



Tea Estates

Hapugastenne Plantations PLC
(Company Registration Number PQ 62)

Interim Unaudited Financial Statements
Nine months ended 30th September 2018

HAPUGASTENNE PLANTATIONS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP					
	Three months ended 30th September			Nine months ended 30th September		
	2018 Unaudited RS. '000	2017 Unaudited RS. '000	Change %	2018 Unaudited RS. '000	2017 Unaudited RS. '000	Change %
Revenue	826,747	977,634	(15)	2,558,769	3,040,999	(16)
Cost of Sales	(864,517)	(839,116)	(3)	(2,600,975)	(2,555,656)	(2)
Gross Profit / (Loss)	(37,770)	138,518	(127)	(42,206)	485,343	(109)
Other Operating Income	15,408	1,160	1,228	50,947	38,741	32
Change in Fair Value of Biological Assets	(30)	318	(109)	(87)	2,677	(103)
Administrative Expenses	(56,909)	(74,917)	24	(189,902)	(203,469)	7
Finance Cost	(53,912)	(37,600)	(43)	(141,230)	(103,506)	(36)
Interest Income	239	11	2,073	1,001	352	184
Profit / (Loss) from Ordinary Activities before Taxation	(132,974)	27,490	(584)	(321,477)	220,138	(246)
Income Tax Expense	(1,082)	(4,550)	76	74,348	(42,167)	276
Profit / (Loss) after Taxation	(134,056)	22,940	(684)	(247,129)	177,971	(239)
Other comprehensive income Items that will never be classified to profit or loss: Remeasurement of Retirement Benefit Obligation	-	-	-	-	-	-
Total Comprehensive Income for the Period	(134,056)	22,940	(684)	(247,129)	177,971	(239)

Profit/(Loss) Attributable to:
Equity shareholders of the parent
Non-controlling interest

(135,550)	21,425
1,494	1,515
(134,056)	22,940

(251,749)	174,753
4,620	3,218
(247,129)	177,971

Total comprehensive income attributable to:
Owners of the Company
Non-controlling interest

(135,550)	21,425
1,494	1,515
(134,056)	22,940

(251,749)	174,753
4,620	3,218
(247,129)	177,971

Earnings / (Loss) per Share - Rs.

(2.93)	0.46
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(5.44)	3.77
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HAPUGASTENNE PLANTATIONS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	COMPANY					
	Three months ended 30th September			Nine months ended 30th September		
	2018 Unaudited RS. '000	2017 Unaudited RS. '000	Change %	2018 Unaudited RS. '000	2017 Unaudited RS. '000	Change %
Revenue	794,645	945,340	(16)	2,455,700	2,967,453	(17)
Cost of Sales	(836,269)	(809,222)	(3)	(2,508,166)	(2,487,227)	(1)
Gross Profit / (Loss)	(41,624)	136,118	(131)	(52,466)	480,226	(111)
Other Operating Income	13,771	135	10,101	45,108	41,845	8
Change in Fair Value of Biological Assets	(30)	318	(109)	(87)	2,677	(103)
Administrative Expenses	(56,209)	(74,350)	24	(187,772)	(200,860)	7
Finance Cost	(53,531)	(37,884)	(41)	(140,849)	(105,276)	(34)
Interest Income	330	11	2,900	1,001	352	184
Profit / (Loss) from Ordinary Activities before Taxation	(137,293)	24,348	(664)	(335,065)	218,964	(253)
Income Tax Expense	-	(4,690)	100	77,926	(40,965)	290
Profit / (Loss) after Taxation	(137,293)	19,658	(798)	(257,139)	177,999	(244)
Other comprehensive income Items that will never be classified to profit or loss: Remeasurement of Retirement Benefit Obligation	-	-	-	-	-	-
Total Comprehensive Income for the Period	(137,293)	19,658	(798)	(257,139)	177,999	(244)

Earnings / (Loss) per Share - Rs.

(2.96)

0.42

(5.55)

3.84

HAPUGASTENNE PLANTATIONS PLC
STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	As at 30.09.2018 Unaudited RS. '000	As at 31.12.2017 Audited RS. '000	As at 30.09.2018 Unaudited RS. '000	As at 31.12.2017 Audited RS. '000
ASSETS				
NON-CURRENT ASSETS				
Right to use of land on lease	471,988	485,369	471,988	485,369
Immovable estate assets on finance lease (other than bare land)	72,742	81,664	72,742	81,664
Tangible assets other than biological assets	682,117	728,264	639,362	680,755
Intangible assets	27,211	31,360	26,102	30,587
Bearer biological assets	1,666,259	1,619,748	1,666,259	1,619,748
Consumable biological assets	1,106,791	1,103,238	1,106,791	1,103,238
Investment in subsidiaries	-	-	35,003	35,003
Lease rental receivable	17,997	19,198	17,997	19,198
	4,045,105	4,068,841	4,036,244	4,055,562
CURRENT ASSETS				
Bearer biological assets	3,493	3,580	3,493	3,580
Lease rental receivable	1,201	1,201	1,201	1,201
Inventories	327,814	387,386	309,584	378,142
Other financial assets	-	3,227	-	3,227
Trade & other receivables	186,756	158,062	179,704	142,509
Amounts due from related companies	23,979	17,900	23,979	17,900
Income tax receivables	26,133	3,350	24,719	-
Cash & bank balances	113,172	114,981	66,118	75,804
	682,548	689,687	608,798	622,363
TOTAL ASSETS	4,727,653	4,758,528	4,645,042	4,677,925
EQUITY & LIABILITIES				
Capital & Reserves				
Stated capital (46,315,789 Ordinary shares and a Golden share)	550,000	550,000	550,000	550,000
Revaluation reserve	259,688	267,344	259,688	267,344
General reserve	204,204	196,548	204,204	196,548
Accumulated profit	527,416	779,165	501,881	759,020
SHAREHOLDERS' FUNDS	1,541,308	1,793,057	1,515,773	1,772,912
Non-Controlling Interest	50,906	46,286	-	-
	1,592,214	1,839,343	1,515,773	1,772,912
NON CURRENT LIABILITIES				
Interest bearing loans & borrowings	206,120	116,409	206,120	116,409
Deferred taxation	101,148	184,087	92,431	175,370
Deferred Income	216,625	212,389	216,625	212,389
Retirement benefit obligations	691,020	649,647	688,292	648,505
Net liability to the lessor payable after one year	217,026	218,904	217,026	218,904
	1,431,939	1,381,436	1,420,494	1,371,577
CURRENT LIABILITIES				
Interest bearing loans & borrowings	190,525	66,753	190,525	66,753
Net liability to the lessor payable within one year	4,625	4,625	4,625	4,625
Trade & other payables	360,484	443,472	356,122	437,198
Income tax payable	11,537	6,525	11,537	6,525
Amounts due to related companies	782,814	759,425	792,450	761,386
Dividend payable	7,172	7,172	7,172	7,172
Bank overdraft	346,344	249,777	346,344	249,777
	1,703,501	1,537,749	1,708,775	1,533,436
TOTAL EQUITY AND LIABILITIES	4,727,654	4,758,528	4,645,042	4,677,925
Net Assets per Share Rs.	33.28	38.71	32.73	38.28

These Interim Financial Statements have been prepared in compliance with the requirements of the Companies Act no 7 of 2007.

Sgd
D S HEENATIGALAGE
FINANCIAL CONTROLLER

The Board of Directors is responsible for the preparation and presentation of these Interim Financial Statements.
Signed for and on behalf of the Board of Directors;

Sgd
D J RATWATTE
DIRECTOR
Colombo,
29th October 2018

Sgd
M C PIETERSZ
DIRECTOR

HAPUGASTENNE PLANTATIONS PLC

STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	Nine months ended 30th September		Nine months ended 30th September	
	2018 Un-audited RS. '000	2017 Un-audited RS. '000	2018 Un-audited RS. '000	2017 Un-audited RS. '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (Loss) from ordinary activities before taxation	(321,477)	220,138	(335,065)	218,964
ADJUSTMENTS FOR				
Finance Costs	141,230	103,506	140,849	105,276
Retirement benefit obligations - provision	93,907	95,598	92,321	95,169
Amortisation of grants	(5,920)	(5,920)	(5,920)	(5,920)
Depreciation	119,765	121,811	115,293	116,668
Interest Income	(330)	(352)	(1,001)	(352)
Provision for bad and doubtful debts	389	430	389	430
(Gains)/Losses on fair value of biological assets	(87)	2,677	(87)	2,677
Operating Profit before Working Capital changes	27,477	537,888	6,779	532,912
(Increase)/Decrease in Inventories	59,572	3,325	68,558	1,101
(Increase)/Decrease in Trade and other receivables	(47,438)	(44,313)	(57,875)	(36,732)
(Increase)/Decrease in Amounts Due from Related Companies	(6,079)	(30,098)	(6,079)	(36,926)
Increase/(Decrease) in Trade & Other Payables	(82,988)	(108,238)	(81,077)	(109,393)
Increase/(Decrease) in Amounts Due to Related Companies	23,389	99,689	31,064	81,028
Cash Generated from Operations	(26,067)	458,254	(38,630)	431,990
Retirement benefit obligations payment	(52,534)	(80,697)	(52,534)	(80,697)
Finance costs paid	(105,566)	(61,139)	(105,185)	(62,909)
Tax Paid	(3,579)	(6,012)	(1)	(149)
Net Cash from Operating Activities	(187,746)	310,406	(196,350)	288,235
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Property, Plant & Equipment	352	-	352	-
Interest Income	330	352	1,001	352
Field Development Expenditure	(91,732)	(85,894)	(91,732)	(85,894)
Purchase of Property, Plant & Equipment	(5,676)	(11,363)	(5,622)	(10,363)
Net Cash from/ (used in) Investing Activities	(96,726)	(96,905)	(96,001)	(95,905)
CASH FLOWS FROM FINANCING ACTIVITIES				
Government grants received	10,156	7,784	10,156	7,785
Proceeds from External Loans	315,000	45,655	315,000	45,655
Net Proceeds from Inter Company Loans	-	151,900	-	151,900
Repayment of Term Loans/Leases	(139,059)	(126,115)	(139,059)	(126,115)
Dividend paid	-	(6,000)	-	-
Net Cash from / (used in) Financing Activities	186,097	73,224	186,097	79,225
Net Increase / (decrease) in Cash & Cash Equivalents	(98,375)	286,725	(106,254)	271,555
Cash & Cash Equivalents at the beginning of the period	(134,796)	(272,276)	(173,973)	(303,094)
Cash & Cash Equivalents at the end of the period - Note 01	(233,171)	14,449	(280,227)	(31,539)
NOTE 01				
Cash in Hand & at Bank	113,172	81,845	66,118	35,858
Bank Overdraft	(346,344)	(67,397)	(346,344)	(67,397)
	(233,172)	14,448	(280,226)	(31,539)

HAPUGASTENNE PLANTATIONS PLC
STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital RS. '000	Revaluation Reserve RS. '000	General Reserve RS. '000	Accumulated Profit RS. '000	Total RS. '000	Non-Controlling Interest RS. '000	Total Equity RS. '000
Balance as at 01st January 2017	550,000	277,116	186,776	603,461	1,617,353	50,520	1,667,873
Profit for the period	-	-	-	174,753	174,753	3,218	177,971
Transferred to general reserve	-	(7,656)	7,656	-	-	-	-
Dividend Paid	-	-	-	-	-	(6,000)	(6,000)
Balance as at 30th September 2017	550,000	269,460	194,432	778,214	1,792,106	47,738	1,839,844
Balance as at 01st January 2018	550,000	267,344	196,548	779,165	1,793,057	46,286	1,839,343
Loss for the period	-	-	-	(251,749)	(251,749)	4,620	(247,129)
Transferred to general reserve	-	(7,656)	7,656	-	-	-	-
Balance as at 30th September 2018	550,000	259,688	204,204	527,416	1,541,308	50,906	1,592,214

Company

	Stated Capital RS. '000	Revaluation Reserve RS. '000	General Reserve RS. '000	Accumulated Profit RS. '000	Total RS. '000
Balance as at 01st January 2017	550,000	277,116	186,776	578,711	1,592,603
Profit for the period	-	-	-	177,999	177,999
Transferred to general reserve	-	(7,656)	7,656	-	-
Balance as at 30th September 2017	550,000	269,460	194,432	756,710	1,770,602
Balance as at 01st January 2018	550,000	267,344	196,548	759,020	1,772,912
Profit for the period	-	-	-	(257,139)	(257,139)
Transferred to general reserve	-	(7,656)	7,656	-	-
Balance as at 30th September 2018	550,000	259,688	204,204	501,881	1,515,773

HAPUGASTENNE PLANTATIONS PLC
NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENTAL INFORMATION

Group

	Tea		Rubber		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	RS. '000	RS. '000	RS. '000	RS. '000	RS. '000	RS. '000	RS. '000	RS. '000
Revenue	2,251,387	2,632,643	230,156	312,832	77,226	95,524	2,558,769	3,040,999
Cost of Sales	(2,323,826)	(2,287,951)	(240,178)	(236,550)	(36,971)	(31,155)	(2,600,975)	(2,555,656)
Segment Results (Gross Profit/Loss)	(72,439)	344,692	(10,022)	76,282	40,255	64,369	(42,206)	485,343
Other Operating Income							50,947	38,741
Change in Fair Value of Biological Assets							(87)	2,677
Administrative Expenses							(189,902)	(203,469)
Net Finance Cost							(140,229)	(103,154)
Profit / (Loss) Before Taxation							(321,477)	220,138

Company

	Tea		Rubber		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	RS. '000	RS. '000	RS. '000	RS. '000	RS. '000	RS. '000	RS. '000	RS. '000
Revenue	2,148,318	2,559,097	230,156	312,832	77,226	95,524	2,455,700	2,967,453
Cost of Sales	(2,231,017)	(2,219,522)	(240,178)	(236,550)	(36,971)	(31,155)	(2,508,166)	(2,487,227)
Segment Results (Gross Profit/Loss)	(82,699)	339,575	(10,022)	76,282	40,255	64,369	(52,466)	480,226
Other Operating Income							45,108	41,845
Change in Fair Value of Biological Assets							(87)	2,677
Administrative Expenses							(187,772)	(200,860)
Net Finance Cost							(139,848)	(104,924)
Profit / (Loss) Before Taxation							(335,065)	218,964

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HAPUGASTENNE PLANTATIONS PLC
NOTES TO THE FINANCIAL STATEMENTS

2 General Information

Hapugastenne Plantations PLC is a public limited liability company incorporated and domiciled in Sri Lanka. The address of its registered office is 95A, Nambapana, Ingiriya.

These financial statements have been approved for issue by the Board of Directors on 29th October 2018.

3 Basis of Preparation

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31.12.2017 and are in compliance with the Sri Lanka Accounting Standard (SLAS) LKAS 34, Interim Financial Reporting.

4 No circumstances have arisen since the date of the Statement of Financial Position which would require adjustment to or disclosure in the Financial Statements.

5 There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31st December 2017.

INVESTOR INFORMATION

Share Prices

	Quarter ended	Quarter ended
	30.09.18	30.09.17
Highest price Rs.	22.00	33.00
Lowest price Rs.	13.50	24.10
Last traded price Rs.	20.00	32.40

Directors' Shareholding

	As At	As At
	30.09.18	30.09.17
Mr. N K H Ratwatte (Chairman)	1,000	1,000
Mr. D J Ratwatte (CEO)	100	100
Ms. M C Pietersz	NIL	NIL
Mr. J M Rutherford	NIL	NIL
Mr. H A S Crawford	NIL	NIL
Mr. G R Chambers	NIL	NIL
Mr. N H G S Jayasinghe	NIL	NIL
Mr. E D P Soosaipillai	NIL	NIL
Mr. G K Dasanayaka	NIL	NIL

Major Shareholders as at 30th September 2018

	Name of Shareholder	No. of Shares	%
1	James Finlay Plantation Holdings (Lanka) Limited	27,265,189	58.87
2	James Finlay Limited, UK ("JFL")	9,753,979	21.06
3	Jacey Trust Services (Pvt) Ltd (held for the benefit of JFL)	4,661,774	10.07
4	Beta Holdings Limited	1,169,982	2.53
5	Mrs. F F Hanifa	70,456	0.15
6	People's Leasing & Finance Plc / K W Management Pvt Ltd	53,462	0.12
7	People's Merchant Finance Plc / M M Fuad	52,112	0.11
8	Mr. M Z Rasheed	51,910	0.11
9	People's Leasing & Finance Plc/ Mr. E J B U Fernando	47,449	0.10
10	Cocoshell Activated Carbon Company Limited	44,000	0.09
11	Dialog Finance Plc / F F Haniffa	35,018	0.08
12	Seylan Bank Ltd / Govindasamy Ramanan	34,560	0.07
13	Capital Trust Holdings Ltd	33,667	0.07
14	People's Leasing & Finance Plc / HI Line Towers Pvt Ltd	29,200	0.06
15	People's Leasing & Finance Plc / HI Line Trading Pvt Ltd	27,860	0.06
16	Mrs.O V Samarasuriya	22,042	0.05
17	Mr. C T M Pathirana	21,500	0.05
18	Ceylon Blue Maggie Limited	20,000	0.04
19	Mr. L P K P Samarasuriya	19,500	0.04
20	K W Maggment (Pvt) Ltd	18,700	0.04
	Total	43,432,360	93.77
	Other Shareholders	2,883,430	6.23
	Issued Share capital	46,315,790	100.00

Of the issued ordinary share capital 10% (2017 : 10%) is held by the public representing 21,446 (2017: 21,474) shareholders.