NAMUNUKULA PLANTATIONS PLC

Company Reg. No. - PQ 136

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 DECEMBER 2013

INTERIM FINANCIAL STATEMENT

STATEMENTS OF FINANCIAL POSITION

As at,	Quarter Ended 31.12.2013 Rs. '000	(Restated) 31.12.2012 Rs. '000	Year Ended (Audited) 31.03.2013 Rs. '000
ASSETS			
Non Current Assets			
Leasehold Property, Plant & Equipment	226,323	240,769	237,149
Freehold Property, Plant & Equipment	283,434	287,355	290,269
Bearer Biological Assets	1,627,192	1,395,616	1,492,925
Long Term Investments - (Unquoted)	144,382	134,743	116,709
Deferred Tax Asset	8,242	45,134	8,242
Total Non Current Assets	2,289,574	2,103,617	2,145,294
Current Assets			
Inventories	280,236	204,180	180,710
Trade and Other Receivables	259,135	196,507	240,668
Amounts Due from Related Companies	39,846	40,282	55,767
Short Term Investment	312,930	-	462,694
Cash and Cash Equivalents	6,437	298,646	23,226
Total Current Assets	898,583	739,615	963,065
Total Assets	**3,188,157**	**2,843,232**	**3,108,359**
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	350,000	350,000	350,000
Retained Earnings	1,674,932	1,556,218	1,645,825
Total Equity	2,024,932	1,906,218	1,995,825
Non Current Liabilities			
Interest Bearing Loans & Borrowings	257,867	71,616	269,671
Retirement Benefit Obligations	248,700	252,268	216,423
Deferred Income	113,817	112,118	111,662
Liability to make Lease payment after one year	228,283	232,117	231,178
Total Non Current Liabilities	848,666	668,120	828,934
Current Liabilities			
Trade and Other Payables	272,336	198,485	238,629
Liability to make Lease payment within one year	3,834	3,687	3,723
Interest Bearing Loans & Borrowings	17,955	34,007	38,983
Amounts Due to Related Companies	7,500	23,416	-
Income Tax Liabilities	12,933	9,298	2,265
Total Current Liabilities	314,559	268,893	283,600
Total Liabilities	**1,163,225**	**937,013**	**1,112,534**
Total Equity and Liabilities	**3,188,157**	**2,843,232**	**3,108,359**
	Rs.	**Rs.**	**Rs.**
Net Assets per Share	**85.26**	**80.26**	**84.03**

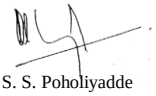
* The above figures are subject to audit.

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

Jagath Dissanayake
Group Chief Financial Officer

The Board of Directors is 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

J. H. P. Ratnayeke
Director

Colombo
10 February 2014

INTERIM FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME

	Quarter Ended			Nine months Ended			Year Ended
	31.12.2013 Rs. '000	(Restated) 31.12.2012 Rs. '000	Increase / (Decrease)	31.12.2013 Rs. '000	(Restated) 31.12.2012 Rs. '000	Increase / (Decrease)	(Audited) 31.03.2013 Rs. '000
Revenue	583,717	458,837	27%	1,627,635	1,354,163	20%	1,818,556
Cost of sales	(430,481)	(311,521)	38%	(1,240,679)	(947,388)	31%	(1,289,097)
Gross profit	**153,236**	**147,316**	**4%**	**386,956**	**406,775**	**-5%**	**529,459**
Other income	14,733	21,568	-32%	55,177	41,341	33%	64,231
Administrative expenses	(11,400)	(9,044)	26%	(30,748)	(28,649)	7%	(39,310)
Provision for doubtful receivable	(49,648)	454	-11036%	(80,279)	(43,724)	84%	(43,995)
Management fee	(22,324)	(31,723)	-30%	(65,227)	(70,284)	-7%	(78,665)
Finance cost	(11,598)	(13,039)	-11%	(35,382)	(34,711)	2%	(46,235)
Share of profit from joint venture	13,787	25,968	-47%	27,673	71,846	-61%	84,142
Profit before taxation	86,786	141,501	**-39%**	258,171	342,594	**-25%**	469,627
Income tax expense	(2,337)	(10,204)	-77%	(15,313)	(23,041)	-34%	(60,468)
Net profit for the period	**84,450**	**131,296**	**-36%**	**242,857**	**319,553**	**-24%**	**409,159**
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Other comprehensive income for the period							
	84,450	**131,296**	**-36%**	**242,857**	**319,553**	**-24%**	**409,159**
Total comprehensive income for the period							
	Rs.	**Rs.**		**Rs.**	**Rs.**		**Rs.**
Basic Earnings per Share	**3.56**	**5.53**		**10.23**	**13.45**		**17.23**

* The above figures are subject to audit.

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Accumulated Profit	Total
	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2012	350,000	1,236,665	1,586,665
Net profit for the period	-	319,553	319,553
Balance as at 31 December 2012	**350,000**	**1,556,218**	**1,906,218**
Balance as at 1 April 2013	350,000	1,645,825	1,995,825
Dividend Paid	-	(213,750)	(213,750)
Net profit for the period	-	242,857	242,857
Balance as at 31 Decemberr 2013	**350,000**	**1,674,932**	**2,024,932**

* The above figures are subject to audit.

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

	31.12.2013 Rs. '000	31.12.2012 Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation	**258,171**	**342,594**
ADJUSTMENTS FOR		
Depreciation	68,220	60,808
Finance Cost	35,382	34,711
Provision for Defined Benefit Plan Cost	49,091	17,448
Amortization of Grants	(2,132)	(2,278)
Share of Profit of Joint Venture	(27,673)	(71,846)
Provision for Bad & Doubtful Debts	80,279	43,724
Operating profit before working capital changes	461,338	425,161
(Increase)/Decrease in Inventories	(99,526)	(50,438)
(Increase)/Decrease in Trade and other Receivables	(98,747)	(42,118)
(Increase)/Decrease in Amounts due from Related Companies	15,921	(16,639)
Increase/(Decrease) in Trade and Other Payables	34,965	(19,857)
Increase/(Decrease) in Amounts due to Related Companies	7,500	8,109
Cash Generated from Operating Activities	321,451	304,218
Finance Cost Paid	(6,925)	(8,715)
Income Tax (Paid) / Refund	(4,645)	(17,180)
Defined Benefit Plan Cost Paid	(16,814)	(20,311)
Net Cash Flow From Operating Activities	293,067	258,012
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(13,605)	(16,649)
Dividend Received	-	76,787
Investments in Immature plantation	(172,480)	(142,770)
Grants Received	4,287	2,698
Net Cash Flow From Investing Activities	(181,798)	(79,934)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Government Lease rentals	(31,240)	(19,124)
Proceeds from borrowings	-	3,230
Repayment of loans	(21,429)	(26,390)
Dividend Paid	(213,750)	-
Net Cash Flow From Financing Activities	(266,419)	(42,284)
Net Increase/(Decrease) in Cash and Cash Equivalents	(155,150)	135,794
A. Cash & Cash Equivalents at the Beginning of the Period	474,517	162,852
B. Cash & Cash Equivalents at the End of the Period	319,367	298,646
NOTE A		
Cash & Cash Equivalents at the Beginning of the Period		
Cash & Bank Balances	23,226	164,408
Short Term Investment	462,695	-
Bank Overdrafts	(11,404)	(1,556)
	474,517	162,852
NOTE B		
Cash & Cash Equivalents at the End of the Period		
Cash & Bank Balances	9,347	298,646
Short Term Investment	312,930	-
Bank Overdrafts	(2,911)	-
	319,367	298,646

* The above figures are subject to audit.

INTERIM FINANCIAL STATEMENT

NOTES TO THE FINANCIAL STATEMENTS

1 Explanations to the transition of SLFRS

Reconciliation of Financial Position as at 31.12.2012	*Notes*	SLFRS/LKAS Rs. '000	Re-measurement Rs. '000	SLAS Rs. '000
ASSETS				
Non Current Assets				
Leasehold Property, Plant & Equipment		240,769	-	240,769
Freehold Property, Plant & Equipment	**A**	287,355	3,420	283,934
Bearer Biological Assets		1,395,616	-	1,395,616
Long Term Investments - (Unquoted)		134,743	-	134,743
Deferred Tax Asset	**B**	45,134	45,134	-
Total Non Current Assets		2,103,617	48,555	2,055,062
Current Assets				
Inventories	**C**	204,180	(27,463)	231,643
Trade and Other Receivables		196,507	-	196,507
Amounts Due from Related Companies		40,282	-	40,282
Cash and Cash Equivalents		298,646	-	298,646
Total Current Assets		739,615	(27,463)	767,077
Total Assets		**2,843,232**	**21,092**	**2,822,140**
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital		350,000	-	350,000
Retained Earnings	**F**	1,556,218	21,092	1,535,126
Total Equity		1,906,218	21,092	1,885,126
Non Current Liabilities				
Interest Bearing Loans & Borrowings		71,616	-	71,616
Retirement Benefit Obligations		252,268	-	252,268
Deferred Income		112,118	-	112,118
Liability to make Lease payment after one year		232,117	-	232,117
Total Non Current Liabilities		668,120	-	668,120
Current Liabilities				
Trade and Other Payables		198,485	-	198,485
Liability to make Lease payment within one year		3,687	-	3,687
Interest Bearing Loans & Borrowings		34,007	-	34,007
Amounts Due to Related Companies		23,416	-	23,416
Income Tax Liabilities		9,298	-	9,298
Total Current Liabilities		268,893	-	268,893
Total Liabilities		**937,013**	**-**	**937,013**
Total Equity and Liabilities		**2,843,232**	**21,092**	**2,822,140**
		Rs.		**Rs.**
Net Assets per Share		**80.26**		**79.37**

* The above figures are subject to audit.

INTERIM FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS CONTD...

1 Explanations to the transition of SLFRS (Contd)

Reconciliation of Total Comprehensive Income for the period ended 31.12.2012	*Notes*	SLFRS/LKAS Rs. '000	Re-measurements Rs.'000	SLAS Rs. '000
Revenue	**D**	1,354,163	(36,952)	1,391,115
Cost of sales	**E**	(947,388)	33,615	(981,003)
Gross profit		**406,775**	**(3,336)**	**410,111**
Other income		41,341	-	41,341
Administrative expenses		(28,649)	-	(28,649)
Provision for doubtful receivable		(43,724)	-	(43,724)
Management fee		(70,284)	-	(70,284)
Finance cost		(34,711)	-	(34,711)
Share of profit from joint venture		71,846	-	71,846
Profit before taxation		342,594	(3,336)	345,930
Income tax expense		(23,041)	-	(23,041)
Net profit for the period		**319,553**	**(3,336)**	**322,889**
Other comprehensive income		-	-	-
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		**319,553**	**(3,336)**	**322,889**

	SLFRS/LKAS	SLAS
	Rs.	**Rs.**
Basic Earnings Per Share	**13.45**	**13.60**

* The above figures are subject to audit.

NOTES TO THE FINANCIAL STATEMENTS CONTD…

1.1 Explanations to the transition of SLFRS (Contd)

Notes to the reconciliation of equity as at 31 December 2012 and Total Comprehensive Income ("CI") for the period ended 31 December 2012.

A Freehold Property, Plant & Equipment

Changes to the estimation of new useful lives.

The Useful life periods of plant & machineries were reassessed. As a result, the net book value of plant & machinery as at 31 December 2012 increased by Rs.3.4 Mn. The depreciation in CI for period ended 31 December 2012 has been increased by Rs.1.6 Mn.

B Deferred Tax Asset

Recognition of deferred tax asset

A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

C Inventory

Produce stock

The produce stock from biological assets i.e. tea & rubber were valued at estimated selling price or since realized price in terms of SLAS 32. With the conversion to new Accounting Standards, Produce stock is measured at the lower of cost or net realizable value in accordance with LKAS 2. As a result, the net assets of Statement of Financial Position as at 31 December 2012 decreased by Rs.27 Mn.

D Revenue

Revenue recognition on Produce stock

Profit & Loss of the perennial crop has been recognized in the financial period of harvesting in terms of SLAS 32. Thus the unsold stocks were treated as a part of revenue. The scope of revenue recognition was changed to LKAS 18. Revenue is recognized to the extent that it is probable that the economic benifits will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made. Accordingly, the revenue is recognized based on the date of auction where the recognition criterias are met and therefore the quantity which is sold at auction is treated as the sales.

This classification does not effect on the net assets for the Statement of Financial position as at 31 December 2012. The turnover in the Statement of Comprehensive Income for the period ended 31 December 2012 was decreased by Rs. 36.9 Mn.

Nature of Adjustment	CI for period ended 31 December 2012 Rs. 000
Removal of unsold stock as at the period end	(191,435)
Recognition of turnover on previous year's stock	154,484
Total	**(36,952)**

NOTES TO THE FINANCIAL STATEMENTS CONTD…

1.1 Explanations to the transition of SLFRS (Contd)

Notes to the reconciliation of equity as at 31 December 2012 and Total Comprehensive Income ("CI") for the period ended 31 December 2012.

E Cost of sales

1 changes to the estimation of new useful lives.

The depreciation charge for the period has been changed as a result of changes in useful lives of Colour Seperators.

2 Matching the cost of sales against revenue

Recognition of the cost of sales has been changed simultaneous to the changes to the revenue recognition. Thus, cost of sales consists of the directly attributable cost of the goods sold. Cost of opening stocks and the closing stocks were adjusted to the cost of production in arriving this. Further, the measurement of unsold tea and rubber stocks have been changed. As a result, cost of sales for the period ended 31 December 2012 has been decreased by Rs.33.6 Mn.

Nature of Adjustment	CI for period ended 31 December 2012 Rs. 000
Openning stock adjustment - Cost or NRV which ever is lower	(163,973)
Closing stock adjustment - Cost or NRV which ever is lower	128,733
Effect on depreciation for the period due to changes in useful lives of assets	1,624
Total	**(33,615)**

F Retained Earnings

The changes up to 31 December 2012 due to SLFRS conversion adjusted through retained earnings. Retained earnings increased by Rs. 21 Mn.

Nature of Adjustment	Net Assets As at 31 December 2012 Rs. 000
Changes of depreciation policy	3,420
Effect on deferred tax asset	45,134
Valuation of tea and rubber stock at lower of cost or NRV	(27,463)
Total	**21,092**

INTERIM FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS CONTD...

2 Market Price per Share

	Quarter Ended 31 December		Nine months Ended 31 December		Year Ended 31 March	
	2013 Rs.	**2012 Rs.**	**2013 Rs.**	**2012 Rs.**	**2013 Rs.**	**2012 Rs.**
- Last traded price	84.70	78.80	84.70	78.80	76.60	60.00
- Highest	85.50	90.00	86.00	90.00	90.00	139.90
- Lowest	70.00	70.00	43.00	51.00	51.00	46.00

3 Stated Capital of Namunukula Plantations PLC amounts to Rs. 350,000,010 represented by 23,750,001 shares.

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 presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The impact to the Income Statement and Net Assets for the third quarter of 2012 had not been determined as at the reporting date. Therefore, the reconciliations are provided to reflect the SLFRS/LKAS adjusted Statement of Financial Position and Income Statement for the third quarter ended 31.12.2012.

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 2013.

7 No circumstances have arisen since the Statement of Financial Position date, which would require adjustment or discloser in the Interim Financial Statements.

8 There have been no other events subsequent to the reporting date, which would require adjustment to or disclosure in the Interim Financial Statements.

9 The Sub Lease Agreement with Tusker Bottling Company (Pvt) Ltd (Under Liquidation) has been terminated for breach effective 5th July 2013.

10. Twenty Largest Shareholders

		As at 31.12.2013		As at 31.03.2013	
		No. of shares held	% of the Holding	No. of shares held	% of the Holding
1	RPC Plantation 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	384,698	1.62%	220,600	0.93%
4	Sakuvi Investment Trust (Pvt) Ltd	368,000	1.55%	368,000	1.55%
5	Bank of Ceylon A/C Ceybank Century Growth Fund	322,223	1.36%	278,661	1.17%
6	Deutsche Bank AG As Trustee to Candor Sharia	121,221	0.51%	-	0.00%
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%	50,000	0.21%
9	Mr. H.G. Carimjee (Deceased)	64,800	0.27%	64,800	0.27%
10	Deutsche Bank AG As Trustee to Candor Growth	63,868	0.27%	-	0.00%
11	Cocoshell Activated Carbon Co. Ltd	57,387	0.24%	57,387	0.24%
12	Mr. R.A Rishard	53,674	0.23%	137,000	0.58%
13	Mrs. K.S. Cooray	50,000	0.21%	50,000	0.21%
14	Mr. C.Chanmugam	50,000	0.21%	50,000	0.21%
15	Mrs. J.K.P Singh	50,000	0.21%	-	0.00%
16	Mr. K.C Vignarajah	45,437	0.19%	40,800	0.17%
17	J.B.Cocoshell (Pvt) Ltd	41,100	0.17%	41,100	0.17%
18	T.S.T.T.T .Sathe Secretary to the Treasury-Sundry	38,298	0.16%	38,298	0.16%
19	Mrs. N.M Guruge	34,778	0.15%	31,600	0.13%
20	Waldock Mackenzie Ltd/Mr H.M.S Abdulhussein	31,800	0.13%	31,800	0.13%
	Sub Total	**21,110,321**	**88.89%**		
	Balance held by 11,922 shareholders (2012/13 - 12,263 shareholders)	2,639,680	11.11%	2,800,819	11.79%
	Total No. of Shares	**23,750,001**	**100.00%**	**23,750,001**	**100.00%**

The Percentage of shares held as at	31.12.2013		31.03.2013	
	No.of shares	%	No.of shares	%
Public Holding	4,573,964	19.26%	4,573,964	19.26%
Other Holding	19,176,037	80.74%	19,176,037	80.74%
Total No. of Shares	**23,750,001**	**100.00%**	**23,750,001**	**100.00%**

11. Director's Shareholding

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

	No. of Shares	
	As at 31.12.2013	As at 31.03.2013
Dr.Sena Yaddehige	-	-
Mr.J H P Ratnayeke	-	-
Mr.S S Poholiyadde	3,000	-
Mr.N C Peiris	-	-
Mr.A K Perera (Alternate to Mrs.L.D.Senanayake)	-	-

INTERIM FINANCIAL STATEMENTS

SEGMENT INFORMATION

For the period ended 31 December,	Tea		Rubber		Oil Palm		Other Crops		Total	
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000
Revenue	800,736	547,879	344,067	403,795	451,108	374,357	31,724	28,132	1,627,635	1,354,163
Revenue Expenditure	(757,160)	(522,214)	(250,458)	(253,245)	(100,809)	(78,007)	(16,291)	(17,016)	(1,124,718)	(870,482)
Depreciation / Amortization	(13,904)	(13,971)	(25,273)	(20,052)	(22,086)	(21,268)	(6,957)	(5,517)	(68,220)	(60,808)
Non Cash Expense -Gratuity	(11,198)	(4,013)	(22,958)	(8,764)	(12,246)	(2,976)	(1,339)	(346)	(47,741)	(16,098)
Segment Results	**18,474**	**7,682**	**45,378**	**121,734**	**315,968**	**272,107**	**7,137**	**5,253**	**386,956**	**406,775**
Other Income									55,177	41,341
Administrative Expenses									(30,748)	(28,649)
Provision for Doubtful Receivable									(80,279)	(43,724)
Management Fee									(65,227)	(70,284)
Finance Cost									(35,382)	(34,711)
Share of Profit from the Joint Venture									27,673	71,846
Profit before Taxation									**258,171**	**342,594**
Income Tax Expense									(15,313)	(23,041)
Net Profit for the period									**242,857**	**319,553**

* The above figures are subject to audit.

INTERIM FINANCIAL STATEMENTS

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

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. Yaddehige - Chairman
Mr.J.H.P. Ratnayeke
Mr.S.S. Poholiyadde
Mr.N.C. Peiris
Mr.A.K. Perera (Appointed w.e.f. 16.08.2013)
Mrs.L.D. Senanayake (Resigned w.e.f. 16.08.2013)

Stock Exchange Listings
The Ordinary shares of the Company are listed in the Colombo Stock Exchange of Sri Lanka

Registered / Head Office
No: 310, High Level Road, Nawinna,
Maharagama, Sri Lanka.

Company Secretaries
Richard Pieris Group Services (Pvt) Ltd
Secretaries,
No: 310, High Level Road, Nawinna,
Maharagama, Sri Lanka.
Telephone: + (94) 11 4310564

Auditors
Messrs. Ernst & Young, Chartered Accountants
P.O. Box 101, Colombo. Sri Lanka.

Bankers
Bank of Ceylon - Corporate Branch & Regional Branches
People's Bank - Pelawatte Branch
Hatton National Bank - City Branch
Sampath Bank - Head Office Branch
Development Finance Corporation of Ceylon
National Development Bank
Indian Overseas Bank / Indian Bank

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

Contact Details
Telephone : 011-4310500
Facsimile : 011-2801400
Internet : www.arpico.com
E-mail : npl.rpk@arpico.com