



HORANA PLANTATIONS PLC

(Company Number : PQ 126)

INTERIM FINANCIAL STATEMENTS

**For the Twelve (12) Months Ended
31-Mar-2019**

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Horana Plantations PLC

Interim Financial Statements

For the Twelve (12) Months Ended 31st March 2019

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Horana Plantations PLC

Statement of Profit or Loss and Other Comprehensive Income For the Twelve (12) Months Ended 31st March 2019

	Twelve (12) Months Ended			Three (3) Months Ended	
	31-Mar 2019	31-Mar 2018 <i>(Audited)</i>	Change	31-Mar 2019	31-Mar 2018
	Rs' 000	Rs' 000	%	Rs' 000	Rs' 000
Revenue	2,020,360	2,248,462	(10.14)	609,400	535,583
Cost of Sales	(1,855,254)	(1,982,948)	6.44	(559,705)	(477,002)
Gross Profit	165,106	265,515	(37.82)	49,695	58,580
Other Operating Income	20,040	6,343	215.95	4,506	2,517
Change in Fair Value of Biological Assets	86,508	44,995	92.26	78,889	39,316
	271,654	316,853	(14.27)	133,090	100,413
Administrative Expenses	(118,351)	(108,024)	(9.56)	(32,514)	(30,243)
Management Fees	(16,333)	(17,240)	5.26	(6,762)	(4,311)
Profit from Operations	136,970	191,589	(28.51)	93,814	65,858
Net Finance Expense	(129,622)	(86,915)	(49.14)	(37,991)	(20,345)
Profit before Taxation	7,348	104,674	(92.98)	55,823	45,513
Tax Expense	(2,546)	(20,329)	87.48	(3,446)	(15,115)
Profit for the period	4,802	84,343	(94.31)	52,376	30,398
<u>Other Comprehensive Income/(Expense):-</u>					
Actuarial Loss on Employee Benefits	(87,423)	(40,926)	(113.61)	(58,423)	(40,926)
Tax Reversal on Other Comprehensive Income	12,239	5,730	113.61	8,179	5,730
Other Comprehensive Expense for the period net of Tax	(75,184)	(35,196)	(113.61)	(50,245)	(35,196)
Total Comprehensive Income/(Expense) for the period	(70,382)	49,147	(243.21)	2,132	(4,798)
Basic Earnings per Ordinary Share (Rs.)	0.19	3.37	(94.31)	2.10	1.22

Horana Plantations PLC**Statement of Financial Position**

As at 31st March 2019

	As at	
	31-Mar 2019	31-Mar 2018 (Audited)
	Rs' 000	Rs' 000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment:-		
Leasehold Rights to Bare Land of JEDB/SLSPC Estates	101,385	105,251
Immovable JEDB/SLSPC Estate Assets on Finance Lease (Other than Bare Land)	39,926	47,106
Bearer Biological Assets	2,206,930	2,176,052
Other Tangibles	390,309	420,037
Consumable Biological Assets	585,919	536,575
Total Non-Current Assets	3,324,469	3,285,021
Current Assets		
Non-harvested Produce on Bearer Biological Assets	5,845	6,210
Inventories	297,746	245,759
Advance Company Tax(ACT) Recoverable	27,285	27,285
Trade and Other Receivables	94,830	96,408
Holding Company Receivable	32,257	15,089
Other Related Company Receivables	10,821	3,852
Cash and Cash Equivalents	2,871	14,383
Total Current Assets	471,655	408,986
Total Assets	3,796,124	3,694,007
EQUITY & LIABILITIES		
Equity		
Stated Capital	250,000	250,000
Sinking Fund	35,000	35,000
Development Reserve	35,000	35,000
Retained Earnings	1,017,916	1,100,798
Total Equity	1,337,916	1,420,798
Non-Current Liabilities		
Interest bearing Borrowings payable after one year	670,168	703,247
Net Liability to Lessor of JEDB/SLSPC Estates	80,898	82,767
Other Finance Lease Creditors	4,234	-
Retirement Benefit Obligations	504,717	426,461
Deferred Income	125,727	136,531
Deferred Tax Liability	116,355	137,478
Total Non-Current Liabilities	1,502,099	1,486,484
Current Liabilities		
Trade and Other Payables	242,870	267,923
Payable to Other Related Companies	35,005	54,015
Interest bearing Borrowings payable within one year	236,457	161,027
Net Liability to Lessor of JEDB/SLSPC Estates	7,168	6,694
Other Finance Lease Creditors	1,138	4,004
Short Term Borrowings	433,471	293,062
Total Current Liabilities	956,109	786,725
Total Liabilities	2,458,208	2,273,209
Total Equity & Liabilities	3,796,124	3,694,007
Net Assets per Ordinary Share (Rs.)	53.52	56.83

The Statement of Financial Position as at **31st March 2019** 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 March 2019** 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

(Sgd.) Roshan Rajadurai

Chairman

Managing Director

27th May 2019

Horana Plantations PLC

Statement of Changes in Equity

For the Twelve (12) Months Ended 31st March 2019

<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>Twelve (12) Months Ended 31st March 2018:-</u>					
<i>(Audited)</i>					
Balance as at 1st April 2017	250,000	35,000	35,000	1,051,651	1,371,651
Profit for the period	-	-	-	84,343	84,343
Other Comprehensive Expense for the period	-	-	-	(35,196)	(35,196)
Balance as at 31st March 2018	250,000	35,000	35,000	1,100,798	1,420,798
<u>Twelve (12) Months Ended 31st March 2019:-</u>					
Balance as at 1st April 2018	250,000	35,000	35,000	1,100,798	1,420,798
Profit for the period	-	-	-	4,802	4,802
Other Comprehensive Expense for the period	-	-	-	(75,184)	(75,184)
Interim Dividend of Rs.0.50 per share, paid for the year ended 31st March 2019	-	-	-	(12,500)	(12,500)
Balance as at 31st March 2019	250,000	35,000	35,000	1,017,916	1,337,916

Horana Plantations PLC

Statement of Cash Flows

For the Twelve (12) Months Ended 31st March 2019

	Twelve (12) Months Ended	
	31-Mar 2019 Rs' 000	31-Mar 2018 (Audited) Rs' 000
Cash Flows from Operating Activities		
Profit before Taxation	7,348	104,674
<i>Adjustments for non-cash items :</i>		
Change in Fair Value of Biological Assets	(40,916)	(39,766)
Depreciation and Amortisation	168,690	157,637
Provision for Retirement Benefit Obligation	62,830	74,718
Finance Expenses	129,786	87,193
Finance Income	(168)	(279)
Finance Lease Interest	3,647	4,233
Profit on Disposal of Property, Plant & Equipment and Redundant Materials	(6,861)	(69)
Amortisation of Capital Grants	(13,179)	(6,274)
Field Development Expenditure written off	12,683	-
Operating Profit before Working Capital Changes	323,860	382,064
Decrease in Debtors, Deposits & Prepayments	138	14,626
Increase in Inventories	(45,777)	(8,701)
(Increase)/Decrease in Related Party Receivables	(24,138)	6,331
Increase/(Decrease) in Related Party Payables	(19,011)	13,530
Increase/(Decrease) in Creditors, Provisions & Accrued Charges	(26,772)	47,827
Cash Generated from Operations	208,300	455,676
Interest paid	(111,482)	(79,748)
Payments made for Retirement Gratuity	(72,612)	(79,888)
Payment of Income Tax (Economic Service Charge & Withholding Tax)	(9,988)	(12,023)
Net Cash Inflow from Operating Activities	14,218	284,016
Cash Flows from Investing Activities		
Purchase/Construction of Property, Plant and Equipment	(10,080)	(15,556)
Additions on Biological Assets	(170,057)	(241,550)
Capital Grants and Subsidies received	2,374	4,617
Proceeds on Disposal of Property, Plant & Equipment and Redundant Materials	6,861	69
Interest Income	168	279
Net Cash Outflows from Investing Activities	(170,736)	(252,141)
Cash Flows from Financing Activities		
Receipt of Project Loans	200,000	100,000
Repayment of Project Loans	(89,700)	(91,800)
Receipt of Other Term Loans	60,000	46,935
Repayment of Other Term Loans	(67,949)	(71,918)
Payment of Finance Lease Rentals	(25,253)	(21,569)
Payment of Dividend	(12,500)	-
Net Cash Inflows/(Outflows) from Financing Activities	64,598	(38,353)
Net Cash Inflow/(Outflow) for the period	(91,920)	(6,478)
At the beginning of the Year	(278,680)	(272,203)
Cash and Cash Equivalents	(370,600)	(278,681)

Horana Plantations PLC

Notes to the Interim Financial Statements For the Twelve (12) Months Ended 31st March 2019

1 Segmental Information

	Tea		Rubber		Unallocated		Total	
	31-Mar 2019	31-Mar 2018 <i>(Audited)</i>	31-Mar 2019	31-Mar 2018 <i>(Audited)</i>	31-Mar 2019	31-Mar 2018 <i>(Audited)</i>	31-Mar 2019	31-Mar 2018 <i>(Audited)</i>
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Segmental Revenue:-								
Main Sectors	1,596,693	1,863,047	304,111	330,357	-	-	1,900,804	2,193,404
Other Operating Revenue	-	-	-	-	119,556	55,058	119,556	55,058
Segmental Revenue	1,596,693	1,863,047	304,111	330,357	119,556	55,058	2,020,360	2,248,462
Cost of Sales	(1,406,928)	(1,586,540)	(368,602)	(365,931)	(79,724)	(30,477)	(1,855,254)	(1,982,948)
Segmental Gross Profit/(Loss)	189,765	276,507	(64,490)	(35,574)	39,831	24,582	165,106	265,515
Other Operating Income					20,040	6,343	20,040	6,343
Change in Fair Value of Biological Assets					86,508	44,995	86,508	44,995
Administrative Expenses					(118,351)	(108,024)	(118,351)	(108,024)
Management Fees					(16,333)	(17,240)	(16,333)	(17,240)
Profit from Operations							136,970	191,589
Net Finance Expense					(129,622)	(86,915)	(129,622)	(86,915)
Profit before Taxation							7,348	104,674
Tax Expense					(2,546)	(20,329)	(2,546)	(20,329)
Profit for the period							4,802	84,343
Other Comprehensive Income/(Expense):								
Actuarial Loss on Retirement Benefit Obligation					(87,423)	(40,926)	(87,423)	(40,926)
Tax Reversal on Other Comprehensive Income					12,239	5,730	12,239	5,730
Other Comprehensive Income/(Loss) for the year after tax							(75,184)	(35,196)
Total Comprehensive Income/(Expense) for the year							(70,382)	49,147

2 Market Prices (per Share)

Year Ended		Quarter Ended 31st March				
31-Mar-18		2019		2018		Variance
Rs. Cts.		Rs. Cts.	Date	Rs. Cts.	Date	Rs. Cts.
30.00	Highest	19.00	5-Feb-19	28.90	8-Mar-18	(9.90)
16.00	Lowest	13.60	8-Jan-19	20.60	5-Mar-18	(7.00)
22.00	Closing	17.00		22.00		(5.00)

The float adjusted market capitalization as at 31st March 2019 was Rs.208,233,017.00.

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.

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Notes to the Interim Financial Statements (Contd....) For the Twelve (12) Months Ended 31st March 2019

Name	No. of Shares	Percentage (%)
4 Twenty (20) Major Shareholders as at 31st March 2019		
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	871,614	3.486
6 Bank of Ceylon No.01 Account	513,000	2.052
7 Mr. G. M. Weerakoon	333,556	1.334
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 Mrs. U. D. D. N. Perera	120,688	0.483
12 Mr. P. F. Nandasiri	113,320	0.453
13 Mr. P. H. D. Waidyatilaka	105,000	0.420
14 Mr. Anthony A. Page	100,000	0.400
15 Alpha Tours Private Limited	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	54,565	0.218
20 Mr. A. Sithampalam	50,000	0.200
Sub-Total	21,279,072	85.116
Others	3,720,929	14.884
Total	25,000,001	100.000
5 Directors' Shareholdings as at 31st March 2019		
1 Mr. A. M. Pandithage	-	-
2 Mr. Dhammika Perera	-	-
3 Dr. Roshan 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.D.Perera)	-	-
12 Dr. N. T. Bogahalande (Alternate Director to Mr.K.D.H.Perera)	-	-
Total	1,000	0.004
6 Public Holding Percentage as at 31st March 2019		
Holding of 10% or more:		
Vallibel Plantation Management Ltd	12,750,000	51.000
Directors' Shareholding:		
Dr. Roshan Rajadurai	1,000	0.004
Sub-Total	12,751,000	51.004
<i>No. of Shareholders</i>		
Public Holding	10,242	48.996
Total Stated Capital	25,000,001	100.000