



HORANA PLANTATIONS PLC

(Company Number : PQ 126)

INTERIM FINANCIAL STATEMENTS

**For the Nine (09) Months Ended
31-Dec-2018**

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Horana Plantations PLC

Interim Financial Statements

For the Nine (9) Months Ended 31st December 2018

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Horana Plantations PLC

Statement of Profit or Loss and Other Comprehensive Income

For the Nine (9) Months Ended 31st December 2018

Year Ended		Nine (9) Months Ended			Three (3) Months Ended	
		31-Dec 2018	31-Dec 2017	Change	31-Dec 2018	31-Dec 2017
		Rs' 000	Rs' 000	%	Rs' 000	Rs' 000
31-Mar 2018 (Audited) Rs' 000						
2,248,463	Revenue	1,410,960	1,712,880	(17.63)	494,461	549,699
(1,982,948)	Cost of Sales	(1,295,549)	(1,505,946)	13.97	(385,833)	(463,572)
265,515	Gross Profit	115,411	206,934	(44.23)	108,628	86,127
6,343	Other Operating Income	15,534	3,826	306.02	4,581	1,302
44,995	Change in Fair Value of Biological Assets	7,619	5,680	34.14	2,852	(727)
316,853		138,564	216,440	(35.98)	116,062	86,702
(108,024)	Administrative Expenses	(85,836)	(77,781)	(10.36)	(26,749)	(25,981)
(17,240)	Management Fees	(9,571)	(12,929)	25.97	(7,398)	(5,606)
191,589	Profit/(Loss) from Operations	43,156	125,730	(65.68)	81,914	55,115
(86,915)	Net Finance Expense	(91,631)	(66,570)	(37.65)	(36,648)	(21,061)
104,674	Profit/(Loss) before Taxation	(48,475)	59,160	(181.94)	45,266	34,055
(20,329)	Tax (Expense)/Reversal	900	(5,215)	117.26	(4,329)	(1,329)
84,344	Profit/(Loss) for the period	(47,574)	53,945	(188.19)	40,937	32,726
(40,926)	Other Comprehensive Income/(Expense):-					
	Actuarial Gain/(Loss) on Employee Benefits	(29,000)	-	-	(9,667)	-
5,730	Tax (Expense)/Reversal on Other Comprehensive Income	4,060	-	-	1,353	-
(35,196)	Other Comprehensive Income/(Expense) for the period after Tax	(24,940)	-	-	(8,313)	-
49,148	Total Comprehensive Income/(Expense) for the period	(72,514)	53,945	(234.42)	32,624	32,726
3.37	Earnings per Ordinary Share (Rs.)	(1.90)	2.16	(188.19)	1.64	1.31

Horana Plantations PLC

Statement of Financial Position

As at 31st December 2018

As at		As at	
31-Mar 2018 (Audited) Rs' 000		31-Dec 2018 Rs' 000	31-Dec 2017 (Restated) Rs' 000
ASSETS			
Non-Current Assets			
Property, Plant & Equipment:-			
105,251	Leasehold Rights to Bare Land of JEDB/SLSPC Estates	102,283	106,148
47,106	Immovable JEDB/SLSPC Estate Assets on Finance Lease (Other than Bare Land)	41,785	49,012
2,176,052	Bearer Biological Assets	2,214,590	2,163,320
420,037	Other Tangibles	392,727	432,729
536,575	Consumable Biological Assets	547,538	500,589
3,285,021	Total Non-Current Assets	3,298,923	3,251,797
Current Assets			
6,210	Non-harvested Produce on Bearer Biological Assets	7,619	5,680
245,759	Inventories	341,316	227,568
27,285	Advance Company Tax(ACT) Recoverable	27,285	27,285
96,408	Trade and Other Receivables	106,330	90,965
15,089	Holding Company Receivable	31,855	9,643
3,852	Other Related Company Receivables	11,206	9,873
14,383	Cash and Cash Equivalents	3,190	13,534
408,986	Total Current Assets	528,801	384,548
3,694,007	Total Assets	3,827,724	3,636,346
EQUITY & LIABILITIES			
Equity			
250,000	Stated Capital	250,000	250,000
35,000	Sinking Fund	35,000	35,000
35,000	Development Reserve	35,000	35,000
1,100,798	Retained Earnings	1,015,784	1,105,596
1,420,798	Total Equity	1,335,784	1,425,596
Non-Current Liabilities			
703,247	Interest bearing Borrowings payable after one year	730,248	743,365
82,767	Net Liability to Lessor of JEDB/SLSPC Estates	81,366	84,523
-	Other Finance Lease Creditors	-	352
426,461	Retirement Benefit Obligations	451,558	383,012
136,531	Deferred Income	130,179	138,782
137,478	Deferred Tax Liability	123,946	128,461
1,486,484	Total Non-Current Liabilities	1,517,296	1,478,496
Current Liabilities			
267,923	Trade and Other Payables	330,773	220,200
54,015	Payable to Other Related Companies	36,689	60,706
161,027	Interest bearing Borrowings payable within one year	273,387	161,027
6,694	Net Liability to Lessor of JEDB/SLSPC Estates	12,449	5,370
4,004	Other Finance Lease Creditors	352	5,246
293,062	Bank Overdrafts	320,994	279,705
-	Dividend Payable	-	-
786,725	Total Current Liabilities	974,644	732,255
2,273,209	Total Liabilities	2,491,940	2,210,750
3,694,007	Total Equity & Liabilities	3,827,724	3,636,346
56.83	Net Assets per Ordinary Share (Rs.)	53.43	57.02

The Statement of Financial Position as at **31st December 2018** 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 2018** are drawn up from the unaudited Financial Statements of the Company, provide the information required by the Colombo Stock Exchange.

I certified that these 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

14th January 2019

(Sgd.) W. G. R. Rajadurai

Managing Director

Horana Plantations PLC

Statement of Changes in Equity

For the Nine (9) Months Ended 31st December 2018

<u>(Stated Capital comprised - 25 Million Ordinary Shares and 1 Golden Share)</u>	Stated Capital	Sinking Fund	Development Reserve	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<u>Nine (9) Months Ended 31st December 2017:-</u>					
Restated Balance as at 1st April 2017	250,000	35,000	35,000	1,051,651	1,371,651
Profit/(Loss) for the period	-	-	-	53,945	53,945
Other Comprehensive Income/(Expense)	-	-	-	-	-
Restated Balance as at 31st December 2017	250,000	35,000	35,000	1,105,596	1,425,596
<u>Nine (9) Months Ended 31st December 2018:-</u>					
Balance as at 1st April 2018	250,000	35,000	35,000	1,100,798	1,420,798
Profit/(Loss) for the period	-	-	-	(47,574)	(47,574)
Other Comprehensive Income/(Expense)	-	-	-	(24,940)	(24,940)
Interim Dividend of Rs.0.50 per share, payable for the year ending 31st March 2019	-	-	-	(12,500)	(12,500)
Balance as at 31st December 2018	250,000	35,000	35,000	1,015,784	1,335,784

Horana Plantations PLC

Statement of Cash Flows

For the Nine (9) Months Ended 31st December 2018

Year Ended		Nine (9) Months Ended	
31-Mar 2018 (Audited) Rs' 000		31-Dec 2018 Rs' 000	31-Dec 2017 Rs' 000
	Cash Flows from Operating Activities		
104,674	Profit/(Loss) before Taxation	(48,475)	59,160
	<i>Adjustments for non-cash items :</i>		
(39,766)	Change in Fair Value of Biological Assets	(7,619)	(5,680)
157,637	Depreciation and Amortisation	116,743	100,819
74,718	Provision for Retiring Gratuity	48,024	53,567
87,193	Finance Expenses	91,755	66,771
(279)	Finance Income	(129)	(203)
4,233	Finance Lease Interest	2,721	3,234
(69)	Profit on Disposal of Property, Plant & Equipment and Redundant Materials	(6,860)	-
(6,274)	Amortisation of Capital Grants	(8,674)	(3,826)
-	Field Development Expenditure written off	7,200	-
382,063	<i>Operating Profit before Working Capital Changes</i>	194,688	273,842
14,626	(Increase)/Decrease in Debtors, Deposits & Prepayments	(10,995)	17,614
(8,701)	(Increase)/Decrease in Inventories	(89,348)	9,488
6,331	(Increase)/Decrease in Related Party Receivables	(24,119)	5,757
13,530	Increase/(Decrease) in Related Party Payables	(17,327)	20,219
47,827	Increase/(Decrease) in Creditors, Provisions & Accrued Charges	63,458	(1,024)
455,675	<i>Cash Generated from Operations</i>	116,357	325,896
(79,748)	Interest paid	(78,947)	(62,739)
(79,888)	Payments made for Retirement Gratuity	(53,367)	(60,309)
(12,023)	Payment of Income Tax (Economic Service Charge & Withholding Tax)	(7,497)	(9,254)
284,016	<i>Net Cash Inflows/(Outflows) from Operating Activities</i>	(23,455)	193,594
	Cash Flows from Investing Activities		
(15,556)	Purchase/Construction of Property, Plant and Equipment	(5,558)	(13,823)
(241,550)	Additions on Biological Assets	(132,285)	(186,741)
4,617	Capital Grants and Subsidies received	2,319	4,418
69	Proceeds on Disposal of Property, Plant & Equipment and Redundant Materials	6,860	-
279	Interest Income	129	203
(252,141)	<i>Net Cash Outflows from Investing Activities</i>	(128,534)	(195,944)
	Cash Flows from Financing Activities		
100,000	Receipt of Project Loans	200,000	100,000
(91,800)	Repayment of Project Loans	(68,850)	(68,850)
46,935	Receipt of Other Term Loans	60,000	46,935
(71,918)	Repayment of Other Term Loans	(51,789)	(54,751)
(21,569)	Payment of Finance Lease Rentals	(13,996)	(14,953)
-	Payment of Dividend	(12,500)	-
(38,351)	<i>Net Cash Inflows/(Outflows) from Financing Activities</i>	112,865	8,381
(6,476)	Net Cash Inflow/(Outflow) for the period	(39,124)	6,031
(272,204)	At the beginning of the Year	(278,680)	(272,203)
(278,680)	Cash and Cash Equivalents	(317,804)	(266,172)

Horana Plantations PLC

Notes to the Interim Financial Statements For the Nine (9) Months Ended 31st December 2018

1 Segmental Information

	Tea		Rubber		Unallocated		Total	
	31-Dec 2018	31-Dec 2017	31-Dec 2018	31-Dec 2017	31-Dec 2018	31-Dec 2017	31-Dec 2018	31-Dec 2017
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Segmental Revenue:-								
Main Sectors	1,149,192	1,432,297	179,258	238,947	-	-	1,328,451	1,671,244
Other Operating Revenue	-	-	-	-	82,510	41,636	82,510	41,636
	1,149,192	1,432,297	179,258	238,947	82,510	41,636	1,410,960	1,712,880
Cost of Sales	(1,029,997)	(1,236,837)	(235,895)	(250,560)	(29,658)	(18,549)	(1,295,549)	(1,505,946)
Segmental Gross Profit/(Loss)	119,196	195,461	(56,636)	(11,613)	52,852	23,086	115,411	206,934
Other Operating Income					15,534	3,826	15,534	3,826
Change in Fair Value of Biological Assets					7,619	5,680	7,619	5,680
Administrative Expenses					(85,836)	(77,781)	(85,836)	(77,781)
Management Fees					(9,571)	(12,929)	(9,571)	(12,929)
Profit/(Loss) from Operations							43,156	125,730
Net Finance Expense					(91,631)	(66,570)	(91,631)	(66,570)
Profit/(Loss) before Taxation							(48,475)	59,160
Tax (Expense)/Reversal					900	(5,215)	900	(5,215)
Profit/(Loss) for the period							(47,574)	53,945
Other Comprehensive Income/(Expense):								
Actuarial Gain/(Loss) on Employee Benefits					(29,000)	-	(29,000)	-
Tax (Expense)/Reversal on Other Comprehensive Income					4,060	-	4,060	-
Other Comprehensive Income/(Loss) for the year after tax							(24,940)	-
Total Comprehensive Income/(Expense) for the year							(72,514)	53,945

2 Market Prices (per Share)

Year Ended		Quarter Ended 31st December				
31-Mar-18		2018		2017		Variance
Rs.Cts.		Rs.Cts.	Date	Rs.Cts.	Date	Rs.Cts.
30.00	Highest	18.00	16-Oct-18	29.70	17-Oct-17	(11.70)
16.00	Lowest	13.80	12-Dec-18	23.50	18-Dec-17	(9.70)
22.00	Closing	15.00		26.00		(11.00)

The float adjusted market capitalization as at **December 2018** was **Rs.183,735,015.00**.

The float adjusted market capitalization of the Company falls under "**Option 5**" of Section 7.13.1(a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

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

Horana Plantations PLC

Notes to the Interim Financial Statements (Contd.....) For the Nine (9) Months Ended 31st December 2018

Name	No. of Shares	Percentage (%)
4 Twenty (20) Major Shareholders as at 31st December 2018		
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.	1,286,186	5.145
5 Seylan Bank PLC / Dr. Thirugnanasambandar Senthilverl	871,174	3.485
6 Bank of Ceylon No.01 Account	513,000	2.052
7 Mr. G. M. Weerakoon	324,151	1.297
8 Mr. K. C. Vignarajah	196,205	0.785
9 Gulf East Finance Limited	195,400	0.782
10 Mr. H. A. A. H. Algharabally	131,500	0.526
11 Mr. P. F. Nandasiri	113,320	0.453
12 Mr. P. H. D. Waidyatilaka	105,000	0.420
13 Mrs. U. D. D. N. Perera	100,945	0.404
14 Alpha Tours Private Limited	100,000	0.400
15 Mr. Anthony A. Page	100,000	0.400
16 Merchant Bank of Sri Lanka PLC / J. A. S. Priyantha	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	66,711	0.267
20 Mr. A. Sithampalam	50,000	0.200
	21,261,630	85.047
Others	3,738,371	14.953
	25,000,001	100.000
5 Directors' Shareholdings as at 31st December 2018		
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 Mr. K. D. H. Perera	-	-
7 Mr. A. N. Wickremasinghe	-	-
8 Mr. S. C. Ganegoda	-	-
9 Mr. S. S. Sirisena	-	-
10 Mr. K. D. G. Gunaratne	-	-
11 Mr. K. D. G. Gunaratne (Alternate Director to Mr. K. D. H. Perera)	-	-
12 Mr. N. T. Bogahalande (Alternate Director to Mr. K. D. H. Perera)	-	-
	1,000	0.004
6 Public Holding Percentage as at 31st December 2018		
Holding of 10% or more:		
Vallibel Plantation Management Ltd	12,750,000	51.000
Directors' Shareholding:		
Mr. W. G. R. Rajadurai	1,000	0.004
	12,751,000	51.004
<i>No. of Shareholders</i>		
Public Holding	10,243	12,249,001
Total Stated Capital		25,000,001
		100.000