

# **NAMUNUKULA PLANTATIONS PLC**

**Company Reg. No. - PQ 136**

## **2016/17**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

# STATEMENT OF FINANCIAL POSITION

Interim Financial Statements

As at,	30.09.2016 Rs. '000	30.09.2015 Rs. '000	Audited 31.03.2016 Rs. '000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Leasehold Property, Plant & Equipment	198,266	215,787	207,016
Freehold Property, Plant & Equipment	377,944	396,498	387,591
Bearer Biological Assets	2,320,209	2,153,737	2,252,918
Consumable Biological Assets	112,870	111,108	113,684
Long Term Investment - Unquoted	141,004	117,163	124,757
Financial Assets	250,000	250,000	250,000
Intangible Assets	332,015	340,515	332,015
<b>Total Non Current Assets</b>	<b>3,732,309</b>	<b>3,584,808</b>	<b>3,667,981</b>
<b>Current Assets</b>			
Inventories	283,624	193,396	212,330
Trade and Other Receivables	157,738	122,241	119,456
Amounts Due from Related Companies	21,751	4,109	7,075
ESC Recoverable	7,609	-	3,565
Income Tax Receivable	-	5,441	5,943
Cash and Cash Equivalents	11,430	17,680	20,977
<b>Total Current Assets</b>	<b>482,150</b>	<b>342,866</b>	<b>369,345</b>
<b>Total Assets</b>	<b>4,214,459</b>	<b>3,927,674</b>	<b>4,037,326</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	350,000	350,000	350,000
Retained Earnings	2,196,728	1,909,954	1,969,382
<b>Total Equity</b>	<b>2,546,728</b>	<b>2,259,954</b>	<b>2,319,382</b>
<b>Non Current Liabilities</b>			
Interest Bearing Loans & Borrowings	129,429	160,418	134,276
Retirement Benefit Obligations	522,265	587,092	545,170
Deferred Tax Liability	26,348	20,158	26,348
Deferred Income	131,927	124,941	130,438
Liability to make Lease payment after one year	216,973	221,167	219,092
<b>Total Non Current Liabilities</b>	<b>1,026,942</b>	<b>1,113,776</b>	<b>1,055,324</b>
<b>Current Liabilities</b>			
Trade and Other Payables	421,721	386,461	404,974
Liability to make Lease payment within one year	4,270	4,106	4,187
Interest Bearing Loans & Borrowings	130,883	111,749	197,754
Amounts Due to Related Companies	74,426	51,627	55,705
Income Tax Liabilities	9,488	-	-
<b>Total Current Liabilities</b>	<b>640,789</b>	<b>553,943</b>	<b>662,620</b>
<b>Total Liabilities</b>	<b>1,667,731</b>	<b>1,667,719</b>	<b>1,717,945</b>
<b>Total Equity and Liabilities</b>	<b>4,214,459</b>	<b>3,927,674</b>	<b>4,037,326</b>
<b>Net Assets per Share (Rs.)</b>	<b>107.23</b>	95.16	<b>97.66</b>

\* The above figures are subject to audit.

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Sudheera Epitakumbura  
Financial Controller

The Board of Directors are responsible for the preparation and presentation of these Financial Statements. Approved & Signed for and on behalf of the board of Directors of Namunukula Plantations PLC.



S. S. Poholiyadde  
Director



N. C. Peiris  
Director

Colombo.  
09 November 2016

## STATEMENT OF COMPREHENSIVE INCOME

Interim Financial Statements

	Quarter	Quarter	Increase / (Decrease) %	Six Month	Six Month	Increase / (Decrease) %	Audited
	Ended 30.09.2016 Rs. '000	Ended 30.09.2015 Rs. '000		Ended 30.09.2016 Rs. '000	Ended 30.09.2015 Rs. '000		Year Ended 31.03.2016 Rs. '000
Revenue	708,328	496,817	43%	1,261,873	981,432	29%	1,913,076
Cost of sales	(504,641)	(459,940)	10%	(986,011)	(918,396)	7%	(1,848,270)
<b>Gross profit</b>	<b>203,687</b>	<b>36,877</b>	<b>452%</b>	<b>275,863</b>	<b>63,036</b>	<b>338%</b>	<b>64,807</b>
Other income	31,707	28,528	11%	50,995	48,728	5%	90,947
Gain on change in fair value of biological assets	-	-	--	-	-	--	6,240
Administrative expenses	(13,190)	(8,501)	55%	(23,905)	(20,059)	19%	(44,340)
Management fee	(38,180)	(13,236)	-188%	(56,502)	(23,168)	-144%	(25,478)
Finance cost	(15,867)	(13,067)	-21%	(32,795)	(26,120)	-26%	(52,798)
Impairment of goodwill	-	-	--	-	-	--	(8,500)
Share of profit from joint venture	35,360	19,838	78%	40,997	23,646	73%	31,240
<b>Profit before taxation</b>	<b>203,517</b>	<b>50,440</b>	<b>303%</b>	<b>254,652</b>	<b>66,064</b>	<b>285%</b>	<b>62,117</b>
Income tax expense	(12,071)	-	--	(15,431)	-	--	7,502
<b>Net profit for the period</b>	<b>191,446</b>	<b>50,440</b>	<b>280%</b>	<b>239,221</b>	<b>66,064</b>	<b>262%</b>	<b>69,620</b>
<b>Other comprehensive income</b>							
Actuarial gain/(loss) on defined benefit plans	-	-	--	-	-	--	90,968
Income tax effect	-	-	--	-	-	--	(13,190)
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>--</b>	<b>-</b>	<b>-</b>	<b>--</b>	<b>77,778</b>
<b>Total comprehensive income for the period</b>	<b>191,446</b>	<b>50,440</b>	<b>280%</b>	<b>239,221</b>	<b>66,064</b>	<b>262%</b>	<b>147,397</b>
<b>Basic Earnings per Share (Rs.)</b>	<b>8.06</b>	<b>2.12</b>		<b>10.07</b>	<b>2.78</b>		<b>2.93</b>

\* The above figures are subject to audit.

## STATEMENT OF CHANGES IN EQUITY

Interim Financial Statements

	Stated Capital Rs. '000	Accumulated Profit Rs. '000	Total Rs. '000
<b>Balance as at 1 April 2015</b>	<b>350,000</b>	<b>1,843,890</b>	<b>2,193,890</b>
Dividend	-	-	-
Net profit for the period	-	66,064	66,064
Other Comprehensive Income	-	-	-
<b>Balance as at 30 September 2015</b>	<b>350,000</b>	<b>1,909,955</b>	<b>2,259,955</b>
<b>Balance as at 1 April 2016</b>	<b>350,000</b>	<b>1,969,382</b>	<b>2,319,382</b>
Dividend	-	(11,875)	(11,875)
Net profit for the period	-	239,221	239,221
Other Comprehensive Income	-	-	-
<b>Balance as at 30 September 2016</b>	<b>350,000</b>	<b>2,196,728</b>	<b>2,546,728</b>

\* The above figures are subject to audit.

# STATEMENT OF CASH FLOWS

Interim Financial Statements

Period ended,	30.09.2016 Rs. '000	30.09.2015 Rs. '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Taxation	254,652	66,064
<b>ADJUSTMENTS FOR,</b>		
Depreciation	63,687	63,406
Finance Cost	32,795	26,120
Provision for Defined Benefit Plan Cost	21,726	23,463
Amortization of Grants	(1,805)	(1,350)
Fair Valuation charged against timber proceeds	814	-
Share of Profit of Joint Venture	(40,997)	(23,646)
<b>Operating profit before working capital changes</b>	330,872	154,057
(Increase)/Decrease in Inventories	(71,294)	17,799
(Increase)/Decrease in Trade and other Receivables	(38,282)	14,734
(Increase)/Decrease in Amounts due from Related Companies	(14,676)	(4,109)
Increase/(Decrease) in Trade and Other Payables	16,747	(53,562)
Increase/(Decrease) in Amounts due to Related Companies	18,721	20,515
<b>Cash Generated from Operating Activities</b>	242,088	149,434
Finance Cost Paid	(11,082)	(4,798)
Income Tax (Paid) / Refund	(4,043)	-
Defined Benefit Plan Cost Paid	(44,631)	(31,772)
<b>Net Cash Flow From Operating Activities</b>	182,333	112,864
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant & Equipment	(3,514)	(7,647)
Share buy back (Unquoted Investment)	22,506	23,333
Dividend Received	2,245	-
Investments in Immature plantation	(108,973)	(115,604)
Grants Received	3,294	415
<b>Net Cash Flow From Investing Activities</b>	(84,443)	(99,503)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of Government Lease rentals	(23,846)	(23,355)
Proceeds from borrowings	21,000	-
Repayment of loans	(27,203)	(27,670)
Dividend Paid	(11,875)	-
<b>Net Cash Flow From Financing Activities</b>	(41,924)	(51,025)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	55,966	(37,664)
<b>A. Cash &amp; Cash Equivalents at the Beginning of the Period</b>	(123,304)	(1,404)
<b>B. Cash &amp; Cash Equivalents at the End of the Period</b>	(67,337)	(39,068)
<b>NOTE A - Cash &amp; Cash Equivalents at the Beginning of the Period</b>		
Cash & Bank Balances	20,977	10,452
Bank Overdrafts	(144,280)	(11,856)
	(123,304)	(1,404)
<b>NOTE B - Cash &amp; Cash Equivalents at the End of the Period</b>		
Cash & Bank Balances	11,430	17,680
Bank Overdrafts	(78,767)	(56,748)
	(67,337)	(39,068)

\* The above figures are subject to audit.

# NOTES TO THE FINANCIAL STATEMENTS

## Interim Financial Statements

### 1. Market Price per Share

	Quarter Ended 30.09.2016 Rs.	Quarter Ended 30.09.2015 Rs.	Year Ended 31.03.2016 Rs.	Year Ended 31.03.2015 Rs.
Last traded price	74.80	67.10	59.50	70.90
Highest	79.00	70.20	85.00	100.00
Lowest	70.10	66.00	51.00	70.00

2. Stated Capital of Namunukula Plantations PLC amounts to Rs. 350,000,010 represented by 23,750,001 shares.
3. The Interim Financial Statements of the Company are unaudited and have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) and are in compliance with Sri Lanka Accounting Standard 34 - Interim Financial Reporting. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company.
4. The interim financial statements of the company have been prepared on the basis of the same accounting policies and methods applied for year ended 31 March 2016.
5. The presentation and classification of figures for the corresponding period of the previous year have been re-arranged, where relevant, for better presentation and to be comparable with those of the current period.
6. There has been no significant change in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2016.
7. There have been no material events occurring after the reporting date, that require adjustments or disclosure in the Financial Statements.
8. Mr. Nicholas Mark Thompson has been appointed to the Directorate of the company with effect from 26th May 2016 as Non Executive Director and Mr. Gerard Amerasinghe has been appointed as an Independent Director with effect from 19th October 2016.
9. Dr. Jayatissa De Costa, Non executive director up to the last Annual General Meeting held on 30th June 2016, Ceased to be a Director from the Directorate of the company w.e.f 30th June 2016 and Mr. Prasanna Fernando has resigned from the Directorate of the company with effect from 25th August 2016.
10. The company has announced Interim dividend of Rs. 0.50 per share for the year 2016/17 on 23rd September 2016 and paid on 12th October 2016.
11. Ministry of Plantation Industries (letter dated 22.07.2016) has informed to pay an interim allowance of Rs.100/- per worker for each day worked during the months of June and July pending finalization of wage negotiations. The interim allowance cost for the month of June & July was Rs. 18.29 Mn which has charged to the income Statement. To effect the payment, term loan facility was granted by Sri Lanka Tea Board.
12. In accordance with the Collective Agreement between the Employers' Federation of Ceylon (EFC) and the Trade Unions, with effect from 15 October 2016, the daily basic wage of workers have been increased from Rs. 450/- to Rs.500/-. An allowance of Rs.30/- of Fixed Price Share supplement is paid in addition to Rs.60/- as an attendance incentive. Rs.140/- as a productivity incentive, totaling to Rs.730/- per day, as compared to Rs. 620/- previously.

13. Twenty largest shareholders of the company,

	As at 30.09.2016		As at 31.03.2016	
	No. of shares held	% of Holding	No. of shares held	% of Holding
1 RPC Plantations Management Services (Pvt) Ltd	15,412,737	64.90%	15,412,737	64.90%
2 The Secretary to the Treasury	3,763,300	15.85%	3,763,300	15.85%
3 Mr. T.T.T AL-Nakib	395,000	1.66%	395,000	1.66%
4 National Development Bank PLC/Sakuvi Investment Trust (Pvt) Ltd	368,000	1.55%	368,000	1.55%
5 Bank of Ceylon A/C Ceybank Century Growth Fund	364,132	1.53%	345,349	1.45%
6 Seylan Bank PLC/Thirugnanasambandar	266,509	1.12%	247,573	1.04%
7 Dr. T. Senthilvel	154,662	0.65%	96,487	0.41%
8 National Savings Bank	150,000	0.63%	150,000	0.63%
9 Bank of Ceylon No .1 Account	80,000	0.34%	80,000	0.34%
10 Mr. H.A.A.H Algharabally	77,000	0.32%	77,000	0.32%
11 Mr. K.C Vignarajah	74,604	0.31%	74,538	0.31%
12 Cocoshell Activated Carbon Co. Ltd	57,387	0.24%	57,387	0.24%
13 Mrs. K.S. Cooray	50,000	0.21%	50,000	0.21%
14 Mrs. J.K.P Singh	50,000	0.21%	50,000	0.21%
15 Mr. Z.G. Carimjee	43,200	0.18%	43,200	0.18%
16 T.S.T.T.T. Sathe Secretary to the Treasury-Sundry	38,298	0.16%	38,298	0.16%
17 Mr. N.A. Withana	34,351	0.14%	34,351	0.14%
18 Northstar Holding (PVT) LTD	29,900	0.13%	29,900	0.13%
19 Mrs. S. Vignarajah	29,000	0.12%	29,000	0.12%
20 Waldock Mackenzie Ltd/ Mr. H.M.S. Abdulhussein	25,275	0.11%	25,275	0.11%
<b>Sub Total</b>	<b>21,463,355</b>	<b>90.37%</b>		
Balance held by 11,642 ( 2015/16 - 11,708) shareholders	2,286,646	9.63%	2,375,381	10.00%
<b>Total No. of Shares</b>	<b>23,750,001</b>	<b>100.00%</b>	<b>23,750,001</b>	<b>100.00%</b>

The Percentage of shares held as at ,

	30.09.2016			31.03.2016		
	No of Shareholders	No.of shares	%	No of Shareholders	No.of shares	%
Public Holding	11,660	8,334,264	35.09%	11,726	8,334,264	35.09%
Other Holding	2	15,415,737	64.91%	2	15,415,737	64.91%
<b>Total No. of Shares</b>	<b>11,662</b>	<b>23,750,001</b>	<b>100.00%</b>	<b>11,728</b>	<b>23,750,001</b>	<b>100.00%</b>

14. Director's Shareholding

The Directors of the Company hold shares in the Company as follows.

	As at 30.09.2016 No. of Shares	As at 31.03.2016 No. of Shares
Dr. S Yaddehige - Chairman	Nil	Nil
Mr. S S Poholiyadde	3,000	3,000
Mr. N C Peiris	Nil	Nil
Mr. B A T Rodrigo	Nil	Nil
Mr. Shaminda Yaddehige	Nil	Nil
Mr. Nicholas Mark Thompson (Appointed w.e.f. 26 May 2016)	Nil	Nil
Dr. Jayatissa De Costa (Ceased to be a director w.e.f. 30 June 2016)	Nil	Nil
Mr. Prasanna Fernando (Resigned w.e.f. 25 August 2016)	Nil	Nil

## SEGMENT INFORMATIONS

Interim Financial Statements

For the period ended 30 September,

	Tea		Rubber		Oil Palm		Coconut		Cinnamon		Total	
	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000
Revenue	626,746	508,923	123,103	104,236	488,084	349,682	14,074	13,308	9,867	5,283	1,261,873	981,432
Revenue Expenditure	(632,178)	(611,499)	(140,262)	(113,805)	(114,267)	(96,858)	(9,387)	(6,949)	(7,015)	(4,045)	(903,110)	(833,155)
Depreciation / Amortization	(15,132)	(15,623)	(17,733)	(19,710)	(24,151)	(22,020)	(2,413)	(2,794)	(2,645)	(2,531)	(62,075)	(62,678)
Gratuity	(11,675)	(13,108)	(4,894)	(5,066)	(3,852)	(3,910)	(240)	(244)	(165)	(236)	(20,826)	(22,563)
<b>Segment Results</b>	<b>(32,240)</b>	<b>(131,307)</b>	<b>(39,786)</b>	<b>(34,344)</b>	<b>345,813</b>	<b>226,894</b>	<b>2,034</b>	<b>3,322</b>	<b>42</b>	<b>(1,528)</b>	<b>275,863</b>	<b>63,036</b>
Other Income											50,995	48,728
Administrative Expenses											(23,905)	(20,059)
Management Fee											(56,502)	(23,168)
Finance Cost											(32,795)	(26,120)
Share of Profit from the Joint Venture											40,997	23,646
<b>Profit before Taxation</b>											<b>254,652</b>	<b>66,064</b>
Income Tax (Expense)/Reversal											(15,431)	-
<b>Net Profit for the period</b>											<b>239,221</b>	<b>66,064</b>

\* The above figures are subject to audit.



## CORPORATE INFORMATION

Interim Financial Statements

### **Name of Company**

Namunukula Plantations PLC.

### **Legal Form**

A Quoted Public Limited Liability Company Incorporated in Sri Lanka.

### **Date of Incorporation**

22 June 1992

### **Company Registration No.**

P Q 136

### **Principal Business Activities**

Cultivation, Manufacture & Sale of Tea, Rubber, Oil palm, Coconut & Cinnamon Plantations.

### **Ultimate Parent Enterprise**

Richard Pieris & Company PLC.

### **Board of Directors**

Dr. S Yaddhegige - Chairman

Mr. S S Poholiyadde

Mr. N C Peiris

Mr. B A T Rodrigo

Mr. Shaminda Yaddhegige

Mr. Nicholas Mark Thompson (Appointed w.e.f. 26 May 2016)

Mr. Gerard Amerasinghe (Appointed w.e.f. 19 October 2016)

Dr. Jayatissa De Costa (Ceased to be a director w.e.f. 30 June 2016)

Mr. Prasanna Fernando (Resigned w.e.f. 25 August 2016)

### **Stock Exchange Listings**

The Ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

### **Registered / Head Office**

No: 310, High Level Road, Nawinna,

Maharagama, Sri Lanka.

### **Auditors**

Messrs. Ernst & Young, Chartered Accountants,  
201, De Saram Place, P.O. Box 101, Colombo 10, Sri Lanka.

### **Company Secretaries**

Richard Pieris Group Services (Pvt) Ltd,

Secretaries,

No: 310, High Level Road, Nawinna,

Maharagama, Sri Lanka.

Telephone: + (94) 11 4310564

### **Legal Advisors**

Paul Ratnayake Associates,  
International Legal Consultants,  
Solicitors and Attorney-at-law,  
No. 59, Gregory's Road,  
Colombo 07.

### **Bankers**

Bank of Ceylon - Corporate Branch & Regional Branches

People's Bank - Pelawatta Branch

Hatton National Bank - City Branch

Sampath Bank - Head Office Branch

Development Finance Corporation of Ceylon

National Development Bank

Indian Overseas Bank / Indian Bank

Nations Trust Bank PLC

### **Contact Details**

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