

Interim Financial Statements

Quarter Ended March 31, 2020

Watawala Plantations PLC



CEO's Message

Dear Shareholder,

Watawala Plantations PLC (CSE: WATA)

Watawala Plantations PLC posted a profit after tax (PAT) of LKR 817 Mn at group level for the year ended 31st March 2020, compared to a PAT LKR 763 Mn in the same period last year. The palm oil sector revenue increase stems from the shifts in the yield curve and improvements made to the fertilizer regime. The dairy sector recorded a revenue growth as a result of higher milk selling prices and volumes. WATA company recorded LKR 985 Mn profit after tax in comparison to the LKR 1,022 Mn in the same period last year.

The Net assets per share increased to LKR 22.62 from LKR 19.52, reported as at 31st March 2020 due to higher profitability recorded during the period.

Watawala Dairy Limited (WDL)

The revenue grew by 18.4% YoY for FY20, with the increase in milk volumes and prices. WDL reported an improved performance at EBIT level in comparison to last year. The improved milk yield was driven by majority of the herd moving into the second lactation cycle, while the stringent cost optimization measures resulting in improved performance.

COVID-19 Impact

Since mid-March 2020, the Palm oil plantation has been operating at sub par capacity due to labor shortages as a result of lock down. Nevertheless, the Dairy business has been operating at normal capacity, however sourcing of local feed was challenging under the curfew situation. Over the next few months, we expect the Agribusiness sector to continue at current scale of operations and support local production and import substitution in this time of need for the nation

Outlook

The volatility in the global palm oil market will have some bearing on the NSA for the palm oil segment during the next quarter. The dairy segment will further consolidate its operations with better prices, due to the increase in demand for fresh milk in Sri Lanka. Furthermore, the segment will focus on rationalizing feed costs, and increasing the milk yields.



Binesh Pananwala

CEO

26th May 2020

Consolidated Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 31 March			Twelve months ended 31 March		
	2020	2019	Change	2020	2019	Change
Revenue	739,477	759,846	-3%	3,326,800	3,081,760	8%
Cost of sales	(587,016)	(575,123)	-2%	(2,041,076)	(1,941,278)	-5%
Gross profit	152,461	184,723	-17%	1,285,724	1,140,482	13%
Other Income	2,301	18,100	-87%	101,689	118,305	-14%
Gain/(Loss) on changes in fair value of biological assets	16,857	(21,968)	177%	16,857	(21,968)	177%
Administrative Expenses	(74,865)	(54,922)	-36%	(238,185)	(200,355)	-19%
Operating profit	96,754	125,933	-23%	1,166,085	1,036,464	13%
Finance Income	1,758	12,003	-85%	10,433	18,741	-44%
Finance Costs	(40,458)	(54,387)	26%	(184,419)	(133,209)	-38%
Net Finance (Cost)/Income	(38,700)	(42,384)	9%	(173,986)	(114,468)	-52%
Profit before income tax	58,054	83,549	-31%	992,099	921,996	8%
Income tax expense	(18,143)	6,015	402%	(175,599)	(158,985)	-10%
Profit for the period	39,911	89,564	-55%	816,500	763,011	7%
Profit is attributable to:						
Owners of the Company	39,911	126,932		831,559	837,495	
Non-controlling interests	-	(37,368)		(15,059)	(74,484)	
	39,911	89,564		816,500	763,011	
Earning per share (LKR)	0.20	0.45		4.85	3.80	
Consolidated Statement of other Comprehensive Income						
Profit for the period	39,911	89,564	-55%	816,500	763,011	7%
Items that may not be subsequently reclassified to profit or loss						
Actuarial gain/(loss) on retirement benefit obligations	(11,976)	(26,124)		(11,976)	(26,124)	
Tax on actuarial gains/ (loss)	1,649	3,034		1,649	3,034	
Other comprehensive income	(10,327)	(23,090)		(10,327)	(23,090)	
Total comprehensive income for the period	29,584	66,474	-55%	806,173	739,921	9%
Total comprehensive income attributable to						
Owners of the Company	29,584	103,842		821,232	814,405	
Non-controlling interests	-	(37,368)		(15,059)	(74,484)	
Total comprehensive income for the period	29,584	66,474		806,173	739,921	

Company Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 31 March			Twelve months ended 31 March		
	2020	2019	Change	2020	2019	Change
Revenue	587,964	634,450	-7%	2,743,634	2,588,459	6%
Cost of sales	(436,570)	(391,831)	-11%	(1,383,852)	(1,279,111)	-8%
Gross profit	151,394	242,619	-38%	1,359,782	1,309,348	4%
Other Income	4,951	(951)	-621%	71,954	56,641	27%
Gain/(Loss) on changes in fair value of biological assets	10,880	2,101	418%	10,880	2,101	418%
Administrative Expenses	(68,604)	(51,029)	-34%	(227,645)	(191,698)	-19%
Operating profit	98,621	192,740	-49%	1,214,971	1,176,392	3%
Finance Income	5,359	22,935	-77%	25,875	49,576	-48%
Finance Costs	(25,432)	(17,780)	-43%	(80,079)	(45,410)	-76%
Net Finance (Cost)/Income	(20,073)	5,155	-489%	(54,204)	4,166	1401%
Profit before income tax	78,548	197,895	-60%	1,160,767	1,180,558	-2%
Income tax expense	(18,230)	5,991	404%	(175,686)	(159,009)	-10%
Profit for the period	60,318	203,886	-70%	985,081	1,021,549	-4%
Earning per share (LKR)	0.30	1.01		4.85	5.08	
Consolidated Statement of other Comprehensive Income						
Profit for the period	60,318	203,886	-	985,081	1,021,549	-
Actuarial gain/(loss) on retirement benefit obligations	(11,782)	(21,674)	-	(11,782)	(21,674)	-
Tax on actuarial gains/ (loss)	1,649	3,034	-	1,649	3,034	-
Other comprehensive income	(10,133)	(18,640)	-	(10,133)	(18,640)	-
Total comprehensive income for the period	50,185	185,246	-73%	974,948	1,002,909	-3%
Total comprehensive income attributable to						
Equity holders of the company	50,185	185,246	-73%	974,948	1,002,909	-3%
Total comprehensive income for the period	50,185	185,246	-73%	974,948	1,002,909	-3%

Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)

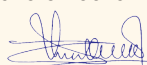
As at	Group		Company	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Assets				
Non-Current Assets				
Right to use of land	241,440	77,120	235,459	70,898
Property, plant and equipment	2,173,402	2,200,469	695,786	667,751
Intangible assets	23,533	24,925	18,224	18,839
Biological Assets -Bearer	2,722,149	2,673,393	2,615,292	2,546,832
Biological Assets-Consumable	31,657	38,356	-	-
Biological Assets -livestock	695,538	662,620	-	-
Investment fund	343,725	312,051	343,725	312,051
Investment in subsidiaries	-	-	1,868,242	627,352
Investment in debenture	-	-	-	174,088
Total Non-Current Assets	6,231,444	5,988,934	5,776,728	4,417,811
Current Assets				
Inventories	151,314	143,089	105,851	100,790
Biological assets-produce on bearer plants	41,797	31,271	41,711	30,831
Trade and other receivables	302,533	313,198	259,639	258,619
Loan from related party	-	-	200,195	222,259
Amount due from related parties	73,902	21,918	100,225	21,918
Cash and cash equivalents	186,553	204,001	185,147	199,064
Total Current Assets	756,099	713,477	892,768	833,481
Total Assets	6,987,543	6,702,411	6,669,496	5,251,292
Equity and Liabilities				
Capital and Reserves				
Stated capital	511,848	460,000	511,848	460,000
Retained earnings	4,086,304	3,275,437	4,516,380	3,543,722
Equity attributable to the equity holders of the parent	4,598,152	3,735,437	5,028,228	4,003,722
Non controlling interests	-	187,074	-	-
Total Equity	4,598,152	3,922,511	5,028,228	4,003,722
Liabilities				
Non-Current Liabilities				
Interest bearing borrowings	574,113	1,111,324	208,450	63,382
Lease Liability to -SLSPC and JEDB	242,897	125,976	242,897	125,976
Retirement benefit obligations	278,340	242,717	243,760	211,653
Deferred income and capital grants	142,550	193,105	46,157	48,515
Deferred tax liability	379,335	376,417	379,335	376,417
Total Non-Current Liabilities	1,617,235	2,049,539	1,120,599	825,943
Current Liabilities				
Interest bearing borrowings	189,622	144,483	98,723	33,890
Lease Liability to -SLSPC and JEDB	1,078	2,911	1,078	2,911
Trade and other payables	316,603	411,150	270,189	351,463
Amount due to related parties	321	27,614	321	-
Current tax liabilities	52,560	33,450	52,560	33,363
Bank overdrafts	211,972	110,753	97,798	-
Total Current Liabilities	772,156	730,361	520,669	421,627
Total Liabilities	2,389,390	2,779,900	1,641,268	1,247,570
Total Equity and Liabilities	6,987,543	6,702,411	6,669,496	5,251,292
Net assets per share	22.62	19.52	24.73	19.92

It is certified that these financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.



Manager-Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf of Directors of Watawala Plantations PLC.



Director

26 May 2020
Colombo



Chairman

Statement of changes in equity - Group

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	Retained earnings	Total	Non controlling interests	Total Equity
Balance at 1 April 2018	460,000	2,911,785	3,371,785	262,971	3,634,756
Net profit for the period	-	837,495	837,495	(74,484)	763,011
Actuarial gain/(loss) on gratuity	-	(24,711)	(24,711)	(1,413)	(26,124)
Tax on actuarial gain/(loss) on gratuity	-	3,034	3,034	-	3,034
Total comprehensive income for the period	-	815,818	815,818	(75,897)	739,921
Transactions with owners of the Company, recognised directly in equity					
Dividends paid for the year ended 31 March 2018	-	(452,166)	(452,166)		(452,166)
Total transactions with owners	-	(452,166)	(452,166)		(452,166)
Balance at 31 March 2019	460,000	3,275,437	3,735,437	187,074	3,922,511
Balance as at 1 April 2019	460,000	3,275,437	3,735,437	187,074	3,922,511
Net profit for the period	-	831,559	831,559	(15,059)	816,500
Actuarial gain/(loss) on gratuity	-	(11,976)	(11,976)		(11,976)
Tax on actuarial gain/(loss) on gratuity	-	1,649	1,649		1,649
Total comprehensive income for the period	-	821,232	821,232	(15,059)	806,173
Transactions with owners of the Company, recognised directly in equity					
Scrip dividend issued	51,848		51,848	-	51,848
Loss on investment in NIC	-	(8,075)	(8,075)	8,075	-
Investment in NCI	-	-	-	(180,090)	(180,090)
Scrip Dividends payment	-	(60,289)	(60,289)	-	(60,289)
Fair value adjustment of right to use assets	-	57,999	57,999	-	57,999
Total transactions with owners	51,848	(10,365)	41,483	(172,015)	(130,532)
Balance at 31 March 2020	511,848	4,086,304	4,598,152	-	4,598,152

Statement of changes in equity - Company

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	Retained earnings	Total
Balance at 1 April 2018	460,000	2,992,979	3,452,979
Net profit for the year	-	1,021,549	1,021,549
Actuarial gain/(loss) on gratuity	-	(21,674)	(21,674)
Tax on actuarial gain/(loss) on gratuity	-	3,034	3,034
Total comprehensive income for the year	-	1,002,909	1,002,909
Transactions with owners of the Company, recognised directly in equity			
Dividends paid	-	(452,166)	(452,166)
Total transactions with owners	-	(452,166)	(452,166)
Balance as at 31 March 2019	460,000	3,543,722	4,003,722
Balance at 1 April 2019	460,000	3,543,722	4,003,722
Net profit for the period	-	985,081	985,081
Actuarial gain/(loss) on gratuity	-	(11,782)	(11,782)
Tax on actuarial gain/(loss) on gratuity	-	1,649	1,649
Total comprehensive income for the period	-	974,948	974,948
Transactions with owners of the Company, recognised directly in equity			
Scrip dividend issued	51,848	-	51,848
Scrip Dividends payment	-	(60,289)	(60,289)
Total transactions with owners	51,848	(60,289)	(8,441)
Fair value adjustment of right to use assets	-	57,999	57,999
Balance at 31 March 2020	511,848	4,516,380	5,028,228

Consolidated Statement of cash flow

(all amounts in Sri Lankan Rupees thousands)

Twelve months ended 31 March	Group		Company	
	2020	2019	2020	2019
Net profit before taxation	992,099	921,996	1,160,767	1,180,558
Adjustments for:				
Depreciation & amortisation	324,198	271,498	229,576	193,101
Provision for retirement benefit obligations	45,936	44,698	39,756	38,638
Profit on sale of property, plant and equipment	(2,669)	(13,810)	(3,140)	(11,779)
Profit on sale of bearer plants	-	(33,105)	-	(33,105)
Write off consumable biological assets	-	7	-	-
Gain/Loss on Fair Value on Consumable biological assets	6,656	(397)	-	-
Gain on Fair Value of produce	(10,526)	(2,128)	(10,880)	(2,101)
Loss/Gain on Fair Value of Live stocks on bearer plants	(12,633)	24,493	-	-
Fair Value loss on nonconvertible debenture	-	-	-	3,236
Income from investment fund	(31,674)	(23,456)	(31,674)	(23,456)
Amortisation of capital grants	(50,555)	(50,554)	(2,358)	(2,357)
Net finance cost	173,986	114,468	54,204	(4,166)
Profit before working capital changes	1,434,818	1,253,710	1,436,251	1,338,569
Changes in working capital				
- Inventories	(8,225)	148,741	(5,061)	90,998
- Trade and other receivables	10,665	78,007	(1,020)	68,777
- Loan from Related parties	-	-	22,064	-
- Amount due to Related parties	(27,293)	27,614	321	-
- Amount due from Related parties	(51,984)	(11,607)	(78,307)	(40,161)
- Trade and other payables	(102,989)	(19,424)	(89,715)	(10,014)
Cash generated from operations	1,254,992	1,477,041	1,284,533	1,448,169
Net finance cost	(173,986)	(114,468)	(54,204)	4,166
Income Tax paid	(151,922)	(141,483)	(151,922)	(141,111)
Retirement benefit obligations paid	(22,289)	(22,086)	(19,432)	(19,789)
	(348,197)	(278,037)	(225,558)	(156,734)
Net cash generated from operating activities	906,795	1,199,004	1,058,975	1,291,435
Cash flows from investing activities				
Additions to property, plant and equipment	(127,073)	(282,798)	(107,078)	(121,071)
Additions to Bearer plants	(208,927)	(323,191)	(208,927)	(308,992)
Proceeds from sale of bearer plants		33,105	-	33,105
Proceed from Disposal of biological assets	3,878	11,694	-	-
Proceeds from sale of property, plant and equipment	3,865	14,878	3,140	11,978
Addition to livestock	(24,120)	(159,205)	-	-
Investment in NCI	(180,090)	-	-	-
Investment in WDL	-	-	(456,802)	-
Loan given to WDL	-	-	-	(201,029)
Investment in Debenture	-	-	-	(160,000)
Net cash used in investing activities	(532,467)	(705,517)	(769,667)	(746,009)
Cash flows from financing activities				
Dividends paid	-	(452,166)	-	(452,166)
Proceeds from borrowings	6,992	250,000	6,992	-
Repayment of borrowings	(499,063)	(331,894)	(407,091)	(33,894)
Repayment of lease principal	(924)	(9,855)	(924)	(8,136)
Net cash used in financing activities	(492,995)	(543,915)	(401,023)	(494,196)
(Decrease) / increase in cash and cash equivalents	(118,667)	(50,428)	(111,715)	51,230
Movement in cash and cash equivalents				
At the beginning of year	93,248	143,676	199,064	147,834
(Decrease) / Increase for the period	(118,667)	(50,428)	(111,715)	51,230
At end of period	(25,419)	93,248	87,349	199,064
Cash & cash equivalents	186,553	204,001	185,147	199,064
Bank over draft	(211,972)	(110,753)	(97,798)	-
At end of period	(25,419)	93,248	87,349	199,064

Segmental Analysis - Group

(All values are in Rupees '000s, unless otherwise stated)

Twelve months ended 31 March	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	2,676,239	2,468,460	584,088	493,301	67,395	119,999	(922)	-	3,326,800	3,081,760
Cost of sales	(1,321,129)	(1,167,241)	(670,118)	(662,167)	(62,723)	(111,870)	12,894	-	(2,041,076)	(1,941,278)
Gross profit/(loss)	1,355,110	1,301,219	(86,030)	(168,866)	4,672	8,129	11,972	-	1,285,724	1,140,482
Other operating income	-	-	50,922	42,486	82,834	58,742	(15,210)	(4,891)	118,546	96,337
Administrative expenses	(227,645)	(187,165)	(10,540)	(7,181)	-	(4,533)	-	(1,476)	(238,185)	(200,355)
Operating profit/(loss)	1,127,465	1,114,054	(45,648)	(133,561)	87,506	62,338	(3,238)	(6,367)	1,166,085	1,036,464
Net finance expenses	(54,204)	6,907	(119,782)	(101,063)	-	(2,741)	-	(17,571)	(173,986)	(114,468)
Profit/(Loss) before tax	1,073,261	1,120,961	(165,430)	(234,624)	87,506	59,597	(3,238)	(23,938)	992,099	921,996
Tax expenses	(164,089)	(150,665)	87	-	(11,597)	(8,344)	-	24	(175,599)	(158,985)
Net profit / (loss)	909,172	970,296	(165,343)	(234,624)	75,909	51,253	(3,238)	(23,914)	816,500	763,011
Actuarial gain/(loss) on gratuity	(11,782)	(21,674)	(194)	(4,450)	-	-	-	-	(11,976)	(26,124)
Tax on actuarial gain/(loss) on gratuity	1,649	3,034	-	-	-	-	-	-	1,649	3,034
Total other comprehensive income/(loss)	(10,133)	(18,640)	(194)	(4,450)	-	-	-	-	(10,327)	(23,090)
Total comprehensive income/(loss)	899,039	951,656	(165,537)	(239,074)	75,909	51,253	(3,238)	(23,914)	806,173	739,921

Segmental Analysis - Group

(All values are in Rupees '000s, unless otherwise stated)

Three months ended 31 March	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	520,569	616,546	152,435	125,396	67,395	17,904	(922)	-	739,477	759,846
Cost of sales	(373,847)	(373,829)	(163,340)	(183,292)	(62,723)	(18,002)	12,894	-	(587,016)	(575,123)
Gross profit/(loss)	146,722	242,717	(10,905)	(57,896)	4,672	(98)	11,972	-	152,461	184,723
Other operating income	-	-	15,299	(5,711)	15,831	1,150	(11,972)	693	19,158	(3,868)
Administrative expenses	(68,604)	(50,531)	(6,261)	(2,935)	-	(498)	-	(958)	(74,865)	(54,922)
Operating profit/(loss)	78,118	192,186	(1,867)	(66,542)	20,503	554	-	(265)	96,754	125,933
Net finance expenses	(20,073)	5,461	(18,627)	(51,163)	-	(306)	-	3,624	(38,700)	(42,384)
Profit/(Loss) before tax	58,045	197,647	(20,494)	(117,705)	20,503	248	-	3,359	58,054	83,549
Tax expenses	(16,014)	(4,998)	87	-	(2,216)	10,989	-	24	(18,143)	6,015
Net profit / (loss)	42,031	192,649	(20,407)	(117,705)	18,287	11,237	-	3,383	39,911	89,564
Actuarial gain/(loss) on gratuity	(11,782)	(21,674)	(194)	(4,450)	-	-	-	-	(11,976)	(26,124)
Tax on actuarial gain/(loss) on gratuity	1,649	3,034	-	-	-	-	-	-	1,649	3,034
Total other comprehensive income/(loss)	(10,133)	(18,640)	(194)	(4,450)	-	-	-	-	(10,327)	(23,090)
Total comprehensive income/(loss)	31,898	174,009	(20,601)	(122,155)	18,287	11,237	-	3,383	29,584	66,474

Segmental Analysis - Company

(All values are in Rupees '000s, unless otherwise stated)

Twelve months ended 31 March	Palm Oil		Others		Total	
	2020	2019	2020	2019	2020	2019
Revenue	2,676,239	2,468,460	67,395	119,999	2,743,634	2,588,459
Cost of sales	(1,321,129)	(1,167,241)	(62,723)	(111,870)	(1,383,852)	(1,279,111)
Gross profit/(loss)	1,355,110	1,301,219	4,672	8,129	1,359,782	1,309,348
Other operating income	-	-	82,834	58,742	82,834	58,742
Administrative expenses	(227,645)	(187,165)	-	(4,533)	(227,645)	(191,698)
Operating profit/(loss)	1,127,465	1,114,054	87,506	62,338	1,214,971	1,176,392
Net finance expenses	(54,204)	6,907	-	(2,741)	(54,204)	4,166
Profit/(Loss) before tax	1,073,261	1,120,961	87,506	59,597	1,160,767	1,180,558
Tax expenses	(164,089)	(150,665)	(11,597)	(8,344)	(175,686)	(159,009)
Net profit / (loss)	909,172	970,296	75,909	51,253	985,081	1,021,549
Actuarial gain/(loss) on gratuity	(11,782)	(21,674)	-	-	(11,782)	(21,674)
Tax on actuarial gain/(loss) on gratuity	1,649	3,034	-	-	1,649	3,034
Total other comprehensive income/(loss)	(10,133)	(18,640)	-	-	(10,133)	(18,640)
Total comprehensive income/(loss)	899,039	951,656	75,909	51,253	974,948	1,002,909

Segmental Analysis - Company

(All values are in Rupees '000s, unless otherwise stated)

Three months ended 31 March	Palm Oil		Others		Total	
	2020	2019	2020	2019	2020	2019
Revenue	520,569	616,546	67,395	17,904	587,964	634,450
Cost of sales	(373,847)	(373,829)	(62,723)	(18,002)	(436,570)	(391,831)
Gross profit/(loss)	146,722	242,717	4,672	(98)	151,394	242,619
Other operating income	-	-	15,831	1,150	15,831	1,150
Administrative expenses	(68,604)	(50,531)	-	(498)	(68,604)	(51,029)
Operating profit/(loss)	78,118	192,186	20,503	554	98,621	192,740
Net finance expenses	(20,073)	5,461	-	(306)	(20,073)	5,155
Profit/(Loss) before tax	58,045	197,647	20,503	248	78,548	197,895
Tax expenses	(16,014)	(4,998)	(2,216)	10,989	(18,230)	5,991
Net profit / (loss)	42,031	192,649	18,287	11,237	60,318	203,886
Actuarial gain/(loss) on gratuity	(11,782)	(21,674)	-	-	(11,782)	(21,674)
Tax on actuarial gain/(loss) on gratuity	1,649	3,034	-	-	1,649	3,034
Total other comprehensive income/(loss)	(10,133)	(18,640)	-	-	(10,133)	(18,640)
Total comprehensive income/(loss)	31,898	174,009	18,287	11,237	50,185	185,246

Notes to the Interim Financial Statements

01. Corporate information

Watawala Plantations PLC (the Company) is a public limited liability company incorporated and domiciled in Sri Lanka. It is listed on the Colombo Stock Exchange. The registered office of the Company is located at No 60, Dharmapala Mawatha, Colombo 3.

The principal activities of the Group during the period continued to be cultivation and processing of palm oil and Dairy farming.

02. Interim consolidated financial statement

The Consolidated interim financial statements of the Watawala Plantations PLC as at and for the period ended 31 March 2020 comprised the Company and subsidiaries Watawala Dairy Ltd and Watawala Tea Australia Pty Ltd.

03. Approval of financial statement

The Interim Financial Statements of the Group and the Company for the period ended 31 March 2020 were authorised to be published by the Board of Directors on 26 May 2020.

04.1 Basis of preparation

These Interim Financial Statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS).

Further, provisions of the Companies Act No.7 of 2007 have been considered in preparing these Interim Financial Statements. There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2018/19, except these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.

SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognized 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 new revenue standard will supersede all current revenue recognition requirements under SLFRS.

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 Financial Statements.

SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('Lessee') and the supplier ('Lessor'). SLFRS 16 replaced Sri Lanka Accounting Standard – 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.

4.2 COVID-19 Impact

On 11 March 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe with over 150 countries now affected. The Businesses may be negatively impacted due to the overall negative economic conditions caused by the pandemic. The financial reporting effects of the COVID-19 outbreak have been considered as adjusting events, but no adjustments have been made in these financial statements as there was no material impact due to declaration of pandemic and implementation of control measures during the last three weeks of the reporting period.

The containing measures taken by Sri Lankan Government pertaining to COVID – 19 followed by lockdown and curfew caused temporary business interruption.

05. Scrip Dividend

2,346,078 ordinary voting shares of the company were listed with effect from 29th August 2019, pursuant to a Scrip Dividend in the proportion of 1:85.65894058.

06. Net assets per share

Net assets per share has been calculated, for all periods, based on the number of shares in issue as at the Statement of Financial Position date.

07. No circumstance has arisen since the reporting date which would require adjustment to or disclosure in the financial statements except for the following.

In light of the COVID-19 outbreak being declared a pandemic by the World Health Organisation, the Company has been taking various precautionary measures to protect employees and workmen, their families, and the eco system in which they interact, while at the same time ensuring business continuity. As a step in this direction and taking into account the directives issued by the Government of Sri Lanka, the Company carried out operations in limited manner during the lockdown period. The Company has been closely monitoring the impact of the development of COVID 19 on the Company's business operations. Despite the many challenges, the Company being in the essential service sector has recommenced all operations which were temporarily suspended on 20 March 2020 and have been operational at a reduced scale based on curfew timelines in certain zones. The Company is regularly monitoring the situation and operations are being increased upto full capacity level in a phased manner. The Board of Directors has carried out a preliminary assessment of the next year's business plans after incorporating the potential impact of COVID19 outbreak, and is of the view that the COVID19 outbreak may not have significant impact on the business continuity of the Company. The Board will continue to monitor the economic conditions and its impact on the business operations and take mitigation actions to minimize the potential impacts and business continuity.

08. There has been no change in the contingent liabilities at the quarter end as compared to 31 March 2019.

09. Fair value adjustments are done quarterly as per the policy of the Company. Hence, interim financial statements reflect any such changes.

10. All amounts expressed are in Sri Lankan Rupees (LKR.) thousands unless otherwise stated.

11. The Interim Financial Statements are not audited.

Shareholder details for the period ending 31 March 2020

1 Public Shareholdings

	As at 31.03.2020	As at 31.03.2019
The percentage of shares held by the public	25.76	25.76
Number of Shareholders representing public shareholding	15,487	15,579

	Minimum public holding requirement			
	Option	Float adjusted market capitalisation	Public Holding percentage	Number of Public Shareholders
Listing rule 7.13.1	5	Less than LKR 2.5 Bn	20%	500
Compliance by Watawala	5	LKR 1.047 Bn	25.76%	15,484

2 Directors' Shareholding as at 31 March 2020

The number of Shares held by the Board of Directors are as follows

	As at 31.03.2020	As at 31.03.2019
S G Wijesinha (Chairman)	1	1
G Sathasivam	Nil	Nil
V Govindasamy	Nil	Nil
A N Fernando	1	1
N B Weerasekara	Nil	Nil
S Mawzoon	Nil	Nil
Predeep Karunagaran	Nil	Nil

3 Twenty (20) largest shareholders as at

Name	31st March 2020		31 st March 2019	
	No of Shares Held	% of the holding	No of Shares Held	% of the holding
Estate Management Services (Pvt) Ltd	150,937,043	74.24	149,195,309	74.24
Sampath Bank PLC/ Seylan Bank PLC/ DR.T.Senthilverl	23,999,896	11.80	23,576,097	11.73
K.C. Vignarajah	2,173,784	1.07	2,148,684	1.07
Deustche Bank AG Singapore A/C 02	1,281,399	0.63	1,365,459	0.68
Vjyayanthi & Company Limited	1,011,674	0.50	1,000,000	0.50
N. Muljie	559,354	0.28	552,900	0.28
M.I. Abdul Hameed	354,085	0.17	350,000	0.17
S. Vignarajah	261,831	0.13	258,811	0.13
Cocoshell Activated Carbon Company Limited	254,604	0.13	251,666	0.13
Union Investments Private LTD	220,881	0.11	218,333	0.11
Best Real Invest Co Services (Private) Limited	162,843	0.08	160,964	0.08
C M Holdings PLC	143,320	0.07	141,667	0.07
Adamjee Lukmanjee & Sons (Pvt) Ltd	118,502	0.06	117,135	0.06
D.C.D.L.S.D. Perera	116,342	0.06	115,000	0.06
M.P.R.Silva	114,039	0.06	-	-
M.M. Hashim	111,486	0.05	100,000	0.05
M.N.Aththas	107,320	0.05	-	-
K.G.M. Pieris	106,141	0.05	104,917	0.05
AL-Haj S.M.M Hussain Charitable Trust	101,167	0.05	100,000	0.05
M.M. Hashim	101,167	0.05	96,208	0.05
M.H.M.Nazeer	101,167	0.05	100,000	0.05
Sub Total	182,338,045	89.69	179,953,150	89.55
Other Shareholders	20,970,589	10.31	21,009,406	10.45
Grand Total	203,308,634	100.00	200,962,556	100.00

4 Stated Capital

Stated capital is represented by share in issue as given below

	As at 31.03.2020	As at 31.03.2019
Ordinary Shares	203,308,633	200,962,555
Golden Share	1	1
Total share	203,308,634	200,962,556

5 Market Price & Trading Informations

	As at 31.03.2020	As at 31.03.2019
Highest during the period(LKR)	28.00	23.30
lowest during the period(LKR)	17.40	18.00
Closing price (LKR)	20.00	18.50

	Quarter ended 31 Mar 2020	Quarter ended 31 Mar 2019
No. of Transactions	358	524
No. of shares traded	185,191	284,057
Value of Shares Traded(LKR)	4,375,870	5,799,721

Corporate Information

Name of the Company

Watawala Plantations PLC

Legal form

Companies Act No 17 of 1982 and re-registered under the Companies Act No. 07 of 2007 and quoted on the Colombo Stock Exchange.

Date of incorporation

18 June 1992

Registration No

PQ 65

Accounting Year

31 March

Directors

S G Wijesinha (Chairman)
G Sathasivam (Alternate: S G Sathasivam)
V Govindasamy
A N Fernando
N B Weerasekara
S Mawzoon
Predeepan Karunakaran (Alternate: Thanveer Siddique (Resigned w.e.f 03/04/2020)
H D Abeywickrama (Appointed w.e.f 03/04/2020)
M T Siddique (Appointed w.e.f 03/04/2020)
M R Rao (Appointed w.e.f 03/04/2020)

Secretaries & Registrars

Corporate Services (Pvt) Ltd.
216, De Saram Place, Colombo 10.

Auditors

KPMG (Chartered Accountants)
No: 32A, Sir Mohomad Macan Markar Mawatha,
Colombo.

Bankers

Standard Chartered Bank
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
ICICI Bank
MCB Bank Ltd
Nations Trust Bank
Seylan Bank

Lawyers

FJ & G de Saram
(Attorneys-at-Law)
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Nithya Partners
(Attorneys-at-Law)
97/A Galle Rd, Colombo 03

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