

ELPITIYA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30th SEPTEMBER 2018

ELPITIYA PLANTATIONS PLC

STATEMENT OF FINANCIAL POSITION

Group	Company		Group		Company	
Audited As at 31.03.2018 Rs.'000	Audited As at 31.03.2018 Rs.'000		Unaudited As at 30.09.2018 Rs.'000	Unaudited As at 30.09.2017 Rs.'000	Unaudited As at 30.09.2018 Rs.'000	Unaudited As at 30.09.2017 Rs.'000
		Assets				
		Non current assets				
235,624	235,624	Leasehold property plant and equipment	226,609	243,352	226,609	243,352
836,547	635,285	Freehold property plant and equipment	832,671	770,364	635,931	563,560
3,128,868	3,128,868	Bearer biological assets	3,197,983	3,022,325	3,197,983	3,022,325
1,001,129	1,001,129	Consumable biological assets	1,009,284	992,480	1,009,284	992,480
39,916	39,916	Other non current asset	40,530	39,303	40,530	39,303
156,161	137,990	Investments	155,002	163,275	137,990	137,990
5,398,245	5,178,812		5,462,079	5,231,098	5,248,328	4,999,010
		Current assets				
12,899	12,899	Produce on bearer biological assets	12,899	12,786	12,899	12,786
342,804	342,772	Inventories	426,872	308,767	426,840	308,734
190,193	188,148	Trade and other receivables	191,258	223,399	181,489	216,420
71,613	223,180	Amounts due from related companies	104,011	76,448	259,414	220,604
-	-	Income tax receivables	1,161	-	39,925	-
92,298	84,924	Cash and bank balances	54,657	118,534	51,950	118,157
709,807	851,922		790,858	739,932	972,517	876,701
6,108,052	6,030,734	TOTAL ASSETS	6,252,937	5,971,030	6,220,844	5,875,711
		Equity and liabilities				
		Capital and reserves				
694,236	694,236	Stated capital	694,236	694,236	694,236	694,236
780,376	780,376	Timber reserve	780,376	778,722	780,376	778,722
2,549,910	2,509,242	Accumulated profits	2,763,412	2,724,801	2,719,279	2,675,976
4,024,522	3,983,854	Total equity attributable to equity holders of the company	4,238,024	4,197,760	4,193,891	4,148,934
(4,278)	-	Non-controlling interest	(4,358)	(4,191)	-	-
4,020,244	3,983,854	Total equity	4,233,666	4,193,569	4,193,891	4,148,934
		Non current liabilities				
184,193	164,275	Interest bearing loans and borrowings	124,484	219,408	114,525	189,531
530,975	530,920	Retirement benefit obligations	509,386	442,757	509,331	442,716
231,325	231,325	Deferred income	222,478	237,998	222,478	237,998
409,987	409,987	Deferred tax liability	412,987	186,631	412,987	186,631
165,676	165,676	Net liability to the lessor payable	175,397	166,879	175,397	166,879
1,522,156	1,502,183		1,444,732	1,253,674	1,434,718	1,223,756
		Current liabilities				
113,338	93,419	Interest bearing loans and borrowings	107,609	96,455	87,691	76,536
3,541	3,541	Net liability to the lessor payable	3,683	3,473	3,683	3,473
323,661	322,642	Trade and other payables	291,087	308,838	289,954	307,992
118,035	118,035	Amounts due to related companies	172,159	109,020	172,159	109,020
7,076	7,059	Income tax payable	-	6,001	38,749	6,000
565,652	544,696		574,538	523,787	592,235	503,021
6,108,052	6,030,734	TOTAL EQUITY AND LIABILITIES	6,252,937	5,971,030	6,220,844	5,875,711
55.23	54.67	Net assets per share	58.16	57.61	57.56	56.94

Ruwan Nissanka
Chief Financial Officer

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

J.M.S Brito
Chairman

02.11.2018

Rohan.M. Fernando
Managing Director

ELPITIYA PLANTATIONS PLC

INCOME STATEMENT

Group

Audited Year ended 31.03.2018 Rs.'000		3 months			6 months ended		
		Unaudited 30.09.2018 Rs.'000	Unaudited 30.09.2017 Rs.'000	Change	Unaudited 30.09.2018 Rs.'000	Unaudited 30.09.2017 Rs.'000	Change
3,631,650	Revenue	846,662	964,280	-12%	1,661,203	1,857,718	-11%
(2,790,007)	Cost of sales	(609,681)	(694,225)	-12%	(1,287,704)	(1,426,477)	-10%
841,643	Gross Profit	236,981	270,054	-12%	373,499	431,240	-13%
25,602	Gain on fair value of biological assets	-	-	-	-	-	-
180,931	Other income	52,336	40,259	30%	109,163	66,915	63%
(291,155)	Administration expenses	(111,787)	(68,848)	62%	(175,482)	(106,082)	65%
(102,568)	Management fee and workers profit share	(30,733)	(32,446)	-5%	(54,384)	(60,579)	-10%
(61,958)	Finance cost	(15,447)	(23,211)	-33%	(32,689)	(47,773)	-32%
2,997	Finance income	191	73	164%	493	145	241%
2,990	Share of profit of joint ventures	4,887	1,243	293%	(1,159)	10,103	-111%
598,481	Profit before taxation	136,429	187,125	-27%	219,441	293,970	-25%
(263,055)	Tax expenses	(3,004)	(4,501)	-33%	(6,019)	(9,002)	-33%
335,426	Profit for the period	133,425	182,624	-27%	213,422	284,968	-25%
	Attributable to						
335,518	Equity holders of the parent	133,481	182,630	-27%	213,502	284,973	-25%
(91)	Non controlling Interest	(56)	(5)	1042%	(80)	(5)	1529%
335,426	Net Profit for the period	133,425	182,625	-27%	213,422	284,968	-25%

4.60 Earnings per share

1.83 2.51

2.93 3.91

Audited Year ended 31.03.2018 Rs.'000		3 months		06 months ended	
		Unaudited 30.09.2018 Rs.'000	Unaudited 30.09.2017 Rs.'000	Unaudited 30.09.2018 Rs.'000	Unaudited 30.09.2017 Rs.'000
335,426	Profit for the period	133,425	182,625	213,422	284,968
(69,574)	Actuarial gain on defined benefit plans	-	-	-	-
9,740	Income tax effect	-	-	-	-
(59,834)	Other comprehensive income for the period, net of tax	-	-	-	-
275,593	Total comprehensive income for the period, net of tax	133,425	182,625	213,422	284,968
	Attributable to				
275,684	Equity holders of the parent	133,481	182,630	213,502	284,973
(91)	Non controlling Interest	(56)	(5)	(80)	(5)
275,593	Total comprehensive income for the period	133,425	182,625	213,422	284,968

ELPITIYA PLANTATIONS PLC
INCOME STATEMENT

Company

Audited Year ended 31.03.2018 Rs.'000		3 months			6 months ended		
		Unaudited 30.09.2018 Rs.'000	Unaudited 30.09.2017 Rs.'000	Change	Unaudited 30.09.2018 Rs.'000	Unaudited 30.09.2017 Rs.'000	Change
3,612,226	Revenue	837,044	957,568	-13%	1,646,130	1,848,833	-11%
(2,775,799)	Cost of sales	(606,602)	(690,557)	-12%	(1,281,176)	(1,419,009)	-10%
836,426	Gross profit	230,442	267,011	-14%	364,954	429,824	-15%
25,602	Gain on fair value of biological assets	-	-	-	-	-	-
180,931	Other income	52,323	40,250	30%	109,096	66,902	63%
(286,551)	Administration expenses	(110,822)	(67,329)	65%	(173,687)	(103,623)	68%
(102,568)	Management fee and workers profit share	(30,733)	(32,446)	-5%	(54,384)	(60,579)	-10%
(55,506)	Finance cost	(14,397)	(21,469)	-33%	(30,435)	(44,166)	-31%
2,898	Finance income	191	73	164%	493	145	241%
601,233	Profit before taxation	127,003	186,089	-32%	216,037	288,502	-25%
(263,027)	Tax expenses	(3,000)	(4,500)	-33%	(6,000)	(9,000)	-33%
338,205	Profit for the period	124,003	181,589	-32%	210,037	279,502	-25%

4.64 Earnings per share

1.70 2.49

2.88 3.84

Audited Year ended 31.03.2018 Rs.'000		3 months		6 months ended	
		Unaudited 30.09.2018 Rs.'000	Unaudited 30.09.2017 Rs.'000	Unaudited 30.09.2018 Rs.'000	Unaudited 30.09.2017 Rs.'000
338,205	Profit for the period	124,003	181,589	210,037	279,502
(69,574)	Actuarial gain on defined benefit plans	-	-	-	-
9,740	Income tax effect	-	-	-	-
(59,834)	Other comprehensive income for the period, net of tax	-	-	-	-
278,371	Total comprehensive income for the period, net of tax	124,003	181,589	210,037	279,502

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 01.04.2017	694,236	2,439,829	778,722	3,912,787	(4,186)	3,908,601
Net profit for the period	-	284,973	-	284,973	(5)	284,968
Balance as at 30.09.2017	694,236	2,724,801	778,722	4,197,760	(4,191)	4,193,569
Balance as at 01.04.2018	694,236	2,549,910	780,376	4,024,522	(4,278)	4,020,244
Net profit for the period	-	213,502	-	213,502	(80)	213,422
Balance as at 30.09.2018	694,236	2,763,412	780,376	4,238,024	(4,358)	4,233,666

Company

	Stated capital	Retained earnings	Timber reserve	Total equity
	Rs.'000	Rs.'000	Rs.'000	Rs.000
Balance as at 01.04.2017	694,236	2,396,474	778,722	3,869,432
Net profit for the period	-	279,502	-	279,502
Balance as at 30.09.2017	694,236	2,675,976	778,722	4,148,934
Balance as at 01.04.2018	694,236	2,509,242	780,376	3,983,854
Net Profit for the period	-	210,037	-	210,037
Balance as at 30.09.2018	694,236	2,719,279	780,376	4,193,891

ELPITIYA PLANTATIONS PLC

CASH FLOW STATEMENT

	Group		Company	
	Unaudited 6 months ended 30.09.2018 Rs.'000	Unaudited 6 months ended 30.09.2017 Rs.'000	Unaudited 6 months ended 30.09.2018 Rs.'000	Unaudited 6 months ended 30.09.2017 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before taxation	219,441	293,970	216,037	288,502
ADJUSTMENTS FOR				
Depreciation and amortization	106,582	103,855	102,009	98,262
Provision for defined benefit plans	21,102	26,859	21,102	26,845
Share of profit of joint ventures	1,159	(10,103)	-	-
Amortization of subleases income	(11,637)	(11,637)	(11,637)	(11,637)
Interest income	(560)	(152)	(493)	(145)
Finance cost	32,689	47,773	30,435	44,166
	149,335	156,596	141,417	157,493
Operating profit before working capital changes	368,776	450,566	357,454	445,995
Increase/ (Decrease)in trade and other receivables	(1,065)	(13,064)	6,659	(8,003)
Increase / (Decrease) in amounts due from related companies	(32,397)	(30,336)	(36,234)	(44,613)
Increase /(Decrease) in inventories	(84,068)	9,065	(84,068)	9,065
Increase / (Decrease) in trade and other payables	(37,445)	(53,265)	(37,559)	(53,047)
Increase / (Decrease) in amounts due to related companies	54,124	7,164	54,124	7,164
	(100,851)	(80,437)	(97,078)	(89,433)
Cash generated from operations	267,925	370,129	260,376	356,561
Cash received as sub lease of land	1,733	400	1,733	400
Finance cost paid	(22,239)	(30,223)	(19,985)	(26,616)
Defined benefit plan cost paid	(42,692)	(35,922)	(42,692)	(35,922)
Grants received	444	30	444	30
Income tax paid	(11,256)	(10,511)	(11,235)	(10,485)
	(74,011)	(76,225)	(71,736)	(72,593)
Net cash from operating activities	193,914	293,904	188,640	283,968
CASH FLOWS FROM INVESTING ACTIVITIES				
Field development expenditure	(135,665)	(124,005)	(135,665)	(124,005)
Interest income received	560	152	493	145
Purchase of property, plant and equipment	(32,196)	(37,367)	(32,146)	(36,911)
Net Cash used in investing activities	(167,301)	(161,220)	(167,319)	(160,772)
	26,613	132,684	21,321	123,196
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans	-	38,873	-	38,873
Settlement of loans	(53,804)	(86,057)	(43,845)	(76,098)
Payment of government lease rentals	(10,450)	(19,316)	(10,450)	(19,316)
Net cash flow used in financing activities	(64,254)	(66,500)	(54,295)	(56,541)
Net Increase/Decrease in Cash & Cash Equivalents	(7,637)	66,184	(32,974)	66,655
A. Cash & Cash Equivalents at the beginning of the period	92,298	52,351	84,924	51,502
B. Cash & Cash Equivalents at the end of the period	54,657	118,534	51,950	118,157

NOTE A

Cash & Cash Equivalents at the beginning of the period

Cash and Bank

Overdraft

92,298	52,351	84,924	51,502
92,298	52,351	84,924	51,502

NOTE B

Cash & Cash Equivalents at the end of the period

Cash and Bank

Overdraft

54,657	118,534	51,950	118,157
54,657	118,534	51,950	118,157

ELPITIYA PLANTATIONS PLC

SEGMENT INFORMATION

For the six months ended 30th September 2018

	Group		Company	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Tea				
Revenue	1,186,846	1,370,513	1,186,846	1,370,513
Revenue expenditure	(1,037,616)	(1,151,553)	(1,037,616)	(1,151,553)
Segment Result-Gross Profit	149,230	218,960	149,230	218,960
Rubber				
Revenue	70,172	73,899	70,172	73,899
Revenue expenditure	(103,318)	(127,432)	(103,318)	(127,432)
Segment Result-Gross Loss	(33,146)	(53,533)	(33,146)	(53,533)
Oil Palm				
Revenue	386,682	399,440	386,682	399,440
Revenue expenditure	(138,197)	(137,665)	(138,197)	(137,665)
Segment Result-Gross Profit	248,485	261,775	248,485	261,775
Others				
Revenue	17,503	13,865	2,430	4,981
Revenue expenditure	(8,573)	(9,827)	(2,045)	(2,359)
Segment Result-Gross profit	8,930	4,038	385	2,622
Total Segments				
Revenue	1,661,203	1,857,718	1,646,130	1,848,833
Revenue expenditure	(1,287,704)	(1,426,477)	(1,281,176)	(1,419,009)
Total segment result-Gross profit	373,499	431,240	364,954	429,824
Other income	109,163	66,915	109,096	66,902
Administration expenses	(175,482)	(106,082)	(173,687)	(103,623)
Management fee and workers profit share	(54,384)	(60,579)	(54,384)	(60,579)
Finance cost	(32,689)	(47,773)	(30,435)	(44,166)
Finance income	493	145	493	145
Share of profit of joint ventures	(1,159)	10,103	-	-
Profit before taxation	219,441	293,970	216,037	288,502

For the tree months ended 30th September 2018

	Group		Company	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Tea				
Revenue	571,973	673,660	571,973	673,660
Revenue expenditure	(485,271)	(538,089)	(485,271)	(538,089)
Segment Result-Gross Profit	86,702	135,571	86,702	135,571
Rubber				
Revenue	45,710	41,827	45,710	41,827
Revenue expenditure	(47,781)	(76,888)	(47,781)	(76,888)
Segment Result-Gross Loss	(2,071)	(35,061)	(2,071)	(35,061)
Oil Palm				
Revenue	218,556	238,665	218,556	238,665
Revenue expenditure	(72,519)	(73,896)	(72,519)	(73,896)
Segment Result-Gross Profit	146,037	164,769	146,037	164,769
Others				
Revenue	10,423	10,128	805	3,416
Revenue expenditure	(4,109)	(5,353)	(1,030)	(1,685)
Segment Result-Gross profit/Loss	6,314	4,775	(225)	1,731
Total Segments				
Revenue	846,662	964,279	837,044	957,568
Revenue expenditure	(609,681)	(694,225)	(606,602)	(690,557)
Total segment result-Gross profit	236,981	270,055	230,442	267,011
Other income	52,336	40,259	52,323	40,250
Administration expenses	(111,787)	(68,848)	(110,822)	(67,329)
Management fee and workers profit share	(30,733)	(32,446)	(30,733)	(32,446)
Finance cost	(15,447)	(23,211)	(14,397)	(21,469)
Finance income	191	73	191	73
Share of profit of joint ventures	4,887	1,243	-	-
Profit before taxation	136,429	187,125	127,003	186,089

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 2017/2018. 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 six months have not been recognised in the Financial Statements assuming that physical and price changes occurred during the period is immaterial.
3. Stated Capital of Elpitiya Plantations PLC amounts to Rs. 694,236,120 represented by 72,866,430 shares.
4. During the period under review there were no significant changes in the nature of the contingent liabilities, capital and other commitments.
5. There have been no other events subsequent to the interim periods, which require disclosure in the interim financial statements.
6. All liabilities to Management fee and other similar expenditures have been provided.
7. 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.
8. Figures in brackets indicate deductions.

ELPITIYA PLANTATIONS PLC

TOP 20 SHAREHOLDERS AS AT 30.09.2018

	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	Capital Trust Holding Ltd	581,121	0.80
4	Sandwave Limited	463,538	0.64
5	J.B Cocoshell (Pvt) Ltd	417,872	0.57
6	Mr K C Vignarajah	372,397	0.51
7	Tranz Dominion, L.L.C	315,000	0.43
8	Seylan Bank PLC/Mohamed Mustaq Fund	303,882	0.42
9	Dr.R.D Bandaranaike	210,696	0.29
10	People s Merchant Finance PLC/M M Furd	170,000	0.23
11	Bansea Securities Capital (pvt) Ltd/Dawi Investment Trust (pvt Ltd	128,264	0.18
12	Mr S B H Wanduragala	126,178	0.17
13	Mr M A Qasim	124,025	0.17
14	Seylan Bank PLC/Mr Sermal Hemaka Jayasuriya	120,400	0.17
15	Mr A V Emmanuel	110,905	0.15
16	DFCC Bank PLC/Mr K T R P Samarathunga	110,792	0.15
17	Seylan Bank Plc/Rizmy Ahamed Rishard	100,000	0.14
18	Mr K J K Kalubandara	68,774	0.09
19	People's Leasing & Finance PLC/Hi Line Trading (Pvt) Ltd	68,000	0.09
20	Mr Almuhairi	66,454	0.09
	Total No. of Shares	64,388,744	88.36

PUBLIC SHAREHOLDING AS AT 30.09.2018

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 2018

10,988

DIRECTORS' SHAREHOLDINGS

None of the Directors hold shares in the Company.

MARKET PRICES OF SHARES RECORDED DURING THE PERIOD ENDED

	30.09.2018	30.09.2017
	Rs.	Rs.
Highest price recorded for the six months ending	29.70	31.00
Lowest price recorded for the six months ending	18.90	19.00
Last traded price	19.50	28.60
Highest price recorded for the three months ending	23.90	31.00
Lowest price recorded for the three months ending	18.90	25.20

The float adjusted market capitalization as at 30th September 2018 was Rs 240,551,688/-. As the float adjusted market capitalization is less than Rs. 01 Bn with more than 10% public holding , Elpitiya Plantations PLC complies under option 2 in terms of rule 7.13.1 (b) (for Diri Savi Board companies) of the Listing Rules of the Colombo Stock Exchange.

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
- Ms B W G C S Bogahawaththe
- Mr. D A De S Wickramanayake
- Mr A L W Goonewardena (Resigned w. e .f .30.06.18)
- Mr B. Bulumulla (Appointed w.e.f.01.07.2018)