(99,342)	(233,865)	(105,183)	(239,578)

ELPITIYA PLANTATIONS PLC

SEGMENT INFORMATION

For the six months ended 30th September 2016

	Group		Company	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Tea				
Revenue	915,431	912,106	915,431	912,106
Revenue expenditure	(954,524)	(985,612)	(954,524)	(985,612)
Segment Result-Gross Profit	(39,093)	(73,506)	(39,093)	(73,506)
Rubber				
Revenue	89,489	93,961	89,489	93,961
Revenue expenditure	(116,196)	(114,570)	(116,196)	(114,570)
Segment Result-Gross Loss	(26,708)	(20,608)	(26,708)	(20,608)
Oil Palm				
Revenue	352,875	258,271	352,875	258,271
Revenue expenditure	(101,220)	(100,157)	(101,220)	(100,157)
Segment Result-Gross Profit	251,654	158,114	251,654	158,114
Others				
Revenue	44,462	30,461	34,052	19,877
Revenue expenditure	(17,911)	(16,372)	(11,610)	(8,201)
Segment Result-Gross profit	26,551	14,088	22,442	11,676
Total Segments				
Revenue	1,402,257	1,294,799	1,391,846	1,284,215
Revenue expenditure	(1,189,852)	(1,216,710)	(1,183,550)	(1,208,539)
Total segment result-Gross profit	212,405	78,088	208,296	75,676
Other income	57,861	45,841	104,970	85,802
Administration expenses	(81,269)	(70,802)	(77,950)	(68,642)
Management fee and workers profit share	(35,168)	(13,562)	(35,168)	(13,562)
Finance cost	(56,677)	(45,419)	(52,595)	(41,878)
Finance income	197	-	111	-
Share of profit of joint ventures	44,485	48,251	-	-
Profit before taxation	141,833	42,398	147,664	37,396

NOTES TO THE FINANCIAL STATEMENTS

1. Interim Financial Statements of the company and the group have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the annual report 2015/2016. Further these Interim Financial Statements have been prepared in compliance with the requirement of the Sri Lanka Accounting Standard-LKAS 34 on Interim Financial Reporting. Previous year figures and phrases have been re-arranged wherever necessary to conform the current presentations.

2. Gain or losses arising from biological transformation for the period of six months have not been recognized in the Accounts assuming that physical and price changes occurred during the period is immaterial.

3. As per the Collective Agreement between the Employers' Federation of Ceylon and the Trade Unions, the daily basic wage has been increased from Rs. 450/- to Rs. 500/- with effect from 15 October 2016. An allowance of Rs 30/- as a Fixed Price Share is paid in addition to Rs 60/- as an attendance incentive and productive incentive of Rs 140/-, totaling to Rs 730/- per day against Rs 620/- paid previously.

4. Stated Capital of Elpitiya Plantations PLC amounts to Rs. 694,236,120 represented by 72,866,430 shares.

5. During the period under review there were no significant changes in the nature of the contingent liabilities, capital and other commitments.

6. There have been no other events subsequent to the interim periods, which require disclosure in the interim financial statements.

7. All liabilities to Management fee and other similar expenditures have been provided.

8. Figures in brackets indicate deductions.

ELPITIYA PLANTATIONS PLC

TOP 20 SHAREHOLDERS AS AT 30.09.2016

	Name of the Shareholder	Share Holding	%
1	Aitken spence plantation managements Plc	44,917,354	61.64
2	Secretary to the treasury	15,613,092	21.43
3	Gulf east finance ltd	2,061,980	2.83
4	Sampath bank PLC/Dr T.Senthilverl	1,000,000	1.37
5	Seylan bank PLC/Thiruganasambandara senihilverl	912,721	1.25
6	Amina investments Ltd	802,900	1.10
7	J.B Cocoshell (pvt) ltd	545,000	0.75
8	Tranz Dominion, L.L.C	315,000	0.43
9	Seylan Bank Plc/ MR S.N.C.W.B.C Kandegedara	220,725	0.30
10	Dr R D Bandaranaike	210,696	0.29
11	Mr K C Vignarajah	197,756	0.27
12	Dr D L N Wickramaratne	102,500	0.14
13	Mr V Sivasudhan	100,000	0.14
14	Mrs E M Perera	75,000	0.10
15	Mr. N A U Wijesekara	65,000	0.09
16	Asha Financial Services Ltd/ Mr C N Pakianathan	63,680	0.09
17	Mr Y H Abdulhussein	61,642	0.08
18	Mr Abdulhussein/S E Lokhandwalla	49,000	0.07
19	Mrs U L C N De Silva	45,873	0.06
20	Mrs S Vignarajah	45,400	0.06
	Total No. of Shares	67,405,319	92.49

PUBLIC SHAREHOLDING AS AT 30.09.2016

Shareholder	No. of Shares	%
Aitken Spence Plantation Managements PLC.	44,917,354	61.64
Secretary to the Treasury	15,613,092	21.43
Public Holding	12,335,984	16.93
TOTAL	72,866,430	100.00

Total number of public shareholders as at 30 th September 2016

10,872

DIRECTORS' SHAREHOLDINGS

None of the Directors hold shares in the Company.

MARKET PRICES OF SHARES RECORDED DURING THE PERIOD ENDED

	30.09.2016	30.09.2015
	Rs.	Rs.
Highest price recorded for the six months ending	24.40	27.00
Lowest price recorded for the six months ending	18.90	20.50
Last traded price	20.00	23.30
Highest price recorded for the three months ending	22.90	27.00
Lowest price recorded for the three months ending	19.00	20.50

GROUP COMPANIES

Tea Country Homes (Private) Limited
Water Villas (Private) Limited
EPP Hydro Power Company (Private) Limited

JOINT VENTURE COMPANIES

AEN Palm Oil Processing (Private) Limited
Elpitiya Dianhong Jin Ya Tea Company (Private) Limited
Elpitiya Lifestyle Solutions (Private) Limited
Venture Valley (Pvt) Ltd

NAME OF DIRECTORS

Mr J.M.S Brito
Dr R.M Fernando
Mr Merrill J Fernando
Mr Malik J Fernando
Dr.S.A.B. Ekanayaka
Mr S C Ratwatte
Mr A L W Goonewardena
Ms B W G C S Boghawaththe (Appointed w.e.f.17.03.2015)