

MADULSIMA PLANTATIONS PLC
833, Sirimavo Bandaranaike Mawatha - Colombo -14

Company Reg. No : PQ 184

INTERIM FINANCIAL STATEMENT
AS AT 30 SEPTEMBER 2016



OUR VISION

- ◆ *To be a trend setter to the Plantation industry by being a result oriented innovative Tea Company.*

OUR MISSION

- ◆ *To manage the Plantations as economically viable units and ensure the enhancement of their agro economic value.*
 - ◆ *To improve the Socio Economic Conditions of the Workers.*
 - ◆ *To enhance returns to the Shareholders.*
 - ◆ *To become the best managed*
-

MADULSIMA PLANTATIONS PLC
833, Sirimavo Bandaranaike Mawatha - Colombo -14
Provisional Financial Statement for 09 months ended 30 September 2016

CORPORATE INFORMATION

Company	: Madulsima Plantations PLC
Legal Form	: Quoted Public Company
Date of Incorporation	: 22nd June 1992
Company Registration No	: P Q 184
Registered Office	: 833, Sirimavo Bandaranaike Mawatha , Colombo 14
Board of Directors	: Mr. D H S Jayawardena - Chairman /MD Dr. N M Abdul Gaffar - Non Executive Director Mr. S K L Obeyesekere - Director/CEO Dr. A Shakthevale - Independent Director Mr. D S K Amarasekera - Independent Director
Secretary	: Mr. P A Jayatunga, 833, Sirimavo Bandaranaike Mawatha, Colombo 14. Telephone 2524734 / 2522871
Registrars	: P W Corporate Secretarial (Pvt) Ltd., 3/17, Kynsey Road, Colombo 8. Telephone: 4640360 - 3
Auditors	: Messrs. Ernst & Young, Chartered Accountants, 201 De Saram Place, Colombo 10
Bankers	: Hatton National Bank PLC, City Office, 16, Janadhipathi Mawatha, Colombo 1.
Managing Agent's	: Stassen Exports (Pvt) Limited, 833, Sirimavo Bandaranaike Mawatha, Colombo 14.

MADULSIMA PLANTATIONS PLC
833, Sirimavo Bandaranaike Mawatha - Colombo -14
Provisional Financial Statement for 09 months ended 30 September 2016

STATEMENT OF INCOME

	Unaudited 03 Months ended 30-09-2016 Rs. 000	Unaudited 03 Months ended 30-09-2015 Rs. 000	Unaudited 09 Months ended 30-09-2016 Rs. 000	Unaudited 09 Months ended 30-09-2015 Rs. 000	Increase/ (Decrease) %	(Audited) Year ended 31-12-2015 Rs. 000
Revenue	428,308	423,930	1,439,283	1,475,500	(2.45)	1,870,384
Cost of Sales	(540,171)	(526,001)	(1,594,039)	(1,648,194)	(3.29)	(2,221,653)
Gross Profit/(Loss)	(111,863)	(102,071)	(154,756)	(172,694)	(10.39)	(351,269)
Other Operating Income	3,001	9,079	62,394	59,041	5.68	61,869
Administration and Operating Activities	(10,432)	(26,914)	(55,867)	(67,270)	(16.95)	(86,364)
Management Fee	(3,397)	(3,397)	(10,190)	(10,190)	-	(13,709)
Profit/(Loss) from Operating Activities	(122,691)	(123,303)	(158,419)	(191,113)	(17.11)	(389,473)
Gain on Change in Fair Value of Biological Asset	54,596	49,858	163,787	149,574	9.50	218,383
Finance Cost	(23,062)	(13,960)	(78,822)	(82,950)	(4.98)	(110,782)
Profit/(Loss) before taxation	(91,157)	(87,405)	(73,454)	(124,489)	(40.99)	(281,872)
Income Tax Expenses	-	-	-	-	-	(6,193)
Profit/(Loss) for the period	(91,157)	(87,405)	(73,454)	(124,489)	(40.99)	(288,065)

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 03 Months ended 30-09-2016 Rs. 000	Unaudited 03 Months ended 30-09-2015 Rs. 000	Unaudited 03 Months ended 30-09-2016 Rs. 000	Unaudited 06 Months ended 30-09-2015 Rs. 000	Increase/ (Decrease) %	(Audited) Year ended 31-12-2015 Rs. 000
Profit/ (Loss) for the period	(91,157)	(87,405)	(73,454)	(124,489)	(40.99)	(288,065)
Other comprehensive Income						
Actual gains/ (Loss) on Defined benefit plans	-	-	-	-	-	39,683
Net change in Fair value of available - for -sale financial assets	-	-	-	-	-	125
Other comprehensive Income /(Loss) for the year, net of tax	-	-	-	-	-	39,808
	(91,157)	(87,405)	(73,454)	(124,489)	(40.99)	(248,257)
Earning per Share	(0.54)	(0.52)	(0.43)	(0.73)		(1.70)
Net Assets per share	16.43	16.43	15.27	16.43		15.70
No of Shares (No 000)	169,501	169,501	169,501	169,501		169,501
Market Value of Share						
Highest (for the period)	8.20	11.60	8.90	16.70		16.70
Lowest (for the period)	6.70	8.00	5.80	8.00		9.60
Closing (for the period)	7.50	9.00	7.50	9.00		14.10

Director

Director

7th November 2016

MADULSIMA PLANTATIONS PLC
833, Sirimavo Bandaranaike Mawatha - Colombo -14
Provisional Financial Statement for 09 months ended 30 September 2016

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. '000	Available For Sales Reserves Rs. '000	Timber Reserve Rs. '000	Retained Profit Rs. '000	Revaluation Reserve Rs. '000	Total Equity Rs. '000
Balance as at 31 December 2014	290,000	3,050	2,652,948	(2,102,164)	731,341	1,575,175
Value of Issued and Fully paid Issue Shares	1,334,760					1,334,760
Net Profit/(Loss) for the period				(124,489)		(124,489)
Transferred to Timber Reserve			149,574	(149,574)		
Balance as at 30 September 2015	<u>1,624,760</u>	<u>3,050</u>	<u>2,802,522</u>	<u>(2,376,227)</u>	<u>731,341</u>	<u>2,785,446</u>
Balance as at 31 December 2015	1,624,761	3,175	2,871,330	(2,568,929)	731,341	2,661,678
Transferred to Timber Reserve			163,787	(163,787)		0.00
Net Profit/(Loss) for the period				(73,454)		(73,454)
Balance as at 30 September 2016	<u>1,624,761</u>	<u>3,175</u>	<u>3,035,117</u>	<u>(2,806,170)</u>	<u>731,341</u>	<u>2,588,224</u>

- 1) It is certified that the Financial Statements as at 30 September 2016 have been prepared in compliance with the Provisions of the Companies Act No.7 of 2007.
- 2) These interim financial statements are provisional and subject to audit.

MADULSIMA PLANTATIONS PLC
833, Sirimavo Bandaranaike Mawatha - Colombo -14
Provisional Financial Statement for 09 months ended 30 September 2016

STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30-09-2016 Rs. 000	Unaudited As at 30-09-2015 Rs. 000	(Audited) As at 31-12-2015 Rs. 000
Assets			
Non-Current assets			
Right to use Land	118,718	122,813	121,791
Immovable estate assets on finance lease (Other than right to use of Land)	424,575	455,229	445,540
Property, Plant & Equipment	575,456	595,690	601,392
Bearer Biological Assets	588,301	533,028	554,991
Consumable Biological Assets	3,195,943	2,962,363	3,027,616
Available For Sale Financial Assets	4,391	4,267	4,391
	<u>4,907,384</u>	<u>4,673,390</u>	<u>4,755,721</u>
Current Assets			
Inventories	180,560	188,630	186,805
Trade & Other Receivables	198,705	152,183	145,718
Amounts due from Related Companies	1,024	781	1,037
Cash and Cash equivalents	2,046	1,977	2,636
	<u>382,335</u>	<u>343,571</u>	<u>336,196</u>
TOTAL ASSETS	<u>5,289,719</u>	<u>5,016,961</u>	<u>5,091,917</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,624,761	1,624,760	1,624,761
Available For Sale Reserve	3,175	3,050	3,175
Timber Reserve	3,035,117	2,802,522	2,871,330
Revaluation Reserve	731,341	731,341	731,341
Retained Earnings/(Loss)	(2,806,170)	(2,376,227)	(2,568,929)
SHAREHOLDERS' FUND	<u>2,588,224</u>	<u>2,785,446</u>	<u>2,661,678</u>
Deferred Income			
Grants & Subsidies	153,199	151,732	157,307
Non-Current Liabilities			
Retirement Benefit Obligations	804,976	832,971	778,974
Liability to make Lease Payment after one year	32,440	33,210	32,856
Interest Bearing Loans & Borrowings	435,080	118,613	213,005
	<u>1,272,496</u>	<u>984,794</u>	<u>1,024,835</u>
Current Liabilities			
Liability to make Lease Payment within one year	627	609	615
Interest Bearing Loan & Borrowings	118,513	37,583	159,671
Trade & Other Payable	536,784	493,984	451,598
Amounts due to Related Companies	155,426	143,906	151,895
Bank Overdraft	464,450	418,907	484,318
	<u>1,275,800</u>	<u>1,094,989</u>	<u>1,248,097</u>
TOTAL EQUITY AND LIABILITIES	<u>5,289,719</u>	<u>5,016,961</u>	<u>5,091,917</u>

MADULSIMA PLANTATIONS PLC
833,Sirimavo Bandaranaike Mawatha - Colombo -14
Provisional Financial Statement for 09 months ended 30 September 2016

STATEMENT OF CASH FLOW

	Unaudited 09 Months ended 30-09-2016 Rs. 000	Unaudited 09 Months ended 30-09-2015 Rs. 000	(Audited) Year ended 30-12-2015 Rs. 000
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before Taxation	(73,454)	(124,489)	(281,872)
Adjustments for:			
Depreciation	50,559	57,134	83,996
Interest Income	0	(94)	(116)
Interest Expenses	78,822	82,950	110,782
Managing Agent's Remuneration		10,190	
Provision for Defined Benefit Plan Cost	66,347	30,595	31,608
Gain on Change in Fair Value of Timber Plantations	(163,787)	(149,574)	(218,383)
Profit on disposal of Property, Plant & Equipment			(411)
Amortization of Grants	(4,171)	(4,162)	(6,491)
Profit sale of Timber Trees	(17,589)		(20,738)
Operating profit before working Capital Changes	(63,273)	(97,450)	(301,625)
(Increase)/Decrease in Inventories	6,245	52,769	54,595
(Increase)/Decrease in Trade & Other Receivables	(50,729)	7,880	22,183
(Increase)/Decrease in Amounts due from Related Companies	13	(383)	(641)
(Increase)/Decrease in Trade & Other Payables	188,047	12,050	832
(Increase)/Decrease in Amount due to Related Companies	3,531	(1,293,249)	(1,268,189)
Cash Generated from Operating Activities	83,834	(1,318,383)	(1,492,845)
Finance Cost Paid	(78,822)	(65,881)	(103,276)
Gratuity Paid	(40,345)	(16,058)	(31,384)
Grants Received	63	2,194	10,097
ESC Paid	(7,413)	(3,996)	(3,744)
Net Cash Flows from Operating Activities	(42,683)	(1,402,124)	(1,621,152)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and Equipment	(56,645)	(46,010)	(104,366)
Investments in Immature Plantation	(40,175)	(36,525)	(62,785)
Investments in Timber Plantations -Biological Assets	(4,540)	(4,066)	(5,435)
Disposal of Property, Plant and Equipment	17,589		27,037
Interest Received		94	0
Harvesting of Timber Plantations -Biological Assets			116
Net Cash Flows from Investing Activities	(83,771)	(86,507)	(145,433)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of Government Lease Rentals	(7,915)	(7,680)	(10,281)
Loans Obtained	300,000	72,700	306,364
Loans Repayment	(146,353)	(27,421)	(45,282)
Proceeds from Rights Issue		12,314	12,314
Loan Setoff against Right Issue		1,322,446	1,322,446
Net Cash Flows from Financing Activities	145,732	1,372,359	1,585,561
Net Increase/(Decrease) in Cash and Cash Equivalents	19,278	(116,272)	(181,024)
Cash and Cash Equivalents at the Beginning of the Year	(481,682)	(300,658)	(300,658)
Cash and Cash Equivalents at the end of the period	(462,404)	(416,930)	(481,682)

MADULSIMA PLANTATIONS PLC
833, Sirimavo Bandaranaike Mawatha - Colombo -14
Provisional Financial Statement for 09 months ended 30 September 2016

SEGMENTAL INFORMATION

3.0 REVENUE							Unaudited 30-09-2016 Rs. 000	Unaudited 30-09-2015 Rs. 000
3.1 Sale of Goods								
Sale of Produce Tea							1,439,282	1,475,500
3.2 Segmental Information								
Geographical Segment	Madulsima Region				Bogawantalawa Region		TOTAL	
	Uva High		Uva Medium		Western High			
	30-09-2016	30-09-2015	30-09-2016	30-09-2015	30-09-2016	30-09-2015	30-09-2016	30-09-2015
	Rs.000	Rs. 000	Rs.000	Rs. 000	Rs.000	Rs.000	Rs.000	Rs.000
(a) Segment Revenue								
Revenue	575,865	563,742	395,219	346,313	468,198	565,445	1,439,282	1,475,500
Cost of Sales	(594,104)	(607,715)	(375,154)	(356,205)	(624,781)	(684,274)	(1,594,039)	(1,648,194)
Segment Results	(18,239)	(43,973)	20,065	(9,892)	(156,583)	(118,829)	(154,757)	(172,694)
Other Operating Income	9,011	25,992	14,436	3,800	15,659	4,016	39,106	33,808
Administration & General Expenses	(21,180)	(22,258)	(15,397)	(15,131)	(29,478)	(32,626)	(66,055)	(70,015)
	(30,408)	(40,239)	19,104	(21,223)	(170,402)	(147,439)	(181,706)	(208,901)
Unallocated								
Other Operating Income							23,287	25,233
Administrative Expenses							(2)	(7,445)
Profit/(Loss) from Operating Activities							(158,421)	(191,113)
Finance Cost							(78,822)	(82,950)
Gain on Change in Fair Value of Biological Asset							163,787	149,574
Profit/(Loss) before Income Tax Expense							(73,456)	(124,489)
(b) Segment Assets								
Non Current Assets	2,517,871	2,368,171	1,146,397	1,106,180	1,229,935	1,182,048	4,894,203	4,656,399
Current Assets	123,459	113,788	77,139	60,338	90,429	88,075	291,027	262,201
	2,641,330	2,481,959	1,223,536	1,166,518	1,320,365	1,270,123	5,185,230	4,918,600
Unallocated								
Non Current Assets							13,180	16,991
Current Assets							91,308	81,370
Total Assets							5,289,718	5,016,961
Segment Liabilities								
Non Current Liabilities	366,044	387,135	178,734	176,409	434,547	443,350	979,325	1,006,894
Current Liabilities	140,134	127,605	71,616	79,981	119,421	143,211	331,171	350,797
Total Liabilities	506,178	514,740	250,350	256,390	553,968	586,561	1,310,496	1,357,691
Unallocated								
Non Current Liabilities							446,370	129,633
Current Liabilities							944,629	744,191
Total Liabilities							2,701,495	2,231,515
Capital Expenditure - Allocated	7,219	26,465	47,181	40,159	23,564	18,653	77,963	85,277
- Unallocated							660	1,325
							78,623	86,602
Depreciation - Allocated	14,980	19,825	12,889	11,274	19,342	23,601	47,211	54,700
- Unallocated							3,348	2,433
							50,559	57,133

MADULSIMA PLANTATIONS PLC
833, Sirimavo Bandaranaike Mawatha - Colombo -14
Provisional Financial Statement for 09 months ended 30 September 2016

Notes to the Financial Statements

1. The Interim Financial Statements of the Company have been prepared according to the accounting policies set out in the Annual Report for the year ended 31st December, 2015 and are in compliance with Sri Lanka Accounting Standard (SLFRS/ LKAS). They also provide the information required by the Colombo Stock Exchange and LKAS 34.
 2. There has not been a significant change in the nature of contingent assets and contingent liabilities which were disclosed in the Annual Report for the year ended 31st December 2015.
 3. Liability to management fees and other similar expenditure have been provided in the Interim Financial Statements.
 4. No circumstances have arisen since the Statement of Financial Position date, which would require adjustment to or disclosure in the Financial Statements
 5. Comparative figures have been re-classified where necessary to conform with the presentation of the current period.
 6. The daily wage payable to plantation workers has been increased from Rs.620/- to Rs.730/- with effect from 15th October 2016, according to the Collective Agreement between the Employers Federation of Ceylon and Trade Unions.
 7. The Financial statements do not include/classify Actuarial gain/loss on defined benefit plan cost as the valuation is done at the end of the year.
-

MADULSIMA PLANTATIONS PLC
833, Sirimavo Bandaranaike Mawatha - Colombo -14
Provisional Financial Statement for 09 Months ended 30 September 2016

The Names and the Numbers of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held as at 30 September 2016.

No	Name of Shareholder	NO. OF SHARES	% OF ISSUED CAPITAL
1	Stassen Exports (Pvt) Limited	80,646,374	47.58
2	Melstacorp Limited	77,817,810	45.91
3	Secretary to the Treasury	3,800,000	2.24
4	Mr M H Nassim Hussan	327,698	0.19
4	Mr W A S P de Saram	250,573	0.14
5	Mr S.S Poholiyadde	189,996	0.11
7	HSBC International Nominees Ltd- SSBT -Deutsche Bank AG Singapore A/c 01	149,090	0.09
8	M/s Seylan Bank Limited /Ruwan Prasanna Sugathadasa	101,126	0.06
9	Mrs. J.K.P Singh	100,000	0.06
10	Mrs. S Nissanka	90,000	0.05
11	First Capital Markets Limited/ Mr. S P J Jayakumar	90,000	0.05
12	Mr . M H A Kamil	79,629	0.05
13	Dr.T Senthilverl	69,363	0.04
14	Mrs . M De Zoysa	67,101	0.04
15	Bansei Securities Finance (Pvt) Ltd/ C P A Gunasekera	60,000	0.04
16	Mr Z G Carimjee	50,000	0.03
17	First Capital Markets Limited/ Mr. W B R Somaweera	47,857	0.03
18	Gampaha Distric Co- operative Rural Bank Union Ltd	43,900	0.03
19	Mrs C D D Kumari	40,000	0.02
20	Mrs. B C A B A Bulathsinghala	40,000	0.02

The Public holding percentage as at 30 September 2016 6.51% Comprising of Shareholders 19,261

A statement of each director's holding and Chief Executive Officer's holding in shares of the entity at the end of 30 September 2016

Name	Non CDS	CDS	Total
Mr.D H S Jayawardena - Chairman/MD	Nil	Nil	Nil
Dr.N M Abdul Gaffar – Non Executive Director	Nil	Nil	Nil
Mr.S K L Obeyesekere - Director/CEO	Nil	Nil	Nil
Dr.A Shakthevale – Independent Director	Nil	Nil	Nil
Mr.D S Kamantha Amarasekera – Independent Director	Nil	Nil	Nil

Number of shares representing the Entity's stated Capital 169,501,097