



**NAMUNUKULA
PLANTATIONS PLC**

**Interim
Financial
Statements**

For the twelve months ended 31st March 2019


2018/19

STATEMENT OF FINANCIAL POSITION

As at,	31.03.2019	Audited
ASSETS	Rs. '000	31.03.2018
		Rs. '000
Non Current Assets		
Leasehold Property, Plant & Equipment	159,597	174,330
Freehold Property, Plant & Equipment	388,341	419,792
Bearer Biological Assets	2,670,638	2,543,083
Consumable Biological Assets	167,391	148,866
Long Term Investments - (Unquoted)	134,101	110,574
Financial Assets	-	250,000
Intangible Assets	316,415	324,515
Total Non Current Assets	<u>3,836,484</u>	<u>3,971,159</u>
Current Assets		
Produce on bearer Biological asset	14,006	13,187
Inventories	251,792	291,688
Trade and Other Receivables	116,629	116,279
Amounts Due from Related Companies	51,409	10,447
Financial Assets	250,000	-
ESC Recoverable	9,617	16,971
Income Tax Receivable	8,854	5,943
Cash and Cash Equivalents	22,316	36,929
Total Current Assets	<u>724,623</u>	<u>491,443</u>
TOTAL ASSETS	<u>4,561,107</u>	<u>4,462,602</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	350,000	350,000
Retained Earnings	2,313,924	2,237,086
Total Equity	<u>2,663,924</u>	<u>2,587,086</u>
Non Current Liabilities		
Interest Bearing Loans & Borrowings	6,939	67,226
Retirement Benefit Obligations	550,482	564,766
Deferred Tax Liability	254,944	206,413
Deferred Income	132,079	132,860
Liability to make Lease payment after one year	205,498	210,208
Total Non Current Liabilities	<u>1,149,942</u>	<u>1,181,473</u>
Current Liabilities		
Trade and Other Payables	404,771	397,653
Dividend Payable	201,875	-
Liability to make Lease payment within one year	4,710	4,529
Interest Bearing Loans & Borrowings	85,882	255,223
Amounts Due to Related Companies	50,003	14,759
Income Tax Liabilities	-	21,879
Total Current Liabilities	<u>747,241</u>	<u>694,044</u>
TOTAL LIABILITIES	<u>1,897,183</u>	<u>1,875,516</u>
TOTAL EQUITY AND LIABILITIES	<u>4,561,107</u>	<u>4,462,602</u>
NET ASSETS PER SHARE (RS.)	<u>112.17</u>	<u>108.93</u>

* 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 by,


S S G Liyanage
Director


Gerard Amerasinghe
Director

Colombo,
30 May 2019

STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended 31.03.2019 Rs. '000	Quarter Ended 31.03.2018 Rs. '000	Increase / (Decrease) %	Period Ended 31.03.2019 Rs. '000	Period Ended 31.03.2018 Rs. '000	Increase / (Decrease) %	Audited Year Ended 31.03.2018 Rs. '000
Revenue	584,704	616,275	-5%	2,414,326	2,839,057	-15%	2,839,057
Cost of Sales	(517,243)	(585,505)	-12%	(2,077,972)	(2,274,579)	-9%	(2,274,579)
Gross Profit	67,461	30,771	119%	336,354	564,478	-40%	564,478
Other Income	21,681	61,590	-65%	141,113	202,721	-30%	202,721
Change in fair value of Biological Assets	11,932	27,909	-57%	11,932	27,909	-57%	27,909
Administrative Expenses	(19,805)	(12,550)	58%	(61,778)	(62,815)	-2%	(62,815)
Management Fee	(10,344)	(19,844)	-48%	(77,811)	(133,721)	-42%	(133,721)
Finance Cost	(13,260)	(12,868)	3%	(65,129)	(51,812)	26%	(51,812)
Impairment of Goodwill	(8,100)	(3,500)	131%	(8,100)	(3,500)	131%	(3,500)
Share of Profit from the Joint Venture	13,239	2,566	416%	23,527	8,285	184%	8,285
Profit Before Taxation	62,803	74,073	-15%	300,109	551,546	-46%	551,546
Tax (Expense) / Reversal	(24,555)	(146,341)	-83%	(43,816)	(177,994)	-75%	(177,994)
Net Profit for the Year	38,249	(72,267)	153%	256,293	373,552	-31%	373,552
Other comprehensive income							
Actuarial gain/(loss) on defined benefit plans	26,070	(18,353)	242%	26,070	(18,353)	242%	(18,353)
Tax effect	(3,650)	2,569	-242%	(3,650)	2,569	-242%	2,569
Other comprehensive income for the period	22,420	(15,783)	242%	22,420	(15,783)	242%	(15,783)
Total comprehensive income for the period	60,669	(88,051)	169%	278,713	357,769	-22%	357,769
Basic Earnings per Share (Rs.)	1.61	(3.04)		10.79	15.73		15.73

* The above figures are subject to audit.

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 1 April 2017	350,000	2,211,817	2,561,817
Net Profit for the period	-	373,552	373,552
Other Comprehensive Income/(Loss)	-	(15,783)	(15,783)
Dividends	-	(332,500)	(332,500)
Balance as at 31 March 2018	<u>350,000</u>	<u>2,237,086</u>	<u>2,587,086</u>
Balance as at 1 April 2018	350,000	2,237,086	2,587,086
Net Profit for the period	-	256,293	256,293
Other Comprehensive Income/(Loss)	-	22,420	22,420
Dividends	-	(201,875)	(201,875)
Balance as at 31 March 2019	<u><u>350,000</u></u>	<u><u>2,313,924</u></u>	<u><u>2,663,924</u></u>

* The above figures are subject to audit.

STATEMENT OF CASH FLOWS

Period ended,	31.03.2019	31.03.2018
	Rs. '000	Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Taxation	300,109	551,546
ADJUSTMENTS FOR		
Depreciation	173,895	157,053
Finance Cost	65,129	51,812
Provision for Defined Benefit Plan Cost	95,609	97,428
Profit on Disposal of Property, Plant & Equipment	(1,889)	-
Amortization of Grants	(3,735)	(3,624)
Fair Valuation charged against timber proceeds	-	239
Gain on change in fair value of biological assets	(11,932)	(27,909)
Impairment of goodwill	8,100	3,500
Share of Profit of Joint Venture	(23,527)	(8,285)
Operating profit before working capital changes	<u>601,759</u>	<u>821,759</u>
(Increase)/Decrease in Inventories	39,896	(60,183)
(Increase)/Decrease in Trade and other Receivables	1,390	(1,395)
(Increase)/Decrease in Amounts due from Related Companies	(40,962)	9,342
Increase/(Decrease) in Trade and Other Payables	(8,777)	(5,856)
Increase/(Decrease) in Amounts due to Related Companies	35,244	11,088
Cash Generated from Operating Activities	<u>628,550</u>	<u>774,755</u>
Finance Cost Paid	(16,199)	(6,759)
Defined Benefit Plan Cost Paid	(67,928)	(85,786)
Tax (Paid) / Refund	(18,111)	(14,918)
Net Cash Flow From Operating Activities	<u>526,312</u>	<u>667,293</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(25,667)	(71,122)
Investments in Immature plantation	(240,811)	(256,619)
Expenditure on Timber Cultivation	(7,413)	(256)
Proceeds from Disposal of Property, Plant & Equipment	13,100	-
Grants Received	2,954	3,886
Net Cash Flow From Investing Activities	<u>(257,836)</u>	<u>(324,111)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Government Lease rentals	(53,459)	(49,408)
Proceeds from borrowings	-	40,626
Repayment of loans	(68,328)	(67,475)
Settlement of finance lease	(8,633)	(8,093)
Dividend Paid	-	(332,500)
Net Cash Flow From Financing Activities	<u>(130,420)</u>	<u>(416,850)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	138,056	(73,668)
A. Cash & Cash Equivalents at the Beginning of the Year	<u>(141,462)</u>	<u>(67,794)</u>
B. Cash & Cash Equivalents at the End of the Year	<u><u>(3,406)</u></u>	<u><u>(141,462)</u></u>
NOTE A : Cash & Cash Equivalents at the Beginning of the Period		
Cash & Bank Balances	36,929	10,108
Bank Overdrafts	(178,391)	(77,902)
	<u>(141,462)</u>	<u>(67,794)</u>
NOTE B : Cash & Cash Equivalents at the End of the Period		
Cash & Bank Balances	22,316	36,929
Bank Overdrafts	(25,722)	(178,391)
	<u>(3,406)</u>	<u>(141,462)</u>

* The above figures are subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

1. Market Price per Share

	Quarter Ended 31.03.2019 Rs.	Quarter Ended 31.03.2018 Rs.	Year Ended 31.03.2019 Rs.	Year Ended 31.03.2018 Rs.
Last traded price	64.00	87.70	64.00	87.70
Highest	81.30	114.90	95.00	114.90
Lowest	60.00	85.00	55.50	72.10

2. Market Capitalization & Ratios

	As at 31.03.2019	As at 31.03.2018
Market Capitalization (Rs. '000)	1,520,000	2,082,875
Float adjusted Market Capitalization (Rs. '000)	494,300	677,083
Price Earning Ratio (times)	5.93	5.58

The company complies with option 05 of the listing rules 7.13.1 (a) - Less than Rs. 2.5 Bn. float adjusted market capitalization.

3. Stated Capital of Namunukula Plantations PLC amounts to Rs. 350,000,010 represented by 23,750,000 ordinary shares and a Golden Share which has special rights held by the Secretary to the Treasury.

4. 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.

5. 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 2018, except for the adoption of following new standard effective as from April 01, 2018.

SLFRS 15 Revenue from Contracts with Customers

The new standard SLFRS 15 "Revenue from Contracts with Customers" establishes five step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The company adopted SLFRS 15 using the full retrospective method of adoption. Based on the assessment performed, the Company concluded that SLFRS 15 does not have a material impact on the Company's Interim Financial Statements.

SLFRS 9 Financial Instruments

SLFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. SLFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, paragraph 7.2.16 of SLFRS 9 permits an entity not to apply the requirements of this Standard to interim periods prior to the date of initial application, if it is impracticable.

Based on the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement and Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied.

The Company adopted SLFRS 9 using the full retrospective method of adoption. Based on the assessment performed, the Company concluded that SLFRS 9 does not have a material impact on the Company's Financial Statements.

6. 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.

7. These interim financial statements include the Gain/(Loss) arising from the valuation of biological assets and Actuarial Gain/(Loss) on defined benefit plan costs arising from the year end valuations.

Further management is assessed that, the fair values of financial assets & financial liabilities are approximate to their carrying values of these instruments.

8. In May 2014, the Company invested in 2.5Mn, Rs.100 each Five year Fixed Rated Listed Debenture (11.25% p.a.) payable semi annually issued by the ultimate parent company (Richard Pieris & Company PLC) amounting to Rs. 250 Mn. This 2.5 Mn Fixed Rated Listed debenture investment at Richard Pieris & Company PLC was Matured on 15th May 2019.

9. Contingent liabilities that may result, depending on the timing of the taxability of certain fair value adjustments is amounted to approximately Rs.1,670,483 /- (2017/18 - Rs. 3,907,274 /-). There has been no any other significant change in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2018.

10. Except discloser under note no: 8, there have been no any other material events occurring after the reporting date that require adjustments or disclosure in the financial statements.

11. The company has paid interim dividend of Rs. 8.50 per share for the year 2018/19 on 03rd April 2019.

12. The Interim Financial Statements of the company for the period ended 31st March 2019 were authorized for issue by the Board of Directors on 30 May 2019.

NOTES TO THE FINANCIAL STATEMENTS

13. Twenty largest shareholders of the company (Voting shares),

	As at 31.03.2019		As at 31.03.2018	
	No. of shares held	% of Holding	No. of shares held	% of Holding
1 RPC Plantation Management Services (Pvt) Ltd	16,026,561	67.48%	16,026,561	67.48%
2 The Secretary to the Treasury	3,763,300	15.85%	3,763,300	15.85%
3 National Development Bank PLC/Sakuvi Investment Trust (Pvt) Ltd	368,000	1.55%	368,000	1.55%
4 Mr. T.T.T Al Nakib	350,000	1.47%	350,000	1.47%
5 Mr.D.F.G.Dalpethado	184,202	0.78%	182,702	0.77%
6 Pershing LLC S/A Averbach Grauson & Co.	100,000	0.42%	100,000	0.42%
7 Bank of Ceylon No .1 Account	80,000	0.34%	80,000	0.34%
8 Mr.H.A.A.H.Algharabally	77,000	0.32%	77,000	0.32%
9 Mr.K.C.Vignarajah	71,852	0.30%	71,833	0.30%
10 Cocoshell Activated Carbon Co. Ltd	57,387	0.24%	57,387	0.24%
11 Mrs. J.K.P Singh	48,938	0.21%	48,938	0.21%
12 Mr.Z.G.Carimjee	43,200	0.18%	43,200	0.18%
13 T.S.T.T.T. Sathes Secretary to the Treasury-Sundry	38,298	0.16%	38,298	0.16%
14 Mr.U.P.Jayasinghe	34,704	0.15%	27,045	0.11%
15 Mr.N.A. Withana	34,351	0.14%	34,351	0.14%
16 J.B. Cocoshell (Pvt) Ltd	32,522	0.14%	39,075	0.16%
17 Hatton National Bank PLC/Thilak Dias Gunasekera	30,000	0.13%	30,000	0.13%
18 Northstar Holdings (Pvt) Ltd	29,900	0.13%	29,900	0.13%
19 Mrs.S.Vignarajah	28,104	0.12%	28,100	0.12%
20 Mrs.K.Fernando	25,000	0.11%	25,000	0.11%
Sub Total	21,423,319	90.20%		
Balance held by 11,634 (2017/18 - 11,605) shareholders	2,326,682	9.80%	2,329,311	9.81%
Total No. of Shares	23,750,001	100.00%	23,750,001	100.00%

* There were no non voting shares as at 31 March 2019.

The Percentage of shares held as at ,

	As at 31.03.2019			As at 31.03.2018		
	No. of Shareholders	No. of shares held	%	No. of Shareholders	No. of shares held	%
Public Holding	11,653	7,723,440	32.52%	11,623	7,720,440	32.51%
Other Holding	1	16,026,561	67.48%	2	16,029,561	67.49%
Total No. of Shares	11,654	23,750,001	100.00%	11,625	23,750,001	100.00%

14. Directors' & CEO's Shareholding

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

	As at 31.03.2019 No. of Shares	As at 31.03.2018 No. of Shares
Dr. S Yaddhegige - Chairman	Nil	Nil
Mr. S S Poholiyadde (Resigned w.e.f. 02 August 2018)	3,000	3,000
Mr. N C Peiris	Nil	Nil
Mr. B A T Rodrigo	Nil	Nil
Mr. Shaminda Yaddhegige	Nil	Nil
Mr. Shirley Gerard Devinda Amerasinghe	Nil	Nil
Mr. S S G Liyanage (Appointed w.e.f. 15 August 2018)	Nil	Nil
Mr. Sriyan Eriyagama - CEO	Nil	Nil

SEGMENT INFORMATIONS

REVENUE Summary	2019		2018	
	Rs. '000		Rs. '000	
Sale of Goods				
Tea		1,157,244		1,509,036
Rubber		243,733		292,259
Oil Palm		957,761		973,985
Coconut		32,151		41,696
Cinnamon		23,438		22,081
		<u>2,414,326</u>		<u>2,839,057</u>

For the period ended 31 March,	Tea		Rubber		Oil Palm		Coconut		Cinnamon		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	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	1,157,244	1,509,036	243,733	292,259	957,761	973,985	32,151	41,696	23,438	22,081	2,414,326	2,839,057
Revenue Expenditure	(1,272,646)	(1,463,629)	(229,355)	(237,185)	(281,375)	(294,095)	(14,002)	(14,493)	(16,107)	(15,720)	(1,813,484)	(2,025,122)
Depreciation / Amortization	(36,840)	(34,453)	(43,139)	(38,873)	(77,050)	(69,411)	(7,333)	(5,725)	(6,317)	(5,366)	(170,679)	(153,828)
Gratuity	(57,340)	(58,533)	(17,042)	(17,335)	(18,057)	(18,367)	(819)	(833)	(551)	(561)	(93,809)	(95,628)
Gross Profit/(Loss)	<u>(209,583)</u>	<u>(47,580)</u>	<u>(45,804)</u>	<u>(1,133)</u>	<u>581,280</u>	<u>592,112</u>	<u>9,998</u>	<u>20,645</u>	<u>463</u>	<u>434</u>	<u>336,354</u>	<u>564,478</u>
Other Income											141,113	202,721
Gain on change in fair value of biological assets											11,932	27,909
Administrative Expenses											(61,778)	(62,815)
Management Fees											(77,811)	(133,721)
Finance Cost											(65,129)	(51,812)
Impairment Loss on goodwill											(8,100)	(3,500)
Share of Profit from the Joint Venture											<u>23,527</u>	<u>8,285</u>
Profit before Taxation											<u>300,109</u>	<u>551,546</u>
Income Tax (Expense)/Reversal											<u>(43,816)</u>	<u>(177,994)</u>
Net Profit for the period											<u><u>256,293</u></u>	<u><u>373,552</u></u>

* The above figures are subject to audit.

CORPORATE INFORMATIONS**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

Tax Identification No.

294001395

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 (Resigned w.e.f. 02 August 2018)

Mr. N C Peiris

Mr. B A T Rodrigo

Mr. Shaminda Yaddhegige

Mr. Gerard Amerasinghe

Mr. S S G Liyanage (Appointed w.e.f. 15 August 2018)

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

Bankers

Bank of Ceylon - Corporate Branch & Regional Branches

People's Bank - Pelawatta Branch

Hatton National Bank PLC - City Branch

Sampath Bank PLC - Head Office Branch

National Development Bank PLC

Indian Overseas Bank / Indian Bank

Nations Trust Bank PLC

Contact Details

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