

NAMUNUKULA PLANTATIONS PLC

Company Reg. No. - PQ 136

2016/17

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 DECEMBER 2016

STATEMENT OF FINANCIAL POSITION

Interim Financial Statements

As at,	31.12.2016 Rs. '000	31.12.2015 Rs. '000	Audited 31.03.2016 Rs. '000
ASSETS			
Non Current Assets			
Leasehold Property, Plant & Equipment	193,923	211,398	207,016
Freehold Property, Plant & Equipment	372,683	388,852	387,591
Bearer Biological Assets	2,354,427	2,196,304	2,252,918
Consumable Biological Assets	112,870	111,108	113,684
Long Term Investment - Unquoted	127,302	123,536	124,757
Financial Assets	250,000	250,000	250,000
Intangible Assets	332,015	340,515	332,015
Total Non Current Assets	3,743,220	3,621,712	3,667,981
Current Assets			
Inventories	273,196	243,266	212,330
Trade and Other Receivables	171,452	95,526	119,456
Amounts Due from Related Companies	24,982	23,114	7,075
ESC Recoverable	11,272	-	3,565
Income Tax Receivable	-	5,441	5,943
Cash and Cash Equivalents	53,585	11,240	20,977
Total Current Assets	534,488	378,587	369,345
Total Assets	4,277,708	4,000,300	4,037,326
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	350,000	350,000	350,000
Retained Earnings	2,286,440	1,921,261	1,969,382
Total Equity	2,636,440	2,271,261	2,319,382
Non Current Liabilities			
Interest Bearing Loans & Borrowings	116,791	147,284	134,276
Retirement Benefit Obligations	556,248	588,966	545,170
Deferred Tax Liability	26,348	20,158	26,348
Deferred Income	131,303	128,770	130,438
Liability to make Lease payment after one year	215,878	220,130	219,092
Total Non Current Liabilities	1,046,569	1,105,308	1,055,324
Current Liabilities			
Trade and Other Payables	455,620	389,857	404,974
Liability to make Lease payment within one year	4,313	4,147	4,187
Interest Bearing Loans & Borrowings	52,493	167,609	197,754
Amounts Due to Related Companies	67,053	62,117	55,705
Income Tax Liabilities	15,220	-	-
Total Current Liabilities	594,699	623,730	662,620
Total Liabilities	1,641,268	1,729,038	1,717,945
Total Equity and Liabilities	4,277,708	4,000,300	4,037,326
Net Assets per Share (Rs.)	111.01	95.63	97.66

* 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 Eritakumbura

Sudheera Eritakumbura
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

S. S. Poholiyadde
Director

N. C. Peiris

N. C. Peiris
Director

Colombo.
13 February 2017

STATEMENT OF COMPREHENSIVE INCOME

Interim Financial Statements

	Quarter Ended 31.12.2016 Rs. '000	Quarter Ended 31.12.2015 Rs. '000	Increase / (Decrease) %	Nine Months Ended 31.12.2016 Rs. '000	Nine Months Ended 31.12.2015 Rs. '000	Increase / (Decrease) %	Audited Year Ended 31.03.2016 Rs. '000
Revenue	628,667	444,663	41%	1,890,541	1,426,095	33%	1,913,076
Cost of sales	(521,925)	(407,603)	28%	(1,507,936)	(1,325,999)	14%	(1,848,270)
Gross profit	106,742	37,059	188%	382,605	100,095	282%	64,807
Other income	29,812	26,308	13%	80,806	75,036	8%	90,947
Gain on change in fair value of biological assets	-	-	--	-	-	--	6,240
Administrative expenses	(14,072)	(13,636)	3%	(37,977)	(33,695)	13%	(44,340)
Management fee	(28,782)	(10,433)	-176%	(85,284)	(33,601)	-154%	(25,478)
Finance cost	(13,221)	(12,458)	-6%	(46,016)	(38,578)	-19%	(52,798)
Impairment of goodwill	-	-	--	-	-	--	(8,500)
Share of profit from joint venture	14,964	6,373	135%	55,962	30,019	86%	31,240
Profit before taxation	95,443	33,213	187%	350,095	99,277	253%	62,117
Income tax expense	(5,732)	-	--	(21,162)	-	--	7,502
Net profit for the period	89,712	33,213	170%	328,933	99,277	231%	69,620
Other comprehensive income							
Actuarial gain/(loss) on defined benefit plans	-	-	--	-	-	--	90,968
Income tax effect	-	-	--	-	-	--	(13,190)
Other comprehensive income for the period	-	-	--	-	-	--	77,778
Total comprehensive income for the period	89,712	33,213	170%	328,933	99,277	231%	147,397
Basic Earnings per Share (Rs.)	3.78	1.40		13.85	4.18		2.93

* 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
Balance as at 1 April 2015	350,000	1,843,890	2,193,890
Super Gain Tax Adjustment	-	(21,906)	(21,906)
Balance as at 1 April 2015 (Adjusted)	350,000	1,821,984	2,171,984
Dividend	-	-	-
Net profit for the period	-	99,277	99,277
Other Comprehensive Income	-	-	-
Balance as at 31 December 2015	350,000	1,921,261	2,271,261
Balance as at 1 April 2016	350,000	1,969,382	2,319,382
Dividend	-	(11,875)	(11,875)
Net profit for the period	-	328,933	328,933
Other Comprehensive Income	-	-	-
Balance as at 31 December 2016	350,000	2,286,440	2,636,440

* The above figures are subject to audit.

STATEMENT OF CASH FLOWS

Interim Financial Statements

Period ended,	31.12.2016 Rs. '000	31.12.2015 Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation	350,095	99,277
ADJUSTMENTS FOR,		
Depreciation	96,527	94,058
Finance Cost	46,016	38,578
Provision for Defined Benefit Plan Cost	64,380	34,126
Amortization of Grants	(2,852)	(2,025)
Fair Valuation charged against timber proceeds	814	-
Share of Profit of Joint Venture	(55,962)	(30,019)
Provision for Bad & Doubtful Debts	3,060	-
Operating profit before working capital changes	502,079	233,995
(Increase)/Decrease in Inventories	(60,866)	(32,071)
(Increase)/Decrease in Trade and other Receivables	(55,056)	41,449
(Increase)/Decrease in Amounts due from Related Companies	(17,907)	(23,114)
Increase/(Decrease) in Trade and Other Payables	50,646	(50,166)
Increase/(Decrease) in Amounts due to Related Companies	11,349	31,006
Cash Generated from Operating Activities	430,244	201,099
Finance Cost Paid	(13,337)	(6,575)
Income Tax (Paid) / Refund	(7,707)	(21,906)
Defined Benefit Plan Cost Paid	(53,302)	(40,561)
Net Cash Flow From Operating Activities	355,899	132,056
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(4,556)	(7,693)
Share buy back (Unquoted Investment)	51,172	23,333
Dividend Received	2,245	-
Investments in Immature plantation	(165,480)	(177,224)
Grants Received	3,717	5,401
Net Cash Flow From Investing Activities	(112,902)	(156,182)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Government Lease rentals	(35,768)	(35,033)
Proceeds from borrowings	21,000	57,381
Repayment of loans	(40,338)	(41,505)
Dividend Paid	(11,875)	-
Net Cash Flow From Financing Activities	(66,982)	(19,157)
Net Increase/(Decrease) in Cash and Cash Equivalents	176,016	(43,283)
A. Cash & Cash Equivalents at the Beginning of the Period	(123,304)	(1,404)
B. Cash & Cash Equivalents at the End of the Period	52,712	(44,687)
NOTE A - Cash & Cash Equivalents at the Beginning of the Period		
Cash & Bank Balances	20,977	10,452
Bank Overdrafts	(144,280)	(11,856)
	(123,304)	(1,404)
NOTE B - Cash & Cash Equivalents at the End of the Period		
Cash & Bank Balances	53,585	11,240
Bank Overdrafts	(873)	(55,927)
	52,712	(44,687)

* The above figures are subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

Interim Financial Statements

1. Market Price per Share

	Quarter Ended 31.12.2016 Rs.	Quarter Ended 31.12.2015 Rs.	Year Ended 31.03.2016 Rs.	Year Ended 31.03.2015 Rs.
Last traded price	73.70	60.50	59.50	70.90
Highest	75.00	70.00	85.00	100.00
Lowest	65.00	59.30	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 paid Interim dividend of Rs. 0.50 per share for the year 2016/17 on 12th October 2016.

11. Ministry of Plantation Industries has informed (letter dated 22.07.2016) 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. Mr. Sriyan Eriyagama has been appointed as Chief Executive Officer of the Company with effect from 01st January 2017.

NOTES TO THE FINANCIAL STATEMENTS.....CONTD.

Interim Financial Statements

14. Twenty largest shareholders of the company,

	As at 31.12.2016		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	366,152	1.54%	345,349	1.45%
6 Seylan Bank PLC/Thirugnanasambandar	256,539	1.08%	247,573	1.04%
7 Dr. T. Senthilvel	158,137	0.67%	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%
Sub Total	21,458,880	90.35%		
Balance held by 11,619 (2015/16 - 11,708) shareholders	2,291,121	9.65%	2,375,381	10.00%
Total No. of Shares	23,750,001	100.00%	23,750,001	100.00%

The Percentage of shares held as at ,

	31.12.2016			31.03.2016		
	No of Shareholders	No.of shares	%	No of Shareholders	No.of shares	%
Public Holding	11,637	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%
Total No. of Shares	11,639	23,750,001	100.00%	11,728	23,750,001	100.00%

15. Directors' Shareholding

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

	As at 31.12.2016 No. of Shares	As at 31.03.2016 No. of Shares
Dr. S Yaddhige - 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 Yaddhige	Nil	Nil
Mr. Nicholas Mark Thompson (Appointed w.e.f. 26 May 2016)	Nil	Nil
Mr. Shirley Gerard Devinda Amerasinghe (Appointed w.e.f. 19 October 2016)	Nil	Nil

SEGMENT INFORMATIONS

Interim Financial Statements

For the period ended 31 December,

	Tea		Rubber		Oil Palm		Coconut		Cinnamon		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	940,014	752,345	185,281	178,026	728,541	468,466	19,369	17,233	17,335	10,025	1,890,541	1,426,095
Revenue Expenditure	(953,871)	(871,568)	(198,293)	(175,836)	(171,721)	(137,060)	(13,852)	(9,783)	(12,934)	(7,505)	(1,350,670)	(1,201,752)
Depreciation / Amortization	(22,500)	(23,369)	(26,294)	(28,772)	(37,893)	(31,459)	(3,594)	(3,752)	(3,954)	(4,119)	(94,235)	(91,471)
Gratuity	(36,883)	(18,623)	(13,984)	(7,865)	(11,007)	(5,625)	(686)	(280)	(471)	(383)	(63,030)	(32,776)
Segment Results	(73,239)	(161,214)	(53,290)	(34,448)	507,920	294,322	1,237	3,417	(23)	(1,982)	382,605	100,095
Other Income											80,806	75,036
Administrative Expenses											(37,977)	(33,695)
Management Fee											(85,284)	(33,601)
Finance Cost											(46,016)	(38,578)
Share of Profit from the Joint Venture											55,962	30,019
Profit before Taxation											350,095	99,277
Income Tax (Expense)/Reversal											(21,162)	-
Net Profit for the period											328,933	99,277

* 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 Yaddhige - Chairman

Mr. S S Poholiyadde

Mr. N C Peiris

Mr. B A T Rodrigo

Mr. Shaminda Yaddhige

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

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