

# **Udapussellawa Plantations PLC**

**Interim Unaudited Financial Statements**

**Three months ended 31st March 2022**

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Three months ended		
	31.03.2022 Unaudited RS. '000	31.03.2021 Unaudited RS. '000	Change %
Revenue	572,443	495,793	15
Cost of sales	(431,378)	(465,698)	7
<b>Gross profit</b>	<b>141,065</b>	<b>30,095</b>	369
Other operating income	12,327	19,851	(38)
Change in fair value of biological assets	33,362	568	5,769
Administrative expenses	(38,183)	(39,737)	4
<b>Results from operating activities</b>	<b>148,571</b>	<b>10,778</b>	<b>1,278</b>
Finance cost	(7,584)	(12,280)	38
Exchange loss	(55,750)	(14,342)	(289)
Finance income	-	22	(100)
<b>Profit/(loss) before taxation</b>	<b>85,237</b>	<b>(15,822)</b>	<b>639</b>
Income tax	(25,884)	1,784	(1,551)
<b>Profit/(loss) for the period</b>	<b>59,353</b>	<b>(14,038)</b>	<b>523</b>
<b>Other comprehensive income/(expenses)</b>			
Gain on revaluation of lease hold right of land	930,682	-	-
Deferred tax charged on revaluation of lease hold right of land	(97,722)	-	-
Gain on revaluation of Motor Vehicles	107,320	-	-
Deferred tax charged on revaluation of Motorvehicles	(11,269)	-	-
<b>Other comprehensive income for the year, net of income tax</b>	<b>929,011</b>	-	-
<b>Total comprehensive income/(expenses) for the period</b>	<b>988,364</b>	<b>(14,038)</b>	<b>7,141</b>
<b>Profit/(loss) per share - Rs.</b>	<b>3.06</b>	<b>(0.72)</b>	<b>523</b>

## STATEMENT OF FINANCIAL POSITION

	As at 31.03.2022 Unaudited RS. '000	As at 31.12.2021 Unaudited RS. '000
<b>ASSETS</b>		
<b>Non current assets</b>		
Right of use assets	1,202,433	282,814
Immovable estate assets on finance lease (other than bare land)	16,853	17,962
Tangible assets other than biological assets	431,208	340,158
Intangible assets	6,215	6,783
Bearer biological assets	442,348	445,055
Consumable biological assets	1,054,022	1,027,172
<b>Total non-current assets</b>	<b>3,153,079</b>	<b>2,119,944</b>
<b>Current assets</b>		
Produce on bearer plants	9,602	3,091
Inventories	238,937	181,381
Trade & other receivables	129,869	49,023
Amounts due from related companies	54,676	63,622
Cash & cash equivalents	63,822	16,524
<b>Total current assets</b>	<b>496,906</b>	<b>313,641</b>
<b>Total assets</b>	<b>3,649,985</b>	<b>2,433,585</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Capital &amp; Reserves</b>		
Stated capital	340,000	340,000
(19,398,850 Ordinary shares and a Golden share )		
Revaluation reserve	929,011	-
Retained earnings	396,563	337,210
<b>Total equity</b>	<b>1,665,574</b>	<b>677,210</b>
<b>Non-current liabilities</b>		
Interest bearing borrowings - payable after one year	22,908	28,465
Deferred tax liabilities	240,757	105,882
Deferred income	92,010	93,026
Retirement benefit obligations	695,616	718,024
Lease liabilities - payable after one year	14,894	17,405
<b>Total non-current liabilities</b>	<b>1,066,185</b>	<b>962,802</b>
<b>Current liabilities</b>		
Interest bearing borrowings - payable within one year	40,430	50,389
Lease liabilities - payable within one year	8,939	8,441
Amounts due to related companies	101,977	-
Tax payables	12,049	12,049
Trade and other payables	506,632	460,468
Bank overdraft	248,199	262,226
<b>Total current liabilities</b>	<b>918,226</b>	<b>793,573</b>
<b>Total liabilities</b>	<b>1,984,411</b>	<b>1,756,375</b>
<b>Total equity and liabilities</b>	<b>3,649,985</b>	<b>2,433,585</b>
Net assets per share Rs.	85.86	34.91

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act no 7 of 2007.

Sgd.

**V G S Kotakadeniya**

Director / CFO LOLC Group

The Board of Directors is responsible for the preparation and presentation of these interim financial statements.  
Approved and signed for and on behalf of the Board of Directors;

Sgd.

**P S H Uluwaduge**

Chairman

Colombo

13/05/2022

Sgd.

**A S Perera**

Executive Director

## STATEMENT OF CHANGES IN EQUITY

Rs. '000	Stated Capital	Revaluation Reserve	Retained Earnings/ (losses)	Total
As at 01st January 2021	340,000	-	146,220	486,220
Loss for the period	-	-	(14,038)	(14,038)
Other comprehensive expense, net of tax	-	-	-	-
<b>As at 31st March 2021</b>	<b>340,000</b>	<b>-</b>	<b>132,182</b>	<b>472,182</b>
As at 01st January 2022	340,000	-	337,210	677,210
Profit for the period	-	-	59,353	59,353
Other comprehensive income, net of tax	-	929,011	-	929,011
<b>As at 31st March 2022</b>	<b>340,000</b>	<b>929,011</b>	<b>396,563</b>	<b>1,665,574</b>

Note: The figures are not audited

## STATEMENT OF CASH FLOWS

	Three months ended	
	31.03.2022 Unaudited RS. '000	31.03.2021 Unaudited RS. '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	85,237	(15,822)
<b>Adjustments for :</b>		
Finance income	-	(22)
Finance cost	7,584	12,280
Exchange loss	55,750	14,342
Retirement benefit obligations	20,602	24,133
Depreciation and amortisation	34,280	19,487
Amortisation of grant	(1,015)	(1,015)
Gain on fair valuation of biological assets	(33,362)	(568)
Profit on sale of property, plant and equipment	-	(556)
Provision/(reversal) for slow-moving and obsolete stocks	(1,756)	-
Provision/(reversal) for impairment of trade and other receivables	1,420	-
<b>Operating profit before working capital changes</b>	<b>168,740</b>	<b>52,259</b>
(Increase)/decrease in inventories	(55,800)	25,548
Increase in trade and other receivables	(82,266)	(43,553)
Decrease in trade & other payables	(9,586)	(25,316)
Increase in amounts due to and due from related companies	110,923	35,491
<b>Cash generated from operations</b>	<b>132,011</b>	<b>44,428</b>
Retirement benefit obligations payment	(43,010)	(8,607)
Interest paid	(7,584)	(8,953)
<b>Net cash from operating activities</b>	<b>81,417</b>	<b>26,868</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant & equipment	-	556
Field development expenditure	(1,743)	(2,394)
Purchase of property, plant & equipment	(820)	(3,043)
Interest income received	-	22
<b>Net cash used in investing activities</b>	<b>(2,563)</b>	<b>(4,859)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of interest bearing borrowings	(15,516)	(33,439)
Repayment of leases	(2,013)	(998)
<b>Net cash used in financing activities</b>	<b>(17,529)</b>	<b>(34,437)</b>
Net decrease in cash & cash equivalents	61,325	(12,429)
Cash & cash equivalents at the beginning of the period	(245,702)	(227,195)
<b>Cash and cash equivalents at the end of the period - Note A</b>	<b>(184,377)</b>	<b>(239,624)</b>
<b>NOTE A</b>		
Cash and cash equivalents	63,822	15,726
Bank overdraft	(248,199)	(255,350)
<b>Cash and cash equivalents at the end of the period</b>	<b>(184,377)</b>	<b>(239,624)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 SEGMENTAL INFORMATION

Three months ended 31st March 2022	Tea		Coconut		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	545,536	472,675	22,368	16,496	4,539	6,623	572,443	495,793
Cost of sales	(418,177)	(455,963)	(12,675)	(9,191)	(526)	(545)	(431,378)	(465,698)
<b>Segment results</b>	<b>127,359</b>	<b>16,712</b>	<b>9,693</b>	<b>7,305</b>	<b>4,013</b>	<b>6,078</b>	<b>141,065</b>	<b>30,095</b>
Other operating income							12,327	19,851
Other operating expenses							-	-
Change in fair value of biological assets							33,362	568
Administrative expenses							(38,183)	(39,737)
<b>Results from operating activities</b>							<b>148,571</b>	<b>10,778</b>
Net finance cost							(63,334)	(26,600)
<b>Profit/(loss) before taxation</b>							<b>85,237</b>	<b>(15,822)</b>

### 2 General information

Udapussellawa Plantations PLC is a public limited liability company incorporated and domiciled in Sri Lanka. The address of its registered office is 95A, Nambapana, Ingiriya.

These financial statements have been approved for issue by the Board of Directors on 13th May 2022

### 3 Basis of preparation

The Interim Condensed Financial Statements have been prepared in compliance with the Sri Lanka Accounting Standard (SLAS) LKAS 34 and in accordance with the accounting policies set out in the Annual Report for the year ended 31 December 2020.

#### Right of use assets – Land and Motor Vehicles

Pursuant to the Change in Ownership of the company, the immediate parent and ultimate parent has measured the fair value of identifiable net assets acquired and liabilities assumed in Udapussellawa Plantations PLC as of 1st January 2022 for the purpose of acquisition accounting as per SLFRS 3. Right of Use lands and Motor Vehicles have been fair valued as per the Parent Company's Accounting policies which were different from the carrying values of same in financial statements of the Company. Accordingly, the Company has decided to change its accounting policies relating to Right of Use Lands and Motor Vehicles from Cost Model to Revaluation Model as per SLFRS 16 and LKAS 16 respectively with effect from 1st January 2022. Management has voluntarily changed the aforementioned accounting policy with the view that it will provide more relevant and reliable information in financial statements to economic users.

The change in accounting policy from the cost model to the revaluation model has not led to a retrospective restatement due to the exemption available in Paragraph 17 of LKAS 8 "Accounting Policies, Change in Accounting Estimates and Errors". As per Paragraph 17 of LKAS 8, the initial application of a policy to revalue assets in accordance with LKAS 16 "Property, Plant and Equipment" is a change in an accounting policy to be dealt with, as a revaluation in accordance with LKAS 16, rather than in accordance with LKAS 8. LKAS 16 provides that when an item of property, plant, and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount at the date of revaluation. Accordingly, Company/ Group has adopted the said policy change with effect from 1st January 2022.

- No circumstances have arisen since the date of Statement of Financial Position which would require adjustment to or disclosure in the Interim Financial Statements.
- There is no significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31st December 2020.
- The presentation and classification of the Financial Statements of the previous period have been amended, where relevant for better presentation and to be comparable with those of the current period.
- On 27th December 2021, Browns Power Holdings (Private) Limited, a fully owned subsidiary of Browns Investments PLC acquired 90% of the ordinary voting shares of Udapussellawa Plantations PLC for a consideration of Rs. 42.00 per share.  
As a result, an offer was made by the acquirer on 31st December 2021 to purchase the remaining 1,939,885 ordinary voting shares for Rs.42.00 per share in accordance with the rules of the Company Takeovers and Mergers Code 1995.

There have been no other material events occurring after the reporting date that require adjustments or disclosure in the Financial Statement.

## INVESTOR INFORMATION

Share prices	Quarter ended 31.03.22	Quarter ended 31.03.21
Highest price Rs.	64.00	32.70
Lowest price Rs.	31.40	20.00
Last traded price Rs.	31.80	21.10

Directors' shareholding	As At 31.03.22	As At 31.03.21
Mr. P.S.H. Uluwaduge	NIL	NIL
Mr. D.J. Ratwatte	NIL	NIL
Mr. D.S.K. Amarasekara	NIL	NIL
Mr. E.D.P. Soosaipillai (Resigned w.e.f. 27th April 2022)	NIL	NIL
Mr. A.S. Perera	NIL	NIL
Ms. V.G.S.S. Kotakadeniya	NIL	NIL
Mr. T. Dharmarajah	NIL	NIL
Mr. U. H. E. Silva (Appointed w.e.f. 19th April 2022)	NIL	NIL

### Major shareholders as at 31st March 2022

Name of shareholder	No. of shares	%
1 Browns Power Holdings (Private) Limited	17,458,966	90.00
2 Mr. T. Loganathan	108,414	0.56
3 Seylan Bank Limited/James Henry Paul Ratnayake	78,050	0.40
4 Lanka Orix Finance Plc/L.H.M.S.Lansakara	61,602	0.32
5 Mr. K.K.A.J.K. Ranasinghe	38,010	0.20
6 Mr. M. Mahibalan	33,338	0.17
7 Mr. L.A.J.F. Morais	29,791	0.15
8 Mr. S. Vasudevan	20,998	0.11
9 Mr. G.A.U.A. Gunasinghe	18,825	0.10
10 Mr. W.G. Premaratna (Deceased)	18,600	0.10
11 Mr. M.F.M. Shibly	17,502	0.09
12 People'S Leasing & Finance Plc/Mr.L.C.I. Sigera	15,199	0.08
13 Hatton National Bank Plc/Ramaraj Kuhan	15,000	0.08
14 Mr. B.M. Molloy	14,600	0.08
15 DFCC Bank PLC/Ranasinghe Arachchige Hariesha	12,660	0.07
16 Mr. R.K.S. Deepal	11,894	0.06
17 Dr. G.S. Perera	11,772	0.06
18 Mr. L.M. Senanayake	11,000	0.06
19 Mr. D.T. Polpitiya	10,700	0.06
20 Mr. A.H. Ranasinghe	10,000	0.05
<b>Total</b>	<b>17,996,921</b>	<b>92.80</b>
Other shareholders	1,401,930	7.20
<b>Issued no of shares</b>	<b>19,398,851</b>	<b>100.00</b>

Minimum public holding	As At 31.03.22	As At 31.03.21
Float adjusted market capitalisation (Rs.)	61,626,658	40,931,576
Public holding% of the stated capital	10%	10%
Number of public shareholders	12,076	12,165

The Company is in compliance with the minimum public holding requirement depicted in option 2 of the Section 7.13.1.(b) of the Listing Rules of the Colombo Stock Exchange.