



# **HORANA PLANTATIONS PLC**

*(Company Number : PQ 126)*

## **INTERIM FINANCIAL STATEMENTS**

**For the Nine (09) Months Ended  
31-Dec-2017**

*Registered Office - No.400, Deans Road, P.O.Box 2042, Colombo 10, Sri Lanka*

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# **Horana Plantations PLC**

## **Interim Financial Statements For the Nine (9) Months Ended 31st December 2017**

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## Horana Plantations PLC

### Statement of Profit or Loss and Comprehensive Income For the Nine (9) Months Ended 31st December 2017

Year Ended		Nine (09) Months Ended			Three (3) Months Ended	
31-Mar 2017 (Audited) Rs' 000		31-Dec 2017 Rs' 000	31-Dec 2016 Rs' 000	Change %	31-Dec 2017 Rs' 000	31-Dec 2016 Rs' 000
1,947,278	<b>Revenue</b>	<b>1,728,312</b>	1,286,604	34.33	<b>565,131</b>	433,142
(1,831,450)	Cost of Sales	<b>(1,521,378)</b>	(1,303,533)	(16.71)	<b>(479,005)</b>	(367,471)
115,828	<b>Gross Profit</b>	<b>206,934</b>	(16,929)	1,322.35	<b>86,127</b>	65,671
14,431	Other Operating Income	<b>3,826</b>	9,588	(60.09)	<b>1,302</b>	2,590
28,871	Change in Fair Value of Biological Assets	<b>5,680</b>	-	100.00	<b>(727)</b>	-
159,130		<b>216,440</b>	(7,342)	3,048.11	<b>86,702</b>	68,261
(90,123)	Administrative Expenses	<b>(77,781)</b>	(67,964)	(14.44)	<b>(25,981)</b>	(23,498)
(9,940)	Management Fees	<b>(12,929)</b>	-	(100.00)	<b>(5,606)</b>	-
59,067	<b>Profit/(Loss) from Operations</b>	<b>125,730</b>	(75,305)	266.96	<b>55,115</b>	44,762
(88,656)	Net Finance Expense	<b>(66,570)</b>	(62,777)	(6.04)	<b>(21,061)</b>	(25,866)
(29,589)	<b>Profit/(Loss) before Taxation</b>	<b>59,160</b>	(138,083)	142.84	<b>34,055</b>	18,896
(700)	Tax Reversal/(Expense)	<b>(5,215)</b>	14,974	(134.83)	<b>(1,329)</b>	7,196
(30,289)	<b>Profit/(Loss) for the period</b>	<b>53,945</b>	(123,108)	143.82	<b>32,726</b>	26,092
	<b>Other Comprehensive Income/(Expense):-</b>					
31,506	Actuarial Gain on Employee Benefits	-	-	-	-	-
(4,411)	Tax Expense on Other Comprehensive Income	-	-	-	-	-
27,095	<b>Other Comprehensive Income for the period after Tax</b>	-	-	-	-	-
(3,194)	<b>Total Comprehensive Income/(Expense) for the period</b>	<b>53,945</b>	(123,108)	143.82	<b>32,726</b>	26,092
(1.21)	<b>Earnings per Ordinary Share (Rs.)</b>	<b>2.16</b>	(4.92)	143.82	<b>1.31</b>	1.04

**Horana Plantations PLC**  
**Statement of Financial Position**  
**As at 31st December 2017**

As at		As at	
31-Mar 2017 (Audited) Rs' 000		31-Dec 2017	31-Dec 2016
		Rs' 000	Rs' 000
	<b>ASSETS</b>		
	<b>Non-Current Assets</b>		
	<b>Property, Plant &amp; Equipment:-</b>		
109,119	Leasehold Rights to Bare Land of JEDB/SLSPC Estates	106,148	109,997
54,821	Immovable JEDB/SLSPC Estate Assets on Finance Lease (Other than Bare Land)	49,012	57,161
2,085,018	Bearer Biological Assets	2,206,381	2,051,772
490,535	Consumable Biological Assets	500,589	465,515
476,129	Other Tangibles	453,293	483,416
<b>3,215,622</b>		<b>3,315,422</b>	<b>3,167,860</b>
	<b>Other Non-Current Assets</b>		
27,285	Advance Company Tax(ACT) Recoverable	27,285	27,285
<b>3,242,907</b>	<b>Total Non-Current Assets</b>	<b>3,342,707</b>	<b>3,195,145</b>
	<b>Current Assets</b>		
6,860	Non-harvested Produce on Bearer Biological Assets	5,680	2,566
230,211	Inventories	227,568	311,565
100,476	Trade and Other Receivables	90,965	81,930
16,636	Holding Company Receivable	9,643	15,650
8,636	Other Related Company Receivables	9,873	10,224
10,177	Cash and Cash Equivalents	13,534	8,146
<b>372,996</b>	<b>Total Current Assets</b>	<b>357,263</b>	<b>430,082</b>
<b>3,615,903</b>	<b>Total Assets</b>	<b>3,699,971</b>	<b>3,625,227</b>
	<b>EQUITY &amp; LIABILITIES</b>		
	<b>Equity</b>		
250,000	Stated Capital	250,000	250,000
35,000	Sinking Fund	35,000	35,000
35,000	Development Reserve	35,000	35,000
1,106,369	Retained Profits	1,160,314	986,455
<b>1,426,369</b>	<b>Total Equity</b>	<b>1,480,314</b>	<b>1,306,455</b>
	<b>Non-Current Liabilities</b>		
730,943	Interest bearing Borrowings payable after one year	743,365	612,251
84,564	Net Liability to Lessor of JEDB/SLSPC Estates	84,523	84,996
4,003	Other Finance Lease Creditors	352	5,598
393,480	Employee Benefits	383,012	429,985
138,189	Deferred Income	138,782	137,144
133,248	Deferred Tax Liability	137,367	113,512
<b>1,484,427</b>	<b>Total Non-Current Liabilities</b>	<b>1,487,402</b>	<b>1,383,487</b>
	<b>Current Liabilities</b>		
224,251	Trade and Other Payables	220,200	268,240
40,487	Payable to Other Related Companies	60,706	73,222
150,115	Interest bearing Borrowings payable within one year	161,027	157,982
1,728	Net Liability to Lessor of JEDB/SLSPC Estates	5,370	6,438
6,144	Other Finance Lease Creditors	5,246	5,991
282,380	Short Term Borrowings	279,705	423,411
<b>705,106</b>	<b>Total Current Liabilities</b>	<b>732,255</b>	<b>935,285</b>
<b>3,615,903</b>	<b>Total Equity &amp; Liabilities</b>	<b>3,699,970</b>	<b>3,625,227</b>
<b>57.05</b>	<b>Net Assets per Ordinary Share (Rs.)</b>	<b>59.21</b>	<b>52.26</b>

The Statement of Financial Position as at **31st December 2017** and the Statement of Profit or Loss, Statement of Comprehensive Income, the Statement of Changes in Equity and Cash Flow Statement for the period ended **31st December 2017** are drawn up from the unaudited Financial Statements of the Company, provide the information required by the Colombo Stock Exchange.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

Ms.P.M.Ediriweera

**Assistant General Manager - Finance**

Signed for and on behalf of the Board of Directors of Horana Plantations PLC:-

(Sgd.) A.M.Pandithage

**Chairman**

**8th February 2018**

(Sgd.) W. G. R. Rajadurai

**Managing Director**

## Horana Plantations PLC

### Statement of Changes in Equity

*For the Nine (9) Months Ended 31st December 2017*

<b><u>(Stated Capital comprised - 25 Million Ordinary Shares and 1 Golden Share)</u></b>	Stated Capital	Sinking Fund	Development Reserve	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b><u>Nine (9) Months Ended 31st December 2016:-</u></b>					
Balance as at 1st April 2016	250,000	35,000	35,000	1,109,563	1,429,563
Profit/(Loss) for the period	-	-	-	(123,108)	(123,108)
Other Comprehensive Income/(Expense)	-	-	-	-	-
Balance as at 31st December 2016	250,000	35,000	35,000	986,455	1,306,455
<b><u>Nine (9) Months Ended 31st December 2017 :-</u></b>					
Balance as at 1st April 2017	<b>250,000</b>	<b>35,000</b>	<b>35,000</b>	<b>1,106,369</b>	<b>1,426,369</b>
Profit/(Loss) for the period	-	-	-	<b>53,945</b>	<b>53,945</b>
Other Comprehensive Income/(Expense)	-	-	-	-	-
Balance as at 31st December 2017	<b>250,000</b>	<b>35,000</b>	<b>35,000</b>	<b>1,160,314</b>	<b>1,480,314</b>

**Horana Plantations PLC**  
**Statement of Cash Flows**  
**For the Nine (9) Months Ended 31st December 2017**

Year Ended		Nine (09) Months Ended	
31-Mar 2017 (Audited) Rs' 000		31-Dec 2017	31-Dec 2016
		Rs' 000	Rs' 000
	<b>Cash Flow from Operating Activities</b>		
(29,589)	Profit/(Loss) before Taxation	59,160	(138,083)
	<i>Adjustments for non-cash items :</i>		
(28,871)	Change in Fair Value of Biological Assets	(5,680)	-
131,575	Depreciation and Amortisation	100,819	98,833
73,292	Provision for Retiring Gratuity -Net of Actuarial Gain	53,567	57,784
88,646	Net Finance Expense	66,569	62,768
5,016	Finance Lease Interest	3,234	3,847
(9,671)	Profit on Disposal of Property, Plant & Equipment and Redundant Materials	-	(6,066)
(4,760)	Amortisation of Capital Grants	(3,826)	(3,522)
745	Field Development Expenditure written off	-	-
226,383	<i>Operating Profit before Working Capital Changes</i>	273,842	75,561
(4,746)	(Increase)/Decrease in Debtors, Deposits & Prepayments	17,614	12,013
(54,303)	(Increase)/Decrease in Inventories	9,488	(138,222)
(4,116)	(Increase)/Decrease in Related Party Receivables	5,757	(4,718)
22,252	Increase/(Decrease) in Related Party Payables	20,219	54,988
27,266	Increase/(Decrease) in Creditors, Provisions & Accrued Charges	(1,024)	67,541
212,737	<i>Cash Generated from Operations</i>	325,896	67,163
(81,674)	Interest paid	(62,739)	(54,841)
(75,899)	Payments made for Employee benefits	(60,309)	(56,017)
(6,798)	Payment of Income Tax (Economic Service Charge & Withholding Tax)	(9,254)	(4,663)
48,366	<i>Net Cash Inflow/(Outflow) from Operating Activities</i>	193,594	(48,358)
	<b>Cash Flow from Investing Activities</b>		
(11,673)	Purchase/Construction of Property, Plant and Equipment	(13,823)	(7,926)
(209,348)	Expenditure incurred on Biological Assets	(186,741)	(153,857)
8,649	Capital Grants and Subsidies received	4,418	6,366
9,671	Proceeds on Disposal of Property, Plant & Equipment and Redundant Materials	-	6,066
129	Interest Income	203	93
(202,572)	<i>Net Cash Outflow from Investing Activities</i>	(195,944)	(149,259)
	<b>Cash Flow from Financing Activities</b>		
250,000	Receipt of Project Loans	100,000	-
(86,250)	Repayment of Project Loans	(68,850)	(63,300)
133,000	Receipt of Other Term Loans	46,935	133,000
(159,382)	Repayment of Other Term Loans	(54,751)	(43,157)
204,000	Receipt of Short Term Advances	20,000	68,000
(204,000)	Repayment of Short Term Advances	(20,000)	(36,113)
(28,236)	Payment of Finance Lease Rentals	(14,953)	(17,062)
109,132	<i>Net Cash Inflow/(Outflow) from Financing Activities</i>	8,381	41,368
(45,073)	<b>Net Cash Inflow/(Outflow) for the period</b>	6,031	(156,249)
	<b>Change in Cash and Cash Equivalents</b>		
(227,129)	At the beginning of the Year	(272,203)	(227,129)
(45,073)	Net Cash Inflow/(Outflow) for the Period	6,031	(156,249)
(272,203)	At the End of the Period	(266,171)	(383,378)

## Horana Plantations PLC

### Notes to the Interim Financial Statements For the Nine (9) Months Ended 31st December 2017

#### 1 Segmental Information

	Tea		Rubber		Unallocated		Total	
	31-Dec 2017 Rs' 000	31-Dec 2016 Rs' 000	31-Dec 2017 Rs' 000	31-Dec 2016 Rs' 000	31-Dec 2017 Rs' 000	31-Dec 2016 Rs' 000	31-Dec 2017 Rs' 000	31-Dec 2016 Rs' 000
<b>Segmental Revenue:-</b>								
Main Sectors	1,447,729	1,053,921	238,947	216,758	-	-	1,686,676	1,270,679
Other Operating Revenue		-		-	41,636	15,926	41,636	15,926
	<b>1,447,729</b>	<b>1,053,921</b>	<b>238,947</b>	<b>216,758</b>	<b>41,636</b>	<b>15,926</b>	<b>1,728,312</b>	<b>1,286,604</b>
Cost of Sales	(1,252,269)	(1,031,295)	(250,560)	(259,068)	(18,549)	(13,170)	(1,521,378)	(1,303,533)
<b>Segmental Gross Profit/(Loss)</b>	<b>195,461</b>	<b>22,625</b>	<b>(11,613)</b>	<b>(42,310)</b>	<b>23,086</b>	<b>2,756</b>	<b>206,934</b>	<b>(16,929)</b>
Other Operating Income					3,826	9,588	3,826	9,588
Change in Fair Value of Biological Assets					5,680	-	5,680	-
Administrative Expenses					(77,781)	(67,964)	(77,781)	(67,964)
Management Fees					(12,929)	-	(12,929)	-
<b>Profit/(Loss) from Operations</b>							<b>125,730</b>	<b>(75,305)</b>
Net Finance Expense					(66,570)	(62,777)	(66,570)	(62,777)
<b>Profit/(Loss) before Taxation</b>							<b>59,160</b>	<b>(138,083)</b>
Tax Reversal/(Expense)					(5,215)	14,974	(5,215)	14,974
<b>Profit/(Loss) for the period</b>							<b>53,945</b>	<b>(123,108)</b>

#### 2 Market Prices (per Share)

Year Ended	
31-Mar-17	
Rs. Cts.	
24.50	Highest
14.00	Lowest
16.90	Closing

Quarter Ended 31st December				
2017		2016		Variance Rs. Cts.
Rs. Cts.	Date	Rs. Cts.	Date	
29.70	17-Oct-17	20.50	10-Oct-16	9.20
23.50	18-Dec-17	16.20	15-Dec-16	7.30
26.00		17.90		8.10

#### 3 Basis of Preparation

3.1 The above figures are provisional and subject to audit.

3.2 The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standards-LKAS 34 Interim Financial Reporting, and has applied the same accounting policies and methods of computation which have been adopted in the previous year.

3.3 Comparative figures have been re-classified to conform with the current year's presentation.

3.4 There are no changes in contingent liabilities of material nature since the last annual reporting date.

3.5 Negotiations are underway on the lease of Dumbara Estate.

3.6 No material events have occurred subsequent to the Reporting Period, which require adjustments to or disclosures in the Financial Statements.

3.7 The company has opted to apply the amendment to LKAS 16 and LKAS 41, on harvestable biological assets growing on the bearer plants which are measured at their fair value less cost to harvest, prospectively; as the retrospective impact of the amendment being not significantly affect the results of the corresponding period.

## Horana Plantations PLC

### Notes to the Interim Financial Statements (Contd.....)

For the Nine (9) Months Ended 31st December 2017

Name	No. of Shares	Percentage (%)
<b><u>4 Twenty (20) Major Shareholders as at 31st December 2017</u></b>		
1 Vallibel Plantation Management Limited	12,750,000	51.000
2 Naratha Ventures Private Limited	2,153,733	8.615
3 Sampath Bank PLC / Dr. T. Senthilverl	1,981,113	7.924
4 Associated Electrical Corporation Ltd.	1,279,485	5.118
5 Seylan Bank PLC / Dr. Thirugnanasambandar Senthilverl	870,614	3.482
6 Bank of Ceylon No.01 Account	513,000	2.052
7 Mrs. N. A. Ediriweera	200,000	0.800
8 Mr. K. C. Vignarajah	196,200	0.785
9 Gulf East Finance Limited	195,400	0.782
10 Mr. H. A. A. H. Algharabally	131,500	0.526
11 Mr. G. M. Weerakoon	130,032	0.520
12 Mr. P. F. Nandasiri	113,320	0.453
13 Mr. P. H. D. Waidyatilaka	105,000	0.420
14 Alpha Tours Private Limited	100,000	0.400
15 Mr. Anthony A. Page	100,000	0.400
16 Mr. P. Somadasa	77,263	0.309
17 Mr. Y. L. Farook	74,529	0.298
18 East West Properties PLC	71,400	0.286
19 Mr. P. Somadasa	70,231	0.281
20 Mr. A. Sithampalam	50,000	0.200
	21,162,820	84.651
Others	3,837,181	15.349
	25,000,001	100.000
<b><u>5 Directors' Shareholdings as at 31st December 2017</u></b>		
1 Mr. A. M. Pandithage	-	-
2 Mr. Dhammika Perera	-	-
3 Mr. W. G. R. Rajadurai	1,000	0.004
4 Mr. J. Manuja Kariapperuma	-	-
5 Mr. L. J. A. Fernando	-	-
6 Dr. S. Selliah	-	-
7 Mr. K. D. H. Perera	-	-
8 Mr. A. N. Wickremasinghe	-	-
9 Mr. S. C. Ganegoda	-	-
10 Mr. K. D. G. Gunaratne (Alternate Director to Mr.K.D.D.Perera)	-	-
11 Mr. N. T. Bogahalande (Alternate Director to Mr.K.D.H.Perera)	-	-
	1,000	0.004
<b><u>6 Public Holding Percentage as at 31st December 2017</u></b>		
<b>Holding of 10% or more:</b>		
Vallibel Plantation Management Ltd	12,750,000	51.000
<b>Directors' Shareholding:</b>		
Mr. W. G. R. Rajadurai	1,000	0.004
	<b>12,751,000</b>	<b>51.004</b>
<i>No. of Shareholders</i>	<b>10,251</b>	
<b>Public Holding</b>	<b>12,249,001</b>	<b>48.996</b>
<b>Total Stated Capital</b>	<b>25,000,001</b>	<b>100.000</b>