

ELPITIYA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31st DECEMBER 2017

ELPITIYA PLANTATIONS PLC

STATEMENT OF FINANCIAL POSITION

Group		Company		Group		Company	
Audited As at 31.03.2017 Rs.'000	Audited As at 31.03.2017 Rs.'000			Unaudited As at 31.12.2017 Rs.'000	Unaudited As at 31.12.2016 Rs.'000	Unaudited As at 31.12.2017 Rs.'000	Unaudited As at 31.12.2016 Rs.'000
		Assets					
		Non current assets					
253,759	253,759	Leasehold property plant and equipment		238,149	258,963	238,149	258,963
767,781	555,840	Freehold property plant and equipment		770,490	764,885	566,483	550,147
2,968,013	2,968,013	Bearer biological assets		3,055,574	2,892,482	3,055,574	2,892,482
981,450	981,450	Consumable biological assets		997,671	957,048	997,671	957,048
38,689	38,689	Other non current asset		39,609	38,392	39,609	38,392
153,172	137,990	Investments		154,421	173,633	137,990	138,965
5,162,864	4,935,742			5,255,914	5,085,402	5,035,477	4,835,997
		Current assets					
12,786	12,786	Produce on bearer biological assets		12,786	7,837	12,786	7,837
317,832	317,799	Inventories		345,670	322,188	345,638	322,157
210,375	208,457	Trade and other receivables		227,928	179,701	218,906	177,723
46,111	175,991	Amounts due from related companies		98,809	20,823	248,232	149,887
		Income tax receivables		26,077		26,077	
52,351	51,502	Cash and bank balances		38,799	24,679	34,177	23,842
639,454	766,535			750,068	555,227	885,816	681,447
5,802,318	5,702,277	TOTAL ASSETS		6,005,983	5,640,629	5,921,293	5,517,444
		Equity and liabilities					
		Capital and reserves					
694,236	694,236	Stated capital		694,236	694,236	694,236	694,236
778,722	778,722	Timber reserve		778,722	756,836	778,722	756,836
2,439,829	2,396,474	Accumulated profits		2,799,897	2,160,208	2,756,791	2,098,031
3,912,787	3,869,432	Total equity attributable to equity holders of the company		4,272,855	3,611,280	4,229,750	3,549,103
(4,186)	-	Non-controlling interest		(4,219)	(4,114)	-	-
3,908,601	3,869,432	Total equity		4,268,636	3,607,165	4,229,750	3,549,103
		Non current liabilities					
233,949	194,113	Interest bearing loans and borrowings		194,768	252,825	169,871	208,009
451,820	451,792	Retirement benefit obligations		435,257	578,576	435,208	578,576
248,592	248,592	Deferred income		236,674	258,206	236,674	258,206
183,631	183,631	Deferred tax liability		188,131	130,418	188,131	130,418
168,718	168,718	Net liability to the lessor payable		166,095	169,602	166,095	169,602
1,286,710	1,246,846			1,220,925	1,389,626	1,195,979	1,344,811
		Current liabilities					
129,093	109,174	Interest bearing loans and borrowings		90,555	215,343	70,636	195,425
3,405	3,405	Net liability to the lessor payable		3,372	3,372	3,372	3,372
362,104	361,038	Trade and other payables		290,058	318,697	289,125	318,330
101,856	101,856	Amounts due to related companies		106,904	96,844	106,904	96,844
10,550	10,525	Income tax payable		25,532	9,582	25,525	9,559
607,008	585,999			516,422	643,839	495,564	623,530
5,802,318	5,702,277	TOTAL EQUITY AND LIABILITIES		6,005,983	5,640,629	5,921,293	5,517,444
53.70	53.10	Net assets per share		58.64	49.56	58.05	48.71

Ruwan Nissanka
GM - Finance

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

Rohan.M. Fernando
Managing Director
09.02.2018

Malik J Fernando
Director
09.02.2018

ELPITIYA PLANTATIONS PLC

INCOME STATEMENT

Group

Audited Year ended 31.03.2017 Rs.'000		3 months			9 months ended		
		Unaudited 31.12.2017 Rs.'000	Unaudited 31.12.2016 Rs.'000	Change	Unaudited 31.12.2017 Rs.'000	Unaudited 31.12.2016 Rs.'000	Change
3,009,791	Revenue	858,320	728,968	18%	2,716,037	2,102,345	29%
(2,402,391)	Cost of sales	(642,365)	(552,443)	16%	(2,068,843)	(1,733,997)	19%
607,401	Gross Profit	215,954	176,525	22%	647,194	368,348	76%
35,910	Gain on fair value of biological assets	-	-	-	-	-	-
158,526	Other income	55,591	40,340	38%	122,506	118,783	3%
(221,869)	Administration expenses	(55,516)	(49,657)	12%	(161,598)	(130,926)	23%
(98,337)	Management fee and workers profit share	(31,654)	(30,319)	4%	(92,233)	(65,487)	41%
(80,763)	Finance cost	(17,625)	(26,738)	-34%	(65,397)	(83,415)	-22%
1,580	Finance income	550	112	389%	695	309	125%
60,841	Share of profit of joint ventures	(8,854)	15,408	-157%	1,249	59,893	-98%
463,289	Profit before taxation	158,447	125,672	26%	452,417	267,505	69%
(43,452)	Tax expenses	(10,509)	(10,512)	0%	(19,511)	(13,785)	42%
419,837	Profit for the period	147,939	115,160	28%	432,907	253,720	71%
	Attributable to						
420,170	Equity holders of the parent	147,967	115,309	28%	432,940	253,981	70%
(333)	Non controlling Interest	(28)	(149)	-81%	(33)	(261)	-87%
419,837	Net Profit for the period	147,939	115,160	28%	432,907	253,720	71%

5.76 Earnings per share

2.03 1.58

5.94 3.48

Audited Year ended 31.03.2017 Rs.'000		3 months		9 months ended	
		Unaudited 31.12.2017 Rs.'000	Unaudited 31.12.2016 Rs.'000	Unaudited 31.12.2017 Rs.'000	Unaudited 31.12.2016 Rs.'000
419,837	Profit for the period	147,939	115,160	432,907	253,720
160,634	Actuarial gain on defined benefit plans	-	-	-	-
(25,316)	Income tax effect	-	-	-	-
135,318	Other comprehensive income for the period, net of tax	-	-	-	-
555,155	Total comprehensive income for the period, net of tax	147,939	115,160	432,907	253,720
	Attributable to				
555,488	Equity holders of the parent	147,967	115,309	432,940	253,981
(333)	Non controlling Interest	(28)	(149)	(33)	(261)
555,155	Total comprehensive income for the period	147,939	115,160	432,907	253,720

ELPITIYA PLANTATIONS PLC
INCOME STATEMENT

Company

Audited Year ended 31.03.2017 Rs.'000		3 months			9 months ended		
		Unaudited 31.12.2017 Rs.'000	Unaudited 31.12.2016 Rs.'000	Change	Unaudited 31.12.2017 Rs.'000	Unaudited 31.12.2016 Rs.'000	Change
2,996,400	Revenue	849,307	727,000	17%	2,698,141	2,089,966	29%
(2,387,924)	Cost of sales	(638,895)	(549,287)	16%	(2,057,904)	(1,724,539)	19%
608,476	Gross profit	210,413	177,713	18%	640,237	365,427	75%
35,910	Gain on fair value of biological assets	-	-	-	-	-	-
279,065	Other income	55,560	94,135	-41%	122,462	219,687	-44%
(223,765)	Administration expenses	(54,572)	(48,306)	13%	(158,195)	(126,256)	25%
(98,337)	Management fee and workers profit share	(31,654)	(30,319)	4%	(92,233)	(65,487)	41%
(72,400)	Finance cost	(16,110)	(24,441)	-34%	(60,277)	(77,036)	-22%
1,443	Finance income	550	70	686%	695	181	284%
530,392	Profit before taxation	164,187	168,853	-3%	452,689	316,517	43%
(42,364)	Tax expenses	(10,500)	(10,500)	0%	(19,500)	(13,500)	44%
488,028	Profit for the period	153,687	158,353	-3%	433,189	303,017	43%
6.70	Earnings per share	2.11	2.17		5.94	4.16	

Audited Year ended 31.03.2017 Rs.'000		3 months		9 months ended	
		Unaudited 30.09.2017 Rs.'000	Unaudited 31.12.2016 Rs.'000	Unaudited 30.09.2017 Rs.'000	Unaudited 31.12.2016 Rs.'000
488,028	Profit for the period	153,687	158,353	433,189	303,017
160,634	Actuarial gain on defined benefit plans	-	-	-	-
(25,316)	Income tax effect	-	-	-	-
135,318	Other comprehensive income for the period, net of tax	-	-	-	-
623,346	Total comprehensive income for the period, net of tax	153,687	158,353	433,189	303,017

ELPITIYA PLANTATIONS PLC
STATEMENT OF CHANGES IN EQUITY

Group

	Stated capital Rs.'000	Retained earnings Rs.'000	Timber reserve Rs.'000	Total Rs.'000	Non controlling Interest Rs.000	Total equity Rs.000
Balance as at 01.04.2016	694,236	1,942,661	756,836	3,393,732	(3,854)	3,389,879
Net profit for the period	-	253,981	-	253,981	(261)	253,719
Dividend paid		(36,433)		(36,433)		(36,434)
Balance as at 31.12.2016	694,236	2,160,208	756,836	3,611,280	(4,114)	3,643,598
Balance as at 01.04.2017	694,236	2,439,829	778,722	3,912,787	(4,186)	3,908,601
Net profit for the period	-	432,940	-	432,940	(33)	432,907
Dividend paid		(72,871)		(72,871)		(72,871)
Balance as at 31.12.2017	694,236	2,799,897	778,722	4,272,855	(4,219)	4,268,636

Company

	Stated capital Rs.'000	Retained earnings Rs.'000	Timber reserve Rs.'000	Total equity Rs.000
Balance as at 01.04.2016	694,236	1,831,447	756,836	3,282,519
Net profit for the period	-	303,017	-	303,017
Dividend paid		(36,433)		(36,433)
Balance as at 31.12.2016	694,236	2,098,031	756,836	3,549,103
Balance as at 01.04.2017	694,236	2,396,474	778,722	3,869,432
Net Profit for the period	-	433,189	-	433,189
Dividend paid		(72,871)		(72,871)
Balance as at 31.12.2017	694,236	2,756,791	778,722	4,229,750

ELPITIYA PLANTATIONS PLC

CASH FLOW STATEMENT

	Group		Company	
	Unaudited 9 months ended 31.12.2017 Rs.'000	Unaudited 9 months ended 31.12.2016 Rs.'000	Unaudited 9 months ended 31.12.2017 Rs.'000	Unaudited 9 months ended 31.12.2016 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before taxation	452,417	267,505	452,689	316,517
ADJUSTMENTS FOR				
Depreciation and amortization	154,003	141,530	145,614	133,141
Provision for defined benefit plans	33,213	45,065	33,192	45,065
Profit of sale of Property, plant & equipment	(364)	-	(364)	-
Share of profit of joint ventures	(1,249)	(59,893)	-	-
Amortization of subleases income	(16,740)	(9,206)	(16,620)	(9,206)
Interest income	(733)	(309)	(695)	(181)
Finance cost	65,397	83,415	60,277	77,036
Interest income lease assets	-	(892)	-	(892)
Share re purchase profit	-	-	-	(46,009)
Dividend income	-	-	-	(54,895)
Impairment for amount due from related companies	-	2,006	-	2,006
	233,527	201,718	221,404	146,065
Operating profit before working capital changes	685,944	469,223	674,093	462,582
Increase/ (Decrease) in trade and other receivables	(17,553)	23,060	(10,448)	22,629
Increase / (Decrease) in amounts due from related companies	(52,698)	(2,676)	(72,242)	(14,191)
Increase / (Decrease) in inventories	(27,838)	(104,620)	(27,838)	(104,620)
Increase / (Decrease) in trade and other payables	(71,926)	53,932	(71,913)	54,028
Increase / (Decrease) in amounts due to related companies	5,048	52,591	5,048	52,591
	(164,966)	22,288	(177,393)	10,438
Cash generated from operations	520,978	491,512	496,700	473,020
Cash received as sub lease of land	540	977	540	977
Finance cost paid	(36,424)	(57,790)	(31,303)	(51,410)
Defined benefit plan cost paid	(49,776)	(50,179)	(49,776)	(50,179)
Grants received	4,870	2,634	4,870	2,634
Income tax paid	(26,106)	(2,360)	(26,077)	(2,288)
	(106,895)	(106,718)	(101,746)	(100,266)
Net cash from operating activities	414,083	384,794	394,954	372,754
CASH FLOWS FROM INVESTING ACTIVITIES				
Field development expenditure	(191,779)	(181,511)	(191,779)	(181,511)
Share re purchase	-	51,172	-	51,172
Dividend received	-	54,895	-	54,895
Proceed from sale of property, plant and equipment	364	-	364	-
Interest income received	733	309	695	181
Purchase of property, plant and equipment	(54,733)	(36,703)	(54,278)	(31,804)
	(245,415)	(111,837)	(244,997)	(107,067)
	168,668	272,957	149,956	265,687
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans	44,119	30,000	44,119	30,000
Settlement of loans	(121,838)	(121,564)	(106,899)	(106,625)
Payment of government lease rentals	(28,974)	(27,967)	(28,974)	(27,967)
Lease rental paid	(2,656)	(1,022)	(2,656)	(1,022)
Dividend paid during the period	(72,871)	(36,433)	(72,871)	(36,433)
	(182,220)	(156,986)	(167,281)	(142,047)
Net cash flow used in financing activities	(13,552)	115,971	(17,325)	123,641
Net Increase/Decrease in Cash & Cash Equivalents				
A. Cash & Cash Equivalents at the beginning of the period	52,351	(158,249)	51,502	(166,756)
B. Cash & Cash Equivalents at the end of the period	38,799	(42,279)	34,177	(43,117)

NOTE A

Cash & Cash Equivalents at the beginning of the period

Cash and Bank
Overdraft

52,351	32,548	51,502	24,041
-	(190,797)	-	(190,797)
52,351	(158,249)	51,502	(166,756)

NOTE B

Cash & Cash Equivalents at the end of the period

Cash and Bank
Overdraft

38,799	24,679	34,177	23,842
-	(66,958)	-	(66,958)
38,799	(42,279)	34,177	(43,117)

ELPITIYA PLANTATIONS PLC

SEGMENT INFORMATION

For the nine months ended 31st December 2017

	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Tea				
Revenue	2,018,231	1,437,424	2,018,231	1,437,424
Revenue expenditure	(1,704,855)	(1,373,640)	(1,704,855)	(1,373,640)
Segment Result-Gross Profit	313,376	63,784	313,376	63,784
Rubber				
Revenue	107,719	143,727	107,719	143,727
Revenue expenditure	(154,764)	(189,689)	(154,764)	(189,689)
Segment Result-Gross Loss	(47,045)	(45,961)	(47,045)	(45,961)
Oil Plant				
Revenue	565,062	501,656	565,062	501,656
Revenue expenditure	(199,816)	(156,157)	(195,171)	(156,157)
Segment Result-Gross Profit	365,246	345,499	369,891	345,499
Others				
Revenue	25,025	19,537	7,129	7,158
Revenue expenditure	(9,408)	(14,511)	(3,114)	(5,053)
Segment Result-Gross profit	15,617	5,026	4,015	2,105
Total Segments				
Revenue	2,716,037	2,102,345	2,698,141	2,089,966
Revenue expenditure	(2,068,842)	(1,733,997)	(2,057,904)	(1,724,539)
Total segment result-Gross profit	647,195	368,348	640,237	365,427
Other income	122,506	118,783	122,462	219,687
Administration expenses	(161,598)	(130,926)	(158,195)	(126,256)
Management fee and workers profit share	(92,233)	(65,487)	(92,233)	(65,487)
Finance cost	(65,397)	(83,415)	(60,277)	(77,036)
Finance income	695	309	695	181
Share of profit of joint ventures	1,249	59,893	-	-
Profit before taxation	452,417	267,505	452,689	316,517

For the three months ended 31st December 2017

	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Tea				
Revenue	647,718	521,993	647,718	521,993
Revenue expenditure	(553,302)	(419,115)	(553,302)	(419,115)
Segment Result-Gross Profit	94,416	102,877	94,416	102,877
Rubber				
Revenue	33,820	54,239	33,820	54,239
Revenue expenditure	(27,332)	(73,493)	(27,332)	(73,493)
Segment Result-Gross Profit/Loss	6,489	(19,254)	6,489	(19,254)
Oil Plant				
Revenue	165,622	148,782	165,622	148,782
Revenue expenditure	(62,151)	(54,937)	(57,506)	(54,937)
Segment Result-Gross Profit	103,471	93,845	108,115	93,845
Others				
Revenue	11,159	3,955	2,148	1,987
Revenue expenditure	420	(4,898)	(755)	(1,742)
Segment Result-Gross Profit/Loss	11,579	(943)	1,393	245
Total Segments				
Revenue	858,319	728,968	849,307	727,000
Revenue expenditure	(642,365)	(552,443)	(638,895)	(549,287)
Total segment result-Gross profit	215,954	176,525	210,413	177,713
Other income	55,591	40,340	55,560	94,135
Administration expenses	(55,516)	(49,657)	(54,572)	(48,306)
Management fee and workers profit share	(31,654)	(30,319)	(31,654)	(30,319)
Finance cost	(17,625)	(26,738)	(16,110)	(24,441)
Finance income	550	112	550	70
Share of profit of joint ventures	(8,854)	15,408	-	-
Profit before taxation	158,448	125,672	164,187	168,853

ELPITIYA PLANTATIONS PLC

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 2016/2017. 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.

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

3. Where necessary, comparative figures have been reclassified to conform with the current periods presentation as per amendments of LKAS 16 & LKAS 41

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

9. Figures in brackets indicate deductions.

ELPITIYA PLANTATIONS PLC

TOP 20 SHAREHOLDERS AS AT 31.12.2017

	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	J.B Cocoshell (Pvt) Ltd	618,672	0.85
4	Capital Trust Holding Ltd	438,375	0.60
5	Mr K C Vignarajah	367,875	0.50
6	Seylan Bank PLC/Mohamed Mustaq Fund	329,002	0.45
7	Tranz Dominion, L.L.C	315,000	0.43
8	Mr.M.M Faud	264,000	0.36
9	Dr.R.D Bandaranaike	210,696	0.29
10	Sandhave Limited	158,535	0.22
11	Bansea Securities Capital (pvt) Ltd/Dawi Investment Trust (pvt) Ltd	128,264	0.18
12	Mr S B H Wanduragala	126,161	0.17
13	Mr M A Qasim	124,025	0.17
14	Mr A V Emmanuel	110,905	0.15
15	DFCC Bank PLC/Mr K T R P Samarathunga	110,792	0.15
16	SKM Lanka Pak Equities (pvt) Ltd	101,956	0.14
17	Seylan Bank Plc/Rizmy Ahamed Rishard	100,000	0.14
18	Seylan Bank PLC/Mr Shermal Hemaka Jayasuriya	92,914	0.13
19	Mr.T.C.H Ferdinandis	73,635	0.10
20	People's Leasing & Finance PLC/Hi Line Trading (Pvt) Ltd	68,000	0.09
	Total No. of Shares	64,269,253	88.19

PUBLIC SHAREHOLDING AS AT 31.12.2017

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 31 st December 2017

11,046

DIRECTORS' SHAREHOLDINGS

None of the Directors hold shares in the Company.

MARKET PRICES OF SHARES RECORDED DURING THE PERIOD ENDED

	31.12.2017	31.12.2016
	Rs.	Rs.
Highest price recorded for the nine months ending	33.70	24.40
Lowest price recorded for the nine months ending	19.00	16.00
Last traded price	28.60	19.20
Highest price recorded for the three months ending	33.70	21.00
Lowest price recorded for the three months ending	26.60	16.00

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 **

Note- * Tea Country Homes (Private) Limited is in the process of liquidation.

** Water Villas (Private) Limited and Venture Valley (Private) Limited - Commercial operations have not commenced.

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