

ELPITIYA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30th SEPTEMBER 2020

ELPITIYA PLANTATIONS PLC

STATEMENT OF FINANCIAL POSITION

Group	Company		Group		Company	
			Unaudited As at 31.03.2020 Rs.'000	Unaudited As at 30.09.2019 Rs.'000	Unaudited As at 30.09.2020 Rs.'000	Unaudited As at 30.09.2019 Rs.'000
		Assets				
		Non current assets				
382,232	382,232	Leasehold property plant and equipment	363,234	209,008	363,234	209,008
1,093,491	884,504	Freehold property plant and equipment	1,271,303	982,800	1,066,117	769,975
3,553,395	3,553,395	Bearer biological assets	3,639,988	3,429,910	3,639,988	3,429,910
1,045,352	1,045,352	Consumable biological assets	1,057,821	1,011,762	1,057,821	1,011,762
42,488	42,488	Other non current asset	43,101	41,795	43,101	41,795
189,910	189,290	Investments	221,566	195,438	189,290	189,290
2,604	-	Goodwill	2,604	2,604	-	-
6,309,473	6,097,262		6,599,617	5,873,317	6,359,553	5,651,740
		Current assets				
10,385	10,385	Produce on bearer biological assets	10,385	11,291	10,385	11,291
338,312	338,277	Inventories	290,469	455,394	290,435	455,360
301,590	260,638	Trade and other receivables	292,303	264,164	279,386	256,110
100,549	245,785	Amounts due from related companies	91,834	74,602	230,389	219,385
89	89	Income tax receivables	89	-	89	-
29,480	22,133	Cash and bank balances	83,754	41,875	81,111	34,421
780,405	877,308		768,835	847,326	891,795	976,567
7,089,877	6,974,570	TOTAL ASSETS	7,368,452	6,720,643	7,251,348	6,628,306
		Equity and liabilities				
		Capital and reserves				
694,236	694,236	Stated capital	694,236	694,236	694,236	694,236
790,870	790,870	Timber reserve	790,870	765,958	790,870	765,958
3,145,643	3,019,774	Accumulated profits	3,463,286	2,931,283	3,335,166	2,845,675
4,630,749	4,504,880	Total equity attributable to equity holders of the company	4,948,392	4,391,477	4,820,272	4,305,869
(4,531)	-	Non-controlling interest	(4,595)	(4,455)	-	-
4,626,218	4,504,880	Total equity	4,943,796	4,387,023	4,820,272	4,305,869
		Non current liabilities				
17,250	17,250	Interest bearing loans and borrowings	12,965	41,720	12,965	41,720
643,194	643,068	Retirement benefit obligations	634,319	588,226	634,193	588,129
200,353	200,353	Deferred income	190,590	205,768	190,590	205,768
496,951	506,456	Deferred tax liability	499,951	477,351	509,456	477,351
317,510	317,510	Net liability to the lessor payable	315,832	161,644	315,832	161,644
1,675,258	1,684,636		1,653,658	1,474,709	1,663,036	1,474,612
		Current liabilities				
70,419	70,419	Interest bearing loans and borrowings	102,564	388,358	102,564	378,400
4,056	4,056	Net liability to the lessor payable	3,963	3,784	3,963	3,784
254,827	251,480	Trade and other payables	422,795	282,779	419,836	281,652
190,117	190,117	Amounts due to related companies	153,805	183,990	153,805	183,990
268,982	268,982	Bank Overdraft	87,871	-	87,871	-
788,401	785,054		770,998	858,912	768,039	847,826
7,089,877	6,974,570	TOTAL EQUITY AND LIABILITIES	7,368,452	6,720,643	7,251,348	6,628,306
63.55	61.82	Net assets per share	67.91	60.27	66.15	59.09

Sgd.
Ruwana Nissanka
Chief Financial Officer

Signed on behalf of the Board of Directors of Elpitiya Plantations PLC

Sgd.
M P Dissanayake
Chairman

12.11.2020

Sgd.
Rohan.M. Fernando
Managing Director

ELPITIYA PLANTATIONS PLC

INCOME STATEMENT

Group

Audited Year ended 31.03.2020 Rs.'000		3 months			6 months ended		
		Unaudited 30.09.2020 Rs.'000	Unaudited 30.09.2019 Rs.'000	Change	Unaudited 30.09.2020 Rs.'000	Unaudited 30.09.2019 Rs.'000	Change
3,307,620	Revenue	998,292	838,165	19%	2,031,176	1,589,039	28%
(2,836,748)	Cost of sales	(789,062)	(730,073)	8%	(1,558,086)	(1,403,521)	11%
470,872	Gross Profit	209,230	108,093	94%	473,090	185,519	155%
48,653	Gain on fair value of biological assets	-	-	-	-	-	-
223,949	Other income	51,912	48,155	8%	82,601	83,463	-1%
(344,284)	Administration expenses	(95,860)	(94,643)	1%	(153,504)	(150,420)	2%
(71,992)	Management fee and workers profit share	(28,462)	(14,039)	103%	(60,951)	(29,371)	108%
(49,258)	Finance cost	(16,888)	(16,796)	1%	(29,891)	(32,405)	-8%
2,470	Finance income	165	253	-35%	313	494	-36.6%
54,980	Share of profit/(loss) of joint ventures	35,865	14,302	151%	66,607	25,556	-161%
335,389	Profit before taxation	155,963	45,324	244%	378,265	82,835	357%
(27,663)	Tax expenses	(3,025)	(3,032)	-0.24%	(6,037)	(6,057)	-0.33%
307,726	Profit for the period	152,938	42,292	262%	372,227	76,778	385%
	Attributable to						
307,854	Equity holders of the parent	152,981	42,321	261%	372,292	76,830	385%
(128)	Non controlling Interest	(42)	(28)	53%	(65)	(52)	26%
307,726	Net Profit for the period	152,938	42,293	262%	372,227	76,778	385%

4.22 Earnings per share

2.10 0.58

5.11 1.05

Statements of Comprehensive Income

Audited Year ended 31.03.2020 Rs.'000		3 months		06 months ended	
		Unaudited 30.09.2020 Rs.'000	Unaudited 30.09.2019 Rs.'000	Unaudited 30.09.2020 Rs.'000	Unaudited 30.09.2019 Rs.'000
307,726	Profit for the period	152,938	42,293	372,227	76,778
(22,527)	Actuarial gain on defined benefit plans	-	-	-	-
3,154	Income tax effect	-	-	-	-
(19,374)	Other comprehensive income for the period, net of tax	-	-	-	-
288,353	Total comprehensive income for the period, net of tax	152,938	42,293	372,227	76,778
	Attributable to				
288,480	Equity holders of the parent	152,981	42,321	372,292	76,830
(128)	Non controlling Interest	(42)	(28)	(65)	(52)
288,353	Total comprehensive income for the period	152,938	42,293	372,227	76,778

ELPITIYA PLANTATIONS PLC
INCOME STATEMENT

Company

Audited Year ended 31.03.2020 Rs.'000		3 months			6 months ended		
		Unaudited 30.09.2020 Rs.'000	Unaudited 30.09.2019 Rs.'000	Change	Unaudited 30.09.2020 Rs.'000	Unaudited 30.09.2019 Rs.'000	Change
3,287,442	Revenue	987,994	830,183	19%	2,018,100	1,579,917	28%
(2,823,898)	Cost of sales	(784,481)	(726,518)	8%	(1,551,400)	(1,396,940)	11%
463,544	Gross profit	203,513	103,665	96%	466,700	182,977	155%
48,653	Gain on fair value of biological assets	-	-	-	-	-	-
223,610	Other income	86,849	48,155	80%	152,459	83,375	83%
(341,146)	Administration expenses	(95,297)	(93,972)	1%	(152,459)	(149,046)	2%
(71,992)	Management fee and workers profit share	(28,462)	(14,039)	103%	(60,951)	(29,371)	108%
(47,876)	Finance cost	(16,888)	(16,377)	3%	(29,891)	(31,364)	-5%
2,175	Finance income	81	135	-40%	185	376	-51%
276,968	Profit before taxation	149,796	27,567	443%	376,042	56,947	560%
(35,258)	Tax expenses	(3,000)	(3,000)	-	(6,000)	(6,000)	-
241,710	Profit for the period	146,796	24,567	498%	370,042	50,947	626%

3.32 Earnings per share

2.01 0.34

5.08 0.70

Statements of Comprehensive Income

Audited Year ended 31.03.2020 Rs.'000		3 months		6 months ended	
		Unaudited 30.09.2020 Rs.'000	Unaudited 30.09.2019 Rs.'000	Unaudited 30.09.2020 Rs.'000	Unaudited 30.09.2019 Rs.'000
241,710	Profit for the period	146,796	24,567	370,042	50,947
(63,573)	Actuarial gain on defined benefit plans	-	-	-	-
8,900	Income tax effect	-	-	-	-
(54,673)	Other comprehensive income for the period, net of tax	-	-	-	-
187,037	Total comprehensive income for the period, net of tax	146,796	24,567	370,042	50,947
187,037	Attributable to Owners of the parent	146,796	24,567	370,042	50,947
-	Non controlling Interest	-	-	-	-
187,037	Profit for the period	146,796	24,567	370,042	50,947

ELPITIYA PLANTATIONS PLC
STATEMENT OF CHANGES IN EQUITY

Group						
	Stated capital	Retained earnings	Timber reserve	Total	Non controlling Interest	Total equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.000	Rs.000
Balance as at 01.04.2019	694,236	2,945,536	765,958	4,405,730	(4,403)	4,401,328
Net profit for the period	-	76,830	-	76,830	(52)	76,778
Dividends Paid	-	(91,083)	-	(91,083)	-	(91,083)
Balance as at 30.09.2019	694,236	2,931,283	765,958	4,391,477	(4,455)	4,387,023
Balance as at 01.04.2020	694,236	3,145,643	790,870	4,630,749	(4,531)	4,626,218
Net profit for the period	-	372,292	-	372,292	(65)	372,227
Dividends Paid/Payable	-	(54,650)	-	(54,650)	-	(54,650)
Balance as at 30.09.2020	694,236	3,463,286	790,870	4,948,392	(4,595)	4,943,796

Company				
	Stated capital	Retained earnings	Timber reserve	Total equity
	Rs.'000	Rs.'000	Rs.'000	Rs.000
Balance as at 01.04.2019	694,236	2,885,811	765,958	4,346,005
Net profit for the period	-	50,947	-	50,947
Dividends Paid	-	(91,083)	-	(91,083)
Balance as at 30.09.2019	694,236	2,845,675	765,958	4,305,869
Balance as at 01.04.2020	694,236	3,019,774	790,870	4,504,880
Net Profit for the period	-	370,042	-	370,042
Dividends Paid/Payable	-	(54,650)	-	(54,650)
Balance as at 30.09.2020	694,236	3,335,166	790,870	4,820,272

ELPITIYA PLANTATIONS PLC

CASH FLOW STATEMENT

	Group		Company	
	Unaudited 6 months ended 30.09.2020 Rs.'000	Unaudited 6 months ended 30.09.2019 Rs.'000	Unaudited 6 months ended 30.09.2020 Rs.'000	Unaudited 6 months ended 30.09.2019 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before taxation	378,265	82,835	376,042	56,947
ADJUSTMENTS FOR				
Depreciation and amortization	145,742	108,896	141,024	104,303
Provision for defined benefit plans	28,779	26,622	28,779	26,622
Share of profit of joint ventures	(66,607)	(25,556)	-	-
Amortization of subleases income	(11,023)	(11,923)	(11,023)	(11,923)
Interest income	(313)	(494)	(185)	(376)
Finance cost	29,891	32,405	29,891	31,364
Dividend income	-	-	(69,903)	-
Profit of Sale of Property , Plant & Equipment	(5,893)	(3,346)	(5,893)	(3,346)
	120,576	126,603	112,691	146,643
Operating profit before working capital changes	498,841	209,439	488,733	203,591
(Increase)/ Decrease in trade and other receivables	33,407	38,184	(23,656)	44,793
(Increase) / Decrease in amounts due from related companies	8,714	5,625	15,396	(1,261)
(Increase) / Decrease in inventories	47,842	(74,118)	47,842	(74,118)
Increase / (Decrease) in trade and other payables	68,389	(74,530)	62,891	(71,217)
Increase / (Decrease) in amounts due to related companies	(36,312)	14,825	(36,312)	14,825
	122,042	(90,014)	66,161	(86,978)
Cash generated from operations	620,883	119,425	554,894	116,613
Cash received as sub lease of land	-	1,672	-	1,672
Finance cost paid	(8,644)	(15,079)	(8,644)	(14,038)
Defined benefit plan cost paid	(37,654)	(48,203)	(37,654)	(48,203)
Dividend Paid	-	(91,083)	-	(91,083)
Grants received	1,260	2,905	1,260	2,905
Income tax paid	-	(9,013)	-	(8,957)
	(45,038)	(158,800)	(45,038)	(157,704)
Net cash from operating activities	575,845	(39,375)	509,857	(41,091)
CASH FLOWS FROM INVESTING ACTIVITIES				
Field development expenditure	(158,644)	(159,717)	(157,727)	(159,717)
Dividend Income	-	-	69,903	-
Interest income received	313	494	185	376
Purchase of property, plant and equipment	(204,984)	(42,765)	(204,984)	(42,262)
Proceed from Sale of Property , Plant & Equipment	5,893	5,000	5,893	5,000
Net Cash used in investing activities	(357,422)	(196,988)	(286,730)	(196,603)
	218,424	(236,363)	223,127	(237,694)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans	81,260	-	81,260	-
Settlement of loans	(53,400)	(59,046)	(53,400)	(49,087)
Payment of government lease rentals	(10,899)	(10,899)	(10,899)	(10,899)
Net cash flow used in financing activities	16,961	(69,946)	16,961	(59,986)
Net Increase/Decrease in Cash & Cash Equivalents	235,385	(306,308)	240,088	(297,680)
A. Cash & Cash Equivalents at the beginning of the period	(239,502)	49,539	(246,849)	33,458
B. Cash & Cash Equivalents at the end of the period	(4,117)	(256,768)	(6,761)	(264,222)

NOTE A

Cash & Cash Equivalents at the beginning of the period

Cash and Bank
Overdraft

29,480	49,539	22,133	33,458
(268,982)	-	(268,982)	-
(239,502)	49,539	(246,849)	33,458

NOTE B

Cash & Cash Equivalents at the end of the period

Cash and Bank
Overdraft

83,754	41,875	81,111	34,421
(87,871)	(298,643)	(87,871)	(298,643)
(4,117)	(256,768)	(6,761)	(264,222)

ELPITIYA PLANTATIONS PLC

SEGMENT INFORMATION

For the six months ended 30th September 2020

	Group		Company	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Tea				
Revenue	1,416,197	1,090,089	1,416,197	1,090,089
Revenue expenditure	(1,252,834)	(1,120,228)	(1,252,834)	(1,120,228)
Segment Result-Gross Profit/(Loss)	163,363	(30,139)	163,363	(30,139)
Rubber				
Revenue	81,633	47,928	81,633	47,928
Revenue expenditure	(123,300)	(107,151)	(123,300)	(107,151)
Segment Result-Gross Loss	(41,667)	(59,223)	(41,667)	(59,223)
Oil Palm				
Revenue	512,838	440,441	512,838	440,441
Revenue expenditure	(175,235)	(165,552)	(172,235)	(165,552)
Segment Result-Gross Profit	337,604	274,889	340,604	274,889
Others				
Revenue	20,507	10,581	7,431	1,459
Revenue expenditure	(6,716)	(10,590)	(3,030)	(4,009)
Segment Result-Gross profit/(Loss)	13,791	(8)	4,401	(2,550)
Total Segments				
Revenue	2,031,176	1,589,039	2,018,100	1,579,917
Revenue expenditure	(1,558,086)	(1,403,521)	(1,551,400)	(1,396,940)
Total segment result-Gross profit	473,090	185,519	466,700	182,977
Other income	82,601	83,463	152,459	83,375
Administration expenses	(153,504)	(150,420)	(152,459)	(149,046)
Management fee and workers profit share	(60,951)	(29,371)	(60,951)	(29,371)
Finance cost	(29,891)	(32,405)	(29,891)	(31,364)
Finance income	313	494	185	376
Share of profit of joint ventures	66,607	25,556	-	-
Profit before taxation	378,265	82,835	376,042	56,947

For the three months ended 30th September 2020

	Group		Company	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Tea				
Revenue	684,905	556,541	684,905	556,541
Revenue expenditure	(630,924)	(573,644)	(630,924)	(573,644)
Segment Result-Gross Profit/(Loss)	53,981	(17,103)	53,981	(17,103)
Rubber				
Revenue	44,041	28,522	44,041	28,522
Revenue expenditure	(54,436)	(59,781)	(54,436)	(59,781)
Segment Result-Gross Loss	(10,395)	(31,259)	(10,395)	(31,259)
Oil Palm				
Revenue	252,516	244,199	252,516	244,199
Revenue expenditure	(96,236)	(91,359)	(93,236)	(91,359)
Segment Result-Gross Profit	156,281	152,840	159,281	152,840
Others				
Revenue	12,331	8,904	2,032	922
Revenue expenditure	(2,965)	(5,289)	(1,384)	(1,734)
Segment Result-Gross profit/(Loss)	9,366	3,616	648	(812)
Total Segments				
Revenue	993,794	838,166	983,495	830,184
Revenue expenditure	(784,562)	(730,073)	(779,981)	(726,518)
Total segment result-Gross profit	209,232	108,093	203,514	103,666
Other income	51,912	48,155	86,849	48,155
Administration expenses	(95,860)	(94,643)	(95,297)	(93,972)
Management fee and workers profit share	(28,462)	(14,039)	(28,462)	(14,039)
Finance cost	(16,888)	(16,796)	(16,888)	(16,377)
Finance income	165	253	81	135
Share of profit of joint ventures	35,865	14,302	-	-
Profit before taxation	155,963	45,324	149,796	27,567

ELPITIYA PLANTATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS

- 1 Interim Financial Statements of the company and the group have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the annual report 2018/2019, except for the Accounting Policies and methods of computation adopted to be in compliance with the requirement of the Sri Lanka Accounting Standard SLFRS 16 - "Leases", which became effective from January 01, 2019. SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. Lessee and Lessor). SLFRS 16 replaced LKAS 17 - "Leases" and related interpretations. The Company has adopted SLFRS 16 using modified retrospective method from 1 April 2019, without restating comparative information. Instead, it has recognized the cumulative effect of initially applying this standard as an adjustment to the opening balance of Retained earnings at the date of initial application, as permitted under the specific transitional provisions in the standard. Further these Interim Financial Statements have been prepared in compliance with the requirement of the Sri Lanka Accounting Standard-LKAS 34 on Interim Financial Reporting.
- 2 Gain or losses arising from biological transformation for the period of six months have not been recognised in the Financial Statements assuming that physical and price changes occurred during the period is immaterial.
- 3 Stated Capital of Elpitiya Plantations PLC amounts to Rs.694,236,120 represented by 72,866,430 shares.
- 4 During the period under review there were no significant changes in the nature of the contingent liabilities, capital and other commitments.
- 5 There have been no other events subsequent to the interim periods, which require disclosure in the interim financial statements.
- 6 All liabilities to Management fee and other similar expenditures have been provided.
- 7 The presentation and classification of the interim financial statements of the previous year have been amended, where relevant, for better presentations and to be comparable with those of the current year.
- 8 Figures in brackets indicate deductions.

ELPITIYA PLANTATIONS PLC

TOP 20 SHAREHOLDERS AS AT 30.09.2020

	Name of the Shareholder	Share Holding	%
1	Aitken Spence Plantation Managements PLC	44,917,354	61.64
2	Secretary to the Treasury	15,613,092	21.43
3	Mr K C Vignarajah	366,596	0.50
4	J.B Cocoshell (Pvt) Ltd	352,872	0.48
5	Tranz Dominion, L.L.C	315,000	0.43
6	Dr.R.D Bandaranaike	210,696	0.29
7	Mr. Ranasinghe / Mrs. O R K Ranasinghe	175,000	0.24
8	Seylan Bank PLC / Mohamed Mushtaq Fund	125,982	0.17
9	Sezeka Limited	123,944	0.17
10	Mr H A Cabraal	120,000	0.16
11	Mr S B H Wanduragala	111,989	0.15
12	Mr U D Wickremesooriya / Mrs S.F. Wickremesooriya	110,000	0.15
13	Mr A V Emmanuel	108,395	0.15
14	Hatton National Bank / H.G. Balasuriya	101,348	0.14
15	Hatton National Bank / K.D.S.R. Kulatunga & Mrs O.U. Kumari	100,007	0.14
16	Commercial Bank of Ceylon PLC / Andaradeniya Estate (pvt) Ltd.	100,000	0.14
16	Mr T.T.T. Al- Nakib	100,000	0.14
18	Mr A.D.R. Gomez	96,110	0.13
19	Mr R. V. D. Piyathilake	90,003	0.12
20	Mr E.J.B.G. Fernando	80,884	0.11
	Total No. of Shares	63,319,272	86.88

PUBLIC SHAREHOLDING AS AT 30.09.2020

Shareholder	No. of Shares	%
Aitken Spence Plantation Managements PLC.	44,917,354	61.64
Secretary to the Treasury	15,613,092	21.43
Public Holding	12,335,984	16.93
TOTAL	72,866,430	100.00

Total number of public shareholders as at 30 September 2020

11,131

DIRECTORS' SHAREHOLDINGS

None of the Directors hold shares in the Company.

MARKET PRICES OF SHARES RECORDED DURING THE PERIOD ENDED

	30.09.2020	30.09.2019
	Rs.	Rs.
Highest price recorded for the six months ending	37.00	21.80
Lowest price recorded for the six months ending	12.50	16.00
Last traded price	36.00	19.50
Highest price recorded for the three months ending	37.00	21.80
Lowest price recorded for the three months ending	16.00	18.00

The float adjusted market capitalization as at 30th September 2020 was Rs 444,095,424/-. As the float adjusted market capitalization is less than Rs. 01 Bn with more than 10% public holding, Elpitiya Plantations PLC complies under option 2 in terms of rule 7.13.1 (b) (for Diri Savi Board companies) of the Listing Rules of the Colombo Stock Exchange.

GROUP COMPANIES

Escape Parks Ceylon (Private) Limited* (Formerly known as Venture Valley (Private) Limited)
Water Villas (Private) Limited *
EPP Hydro Power Company (Private) Limited

JOINT VENTURE COMPANIES

AEN Palm Oil Processing (Private) Limited
Elpitiya Dianhong Jin Ya Tea Company (Private) Limited
Elpitiya Lifestyle Solutions (Private) Limited

Note - * Water Villas (Private) Limited and Escape Parks Ceylon (Private) Limited - Commercial operations have not been commenced.

NAME OF DIRECTORS

Dr M P Dissanayake
Dr R M Fernando
Mr Merrill J Fernando
Mr Malik J Fernando
Dr.S.A.B. Ekanayaka
Mr S C Ratwatte
Ms B W G C S Bogahawaththe
Mr. D A De S Wickramanayake
Mr B. Bulumulla