

ELPITIYA PLANTATIONS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31st MARCH 2019**

ELPITIYA PLANTATIONS PLC

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	Unaudited As at 31.03.2019 Rs.'000	Audited As at 31.03.2018 Rs.'000	Unaudited As at 31.03.2019 Rs.'000	Audited As at 31.03.2018 Rs.'000
Assets				
Non current assets				
Leasehold property plant and equipment	217,595	235,624	217,595	235,624
Freehold property plant and equipment	989,988	836,547	776,281	635,285
Bearer biological assets	3,337,706	3,128,868	3,337,706	3,128,868
Consumable biological assets	1,003,341	1,001,129	1,003,341	1,001,129
Other non current asset	41,182	39,916	41,182	39,916
Investments	169,972	156,161	193,640	137,990
Goodwill	2,604	-	-	-
	5,762,387	5,398,245	5,569,745	5,178,812
Current assets				
Produce on bearer biological assets	11,291	12,899	11,291	12,899
Inventories	381,277	342,804	381,242	342,772
Trade and other receivables	282,851	190,193	281,308	188,148
Amounts due from related companies	80,227	71,613	213,124	223,180
Cash and bank balances	49,539	92,298	33,458	84,924
	805,184	709,807	920,423	851,922
TOTAL ASSETS	6,567,572	6,108,052	6,490,168	6,030,734
Equity and liabilities				
Capital and reserves				
Stated capital	694,236	694,236	694,236	694,236
Timber reserve	765,958	780,375	765,958	780,376
Accumulated profits	2,943,454	2,549,910	2,884,682	2,509,242
Total equity attributable to equity holders of the company	4,403,648	4,024,522	4,344,876	3,983,854
Non-controlling interest	(4,403)	(4,278)	-	-
Total equity	4,399,245	4,020,244	4,344,876	3,983,854
Non current liabilities				
Interest bearing loans and borrowings	76,328	184,193	76,328	164,275
Retirement benefit obligations	609,807	530,975	609,710	530,920
Deferred income	212,214	231,325	212,214	231,325
Deferred tax liability	474,829	409,987	474,829	409,987
Net liability to the lessor payable	161,993	165,676	161,993	165,676
	1,535,172	1,522,156	1,535,075	1,502,183
Current liabilities				
Interest bearing loans and borrowings	109,098	113,338	89,180	93,419
Net liability to the lessor payable	3,683	3,541	3,683	3,541
Trade and other payables	350,991	323,661	348,088	322,642
Amounts due to related companies	169,165	118,035	169,165	118,035
Income tax payable	216	7,076	100	7,059
	633,154	565,652	610,217	544,696
TOTAL EQUITY AND LIABILITIES	6,567,572	6,108,052	6,490,168	6,030,734
Net assets per share	60.43	55.23	59.63	54.67

Ruwan Nissanka
Chief Financial Officer

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

M P Dissanayake
Chairman

R M Fernando
Managing Director

30.05.2019

ELPITIYA PLANTATIONS PLC

INCOME STATEMENT

Group

	3 months			12 months ended		
	Unaudited 31.03.2019 Rs.'000	Audited 31.03.2018 Rs.'000	Change	Unaudited 31.03.2019 Rs.'000	Audited 31.03.2018 Rs.'000	Change
	Revenue	977,448	915,613	7%	3,547,947	3,700,200
Cost of sales	(808,307)	(721,165)	12%	(2,795,400)	(2,811,622)	-1%
Gross Profit	169,140	194,448	-13.02%	752,547	888,578	-15%
Gain on fair value of biological assets	30,010	25,602	17%	30,010	25,602	17%
Other income	59,350	58,425	2%	204,800	133,995	53%
Administration expenses	(98,212)	(129,557)	-24%	(346,217)	(291,155)	19%
Management fee and workers profit share	(17,765)	(10,335)	72%	(101,920)	(102,568)	-1%
Finance cost	(3,347)	3,439	-197%	(45,730)	(61,958)	-26%
Finance income	3,150	2,302	37%	3,828	2,997	28%
Share of profit of joint ventures	6,401	1,740	268%	13,484	2,990	351%
Profit before taxation	148,727	146,064	2%	510,801	598,481	-15%
Current year Tax expenses	(64,696)	(53,301)	21%	(73,727)	(77,801)	-5%
Profit for the period after the current year tax	84,031	92,763	-9%	437,074	520,680	-16%
Adjustments for deferred tax due to Tax rate changes	-	(190,562)	-100%	-	(185,253)	-100%
Profit for the year	84,031	(97,799)		437,074	335,426	
Attributable to						
Equity holders of the parent	84,052	(97,741)	-186%	437,199	335,518	30%
Non controlling Interest	(21)	(59)	-64%	(125)	(91)	37%
Net Profit for the period	84,031	(97,799)	-186%	437,074	335,426	30%

Earnings per share

1.15 1.27

6.00 4.60

Statements of Comprehensive Income

	3 months		12 months ended	
	Unaudited 31.03.2019 Rs.'000	Audited 31.03.2018 Rs.'000	Unaudited 31.03.2019 Rs.'000	Audited 31.03.2018 Rs.'000
	Profit for the period	84,031	(97,799)	437,074
Actuarial gain on defined benefit plans	(63,573)	(69,574)	(63,573)	(69,574)
Income tax effect	8,900	9,740	8,900	9,740
Other comprehensive income for the period, net of tax	(54,673)	(59,834)	(54,673)	(59,834)
Total comprehensive income for the period, net of tax	29,358	(157,633)	382,401	275,593
Attributable to				
Equity holders of the parent	29,379	(157,574)	382,526	275,684
Non controlling Interest	(21)	(59)	(125)	(91)
Total comprehensive income for the period	29,358	(157,633)	382,401	275,593

ELPITIYA PLANTATIONS PLC

INCOME STATEMENT

Company

	3 months			12 months ended		
	Unaudited 31.03.2019 Rs.'000	Audited 31.03.2018 Rs.'000	Change	Unaudited 31.03.2019 Rs.'000	Audited 31.03.2018 Rs.'000	Change
Revenue	977,448	914,085	7%	3,522,380	3,680,776	-4%
Cost of sales	(808,307)	(717,895)	13%	(2,783,135)	(2,797,414)	-1%
Gross profit	169,140	196,190	-13.8%	739,245	883,362	-16%
Gain on fair value of biological assets	30,010	25,602	17%	30,010	25,602	17%
Other income	59,350	58,468	2%	204,792	133,995	53%
Administration expenses	(99,179)	(128,356)	-23%	(341,112)	(286,551)	19%
Management fee and workers profit share	(19,153)	(10,335)	85%	(101,920)	(102,568)	-1%
Finance cost	3,347	4,771	-30%	(41,788)	(55,506)	-25%
Finance income	2,828	2,203	28%	3,506	2,898	21%
Profit before taxation	146,342	148,543	-1%	492,732	601,232	-18%
Current Year Tax expenses	(64,637)	(53,284)	21%	(73,637)	(77,774)	-5%
Profit for the period after the current year tax	81,705	95,259	-14%	419,095	523,458	-20%
Adjustments for deferred tax due to Tax rate changes	-	(185,253)	-100%	-	(185,253)	-100%
Profit for the period	81,705	(89,994)	-191%	419,095	338,205	24%

Earnings per share

1.12 (1.24)

5.75 4.64

Statements of Comprehensive Income

	3 months		12 months ended	
	Unaudited 31.03.2019 Rs.'000	Audited 31.03.2018 Rs.'000	Unaudited 31.03.2019 Rs.'000	Audited 31.03.2018 Rs.'000
Profit for the period	81,705	(89,994)	419,095	338,205
Actuarial gain on defined benefit plans	(63,573)	(69,574)	(63,573)	(69,574)
Income tax effect	8,900	9,740	8,900	9,740
Other comprehensive income for the period, net of tax	(54,673)	(59,834)	(54,673)	(59,834)
Total comprehensive income for the period, net of tax	27,032	(149,828)	364,422	278,371

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	-	275,684	-	275,684	(91)	275,593
Transferred to the timber reserve	-	(25,490)	25,490	-	-	-
Realised gain on harvested timber trees	-	23,836	(23,836)	-	-	-
Dividend paid	-	(163,949)	-	(163,949)	-	(163,949)
Balance as at 31.03.2018	694,236	2,549,910	780,375	4,024,522	(4,278)	4,020,244
Net profit for the period	-	382,526	-	382,526	(125)	382,401
Impairment Provision for Doubtful debts	-	(3,400.00)	-	(3,400.00)	-	(3,400.00)
Transferred to the timber reserve	-	(31,617.50)	31,617.50	-	-	-
Realised gain on harvested timber trees	-	46,035.35	(46,035.35)	-	-	-
Balance as at 31.03.2019	694,236	2,943,454	765,958	4,403,648	(4,403)	4,399,245

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	-	278,371	-	278,371
Transferred to the timber reserve	-	(25,490)	25,490	-
Realised gain on harvested timber trees	-	23,836	(23,836)	-
Dividend paid	-	(163,949)	-	(163,949)
Balance as at 31.03.2018	694,236	2,509,242	780,376	3,983,854
Net Profit for the period	-	364,422	-	364,422
Impairment Provision for Doubtful debts	-	(3,400)	-	(3,400)
Transferred to the timber reserve	-	(31,617)	31,617	-
Realised gain on harvested timber trees	-	46,035	(46,035)	-
Balance as at 31.03.2019	694,236	2,884,682	765,958	4,344,876

ELPITIYA PLANTATIONS PLC

CASH FLOW STATEMENT

	Group		Company	
	Unaudited 12 months ended 31.03.2019 Rs.'000	Audited 12 months ended 31.03.2018 Rs.'000	Unaudited 12 months ended 31.03.2019 Rs.'000	Audited 12 months ended 31.03.2018 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before taxation	510,801	598,481	492,732	601,232
ADJUSTMENTS FOR				
Depreciation	114,745	93,803	105,600	82,616
Amortization	127,555	117,262	127,555	117,262
Provision for defined benefit plans	88,006	78,541	87,909	78,513
Items written back	(62,414)	(173)	(62,414)	(173)
Amortization of grants	(13,130)	(13,224)	(13,130)	(13,224)
Finance cost	45,730	61,958	41,788	55,506
Finance income	(3,828)	(2,997)	(3,506)	(2,898)
Gain on biological assets	(30,010)	(25,602)	(30,010)	(25,602)
Amortization of deferred income from sub lease	(4,948)	(3,973)	(4,948)	(3,973)
Revenue on dunsinane mini hydro power project	(50,884)	(32,112)	(50,884)	(32,112)
Profit from sale of Timber Trees	(14,297)	(32,379)	(14,297)	(32,379)
Ammortization of leasehold right to use of land	(5,479)	(5,479)	(5,479)	(5,479)
Share of profit of joint venture	(13,817)	(2,990)	-	-
Income from Solar Power Projects	(7,391)	(6,821)	(7,391)	(6,821)
	169,838	225,814	170,793	211,236
Operating profit before working capital changes	680,639	824,295	663,525	812,468
Increase/ (Decrease)in trade and other receivables	(92,652)	20,182	(93,159)	20,309
Increase / (Decrease) in amounts due from related companies	30,780	(30,724)	72,395	(52,412)
Increase / (Decrease) in inventories	(38,398)	(24,972)	(38,396)	(24,972)
Increase / (Decrease) in trade and other payables	24,671	(14,589)	25,446	(14,542)
Increase / (Decrease) in amounts due to related companies	79,726	16,179	51,130	16,179
	4,127	(33,925)	17,416	(55,438)
Cash generated from operations	684,766	790,370	680,941	757,030
Cash received from sublease of land	2,678	540	2,678	540
Cash received from sale of trees	111,217	88,327	111,217	88,327
Finance cost paid	(7,472)	(26,732)	(3,530)	(20,279)
Finance income received	2,562	1,770	2,240	1,671
Retirement benefit obligations paid	(72,693)	(68,960)	(72,693)	(68,960)
Tax paid	(15,745)	(45,866)	(15,753)	(45,831)
Grants received	1,768	4,870	1,768	4,870
	22,316	(46,051)	25,928	(39,663)
Net cash from operating activities	707,082	744,320	706,869	717,368
CASH FLOWS FROM INVESTING ACTIVITIES				
Field development expenditure	(353,024)	(296,142)	(353,024)	(296,142)
Purchase of property, plant and equipment	(249,712)	(144,434)	(228,123)	(143,926)
Proceeds from sale of property, plant and equipments	7,391	6,821	7,391	6,821
Investment in Subsidiary	(5,650)	-	(55,650)	-
Net Cash used in investing activities	(600,994)	(433,755)	(629,405)	(433,248)
	106,088	310,564	77,463	284,120
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans	-	70,946	-	70,946
Settlement of loans	(107,048)	(148,090)	(87,130)	(128,172)
Payment of government lease rentals	(41,799)	(38,632)	(41,799)	(38,632)
Dividend paid during the period	-	(154,841)	-	(154,841)
Net cash flow used in financing activities	(148,847)	(270,617)	(128,930)	(250,698)
Net Increase/Decrease in Cash & Cash Equivalents	(42,760)	39,947	(51,467)	33,422
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	49,539	92,298	33,458	84,924

NOTE A

Cash & Cash Equivalents at the beginning of the period

Cash and Bank

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

49,539	92,298	33,458	84,924
49,539	92,298	33,458	84,924

ELPITIYA PLANTATIONS PLC

SEGMENT INFORMATION

For the twelve months ended 31st March 2019

	Group		Company	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Tea				
Revenue	2,592,725	2,782,254	2,592,725	2,782,254
Revenue expenditure	(2,313,808)	(2,288,243)	(2,313,808)	(2,288,243)
Segment Result-Gross Profit	278,917	494,011	278,917	494,011
Rubber				
Revenue	192,233	206,765	192,233	206,765
Revenue expenditure	(225,154)	(246,874)	(225,154)	(246,874)
Segment Result-Gross Loss	(32,922)	(40,109)	(32,922)	(40,109)
Oil Plant				
Revenue	731,934	683,876	731,934	683,876
Revenue expenditure	(239,200)	(257,943)	(239,200)	(257,943)
Segment Result-Gross Profit	492,734	425,933	492,734	425,933
Others				
Revenue	31,056	27,306	5,489	7,881
Revenue expenditure	(17,238)	(18,562)	(4,973)	(4,354)
Segment Result-Gross profit	13,818	8,744	516	3,527
Total Segments				
Revenue	3,547,947	3,700,201	3,522,380	3,680,776
Revenue expenditure	(2,795,400)	(2,811,622)	(2,783,135)	(2,797,414)
Total segment result-Gross profit	752,547	888,579	739,245	883,362
Gain on fair value of biological assets	30,010	25,602	30,010	25,602
Other income	204,800	133,995	204,792	133,995
Administration expenses	(346,217)	(291,155)	(341,112)	(286,551)
Management fee and workers profit share	(101,920)	(102,568)	(101,920)	(102,568)
Finance cost	(45,730)	(61,958)	(41,788)	(55,506)
Finance income	3,828	2,997	3,506	2,898
Share of profit of joint ventures	13,484	2,990	-	-
Profit before taxation	510,801	598,481	492,732	601,232

For the three months ended 31st March 2019

	Group		Company	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Tea				
Revenue	781,703	695,473	781,703	695,473
Revenue expenditure	(736,691)	(561,774)	(736,691)	(561,774)
Segment Result-Gross Profit	45,012	133,699	45,012	133,699
Rubber				
Revenue	76,900	99,045	76,900	99,045
Revenue expenditure	(59,739)	(92,110)	(59,739)	(92,110)
Segment Result-Gross Profit/Loss	17,160	6,935	17,160	6,935
Oil Plant				
Revenue	157,629	118,814	157,629	118,814
Revenue expenditure	(25,134)	(58,128)	(25,134)	(62,772)
Segment Result-Gross Profit	132,495	60,686	132,495	56,042
Others				
Revenue	2,818	2,281	1,780	752
Revenue expenditure	(2,977)	(9,154)	(600)	(1,240)
Segment Result-Gross Profit/Loss	(159)	(6,873)	1,180	(488)
Total Segments				
Revenue	1,019,049	915,613	1,018,011	914,084
Revenue expenditure	(824,541)	(721,166)	(822,164)	(717,896)
Total segment result-Gross profit	194,508	194,447	195,847	196,188
Gain on fair value of biological assets	30,009.63	25,602	30,009.63	25,602
Other income	29,973.04	58,425	30,077.34	58,468
Administration expenses	(98,752.16)	(129,557)	(96,614.35)	(128,356)
Management fee and workers profit share	(19,153.22)	(10,335)	(19,153.22)	(10,335)
Finance cost	2,589.19	3,439	3,346.89	4,771
Finance income	3,150.33	2,302	2,828.20	2,203
Share of profit of joint ventures	6,400.58	1,740	-	-
Profit before taxation	148,726	146,064	146,342	148,543

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. The Group has adopted the new Accounting Standards, SLFRS 15 Revenue from Contracts with Customers and SLFRS 9 Financial Instruments, for the financial year end 31.03.2019.

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 31.03.2019

	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	586,217	0.80
4	Sandwave Limited	463,538	0.64
5	J.B Cocoshell (Pvt) Ltd	427,872	0.59
6	Mr K C Vignarajah	370,504	0.51
7	Tranz Dominion, L.L.C	315,000	0.43
8	Seylan Bank PLC/Mohamed Mustaq Fund	272,615	0.37
9	Dr.R.D Bandaranaike	210,696	0.29
10	Gulf East Finance Limited	152,815	0.21
11	People s Merchant Finance PLC/M M Furd	146,300	0.20
12	Bansei Securities Capital (Pvt) Ltd/Dawi Investment Trust (Pvt) Ltd	128,264	0.18
13	Mr M A Qasim	124,025	0.17
14	Mr A V Emmanuel	110,905	0.15
15	Seylan Bank PLC/Mr Sermal Hemaka Jayasuriya	91,000	0.12
16	Mr S B H Wanduragala	89,475	0.12
17	Mr Almuhairi	66,454	0.09
18	Mr Wijsekera	65,000	0.09
19	Mr Y H Abdulhossein	61,642	0.08
20	People's Leasing & Finance PLC/Hi Line Trading (Pvt) Ltd	61,296	0.08
	Total No. of Shares	64,274,064	88.19

PUBLIC SHAREHOLDING AS AT 31.03.2019

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 31st March 2019

11,027

DIRECTORS' SHAREHOLDINGS

None of the Directors hold shares in the Company.

MARKET PRICES OF SHARES RECORDED DURING THE PERIOD ENDED

	31.03.2019	31.03.2018
	Rs.	Rs.
Highest price recorded for the twelve months ending	29.70	33.70
Lowest price recorded for the twelve months ending	17.30	19.00
Last traded price	18.10	27.40
Highest price recorded for the three months ending	22.90	30.70
Lowest price recorded for the three months ending	17.30	26.10

The float adjusted market capitalization as at 31 March 2019 was Rs 223,281,310.40/- . 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
- Venture Valley (Private) Ltd **

JOINT VENTURE COMPANIES

- AEN Palm Oil Processing (Private) Limited
- Elpitiya Dianhong Jin Ya Tea Company (Private) Limited
- Elpitiya Lifestyle Solutions (Private) Limited

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

- Dr M P Dissanayake (Appointed w.e.f.29.03.2019)
- Mr J.M.S Brito (Resigned w. e .f .29.03.2019)
- 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)