

Interim Financial Statements

Quarter Ended 31 March 2018

Watawala Plantations PLC



Managing Director's Message

Dear Shareholder,

Watawala Plantations

Watawala Plantations PLC (CSE: WATA) recorded a net profit of LKR 1,051 Mn. for the financial period ended 31 March 2018. The Company surpassed LKR One billion in profits for the second consecutive year as a result of concerted management efforts for higher performances.

The Company segregated the upcountry tea business and vested it, by operation of the law in terms of the Section 256 of the Companies Act No. 7 of 2007, with Hatton Plantations PLC on September 30, 2017. Hence, the second half of the year is devoid of such revenues and profit (or loss) from tea business as compared with the revenue and profit (or loss) from tea throughout the previous year.

The lesser prices for crude palm oil compared to the previous year affected the profitability. The lower prices were the result of the import duty revisions and the volatility of the crude palm oil prices in the world market. The profitability was also impacted by the provision of extra deferred tax of LKR 103 million, owing to the higher tax rate applicable consequent to the new Inland Revenue Act.

Watawala Dairy

Watawala Dairy Limited, the subsidiary of WATA commenced operations in the current year. Genetically superior breed of cattles were imported from Australia and New Zealand,

reaching to a total of 1,128 cattle including 602 milking cows at the year-end. The Company reported a loss of LKR 90 Mn for the reporting period. The loss is in line with the projected loss due to the lower milk yields at the commencement of the lactation cycle. The cattles imported are now completing the first lactation cycle where the milk yield is moderate and the yield will be higher in the subsequent lactations. The infrastructure facilities completed and commissioned in the farm have been depreciated for the period and added to the operating overheads. The herd has been strengthened with the recent addition of 240 cattle from Australia, and are expected a higher yield due to the quality of their breed.

Outlook

The Company will continue to augment the palm oil business by replacing uneconomical other crops and benchmarking best agricultural practices. Also, we will improve the operational efficiencies to achieve higher crops and oil. The coveted Roundtable on Sustainable Palm Oil (RSPO) certification, which will be obtained in FY 2019, will further reinforce WATA's commitment for a sustainable oil palm business. The dairy segment will further consolidate its operations by optimizing the utilization of resources.



V. Govindasamy
Managing Director
25 May 2018

Statement of Financial Position

As at	GROUP		COMPANY	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
ASSETS				
Non-current assets				
Right to use of land	80,079	198,473	73,619	191,774
Immovable estate assets on finance lease (Other than land)	30,140	107,474	26,089	102,984
Property, plant and equipment	2,072,077	2,423,768	634,030	1,770,618
Bearer Plants	2,460,191	2,955,251	2,333,820	2,850,482
Biological assets - Consumable	37,967	648,831	-	607,707
Biological assets - livestock	539,602	24,944	-	-
Investment fund	288,595	258,319	288,595	258,319
Investment in subsidiaries	-	-	627,352	627,352
Available for Sale investments	-	21,645	-	21,645
Total non-current assets	5,508,651	6,638,705	3,983,505	6,430,881
Current assets				
Inventories	291,829	732,988	191,788	686,138
Biological assets-growing crops on bearer plants	29,143	35,757	28,730	35,452
Trade and other receivables	401,516	537,199	337,706	438,380
Amounts due from Related parties	-	279,735	10,000	279,735
Cash and cash equivalent	180,264	888,143	147,834	861,945
Total current assets	902,753	2,473,822	716,058	2,301,650
Total assets	6,411,403	9,112,527	4,699,563	8,732,531
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	460,000	460,000	460,000	460,000
Retained earnings	2,911,783	5,298,935	2,992,979	5,298,343
	3,371,783	5,758,935	3,452,979	5,758,343
Non Controlling interest	262,972	291,200	-	-
Total equity	3,634,755	6,050,135	3,452,979	5,758,343
Non-current liabilities				
Borrowings	1,305,800	325,006	97,938	325,006
Leases Liability to - SLSPC and JEDB	125,790	328,412	125,790	328,412
Retirement benefit obligations	193,982	908,192	171,130	882,705
Deferred income and capital grants	243,658	193,528	50,871	193,528
Deferred tax liability	354,765	331,182	354,799	331,217
Total non-current liabilities	2,223,995	2,086,320	800,528	2,060,868
Current liabilities				
Borrowings	70,211	118,318	33,230	118,318
Lease liability to - SLSPC and JEDB	2,799	6,720	2,799	6,720
Trade and other payables	439,008	688,426	369,909	630,019
Current tax liability	40,635	162,608	40,118	158,263
Total current liability	552,653	976,072	446,056	913,320
Total liabilities	2,776,648	3,062,392	1,246,584	2,974,188
Total equity and liabilities	6,411,403	9,112,527	4,699,563	8,732,531
	Rs.		Rs.	
Net assets per share (LKR)	16.78	25.57	17.18	24.33

I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007.

Prasanna Gamage

Deputy General Manager-Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.

[Signature]

Managing Director
25 May 2018

[Signature]

Director

Note : All values are in LKR '000s, unless otherwise stated.
Figures in brackets indicate deductions.

Consolidated Income Statement

	Quarter ended 31 March 2018			Twelve month ended 31 March		
	2018	2017	Change %	2018	2017	Change %
Revenue	566,389	1,763,870	(68)	4,948,755	6,501,765	(24)
Cost of sales	(458,614)	(1,434,579)	(68)	(3,695,137)	(4,828,579)	(23)
Gross profit	107,775	329,291	(67)	1,253,618	1,673,186	(25)
Other operating income	126,411	84,814	49	231,185	146,851	57
Administrative expenses	(61,632)	(103,318)	(40)	(335,132)	(326,336)	3
Operating profit	172,554	310,787	(44)	1,149,671	1,493,701	(23)
Finance cost	(26,119)	(28,987)	(10)	(104,287)	(118,802)	(12)
Finance income	35,236	25,430	39	117,854	71,182	66
Net finance cost	9,117	(3,557)	(356)	13,567	(47,620)	(128)
Profit before income tax	181,671	307,230	(41)	1,163,238	1,446,081	(20)
Tax expenses	(188,506)	(95,422)	107	(224,571)	(220,422)	4
Profit/(loss) for the period	(6,835)	211,808	(103)	938,667	1,225,659	(24)
	Rs.	Rs.		Rs.	Rs.	
Earning per share (LKR)	(0.03)	0.89		4.16	5.18	

Note : All values are in LKR '000s, unless otherwise stated.
Figures in brackets indicate deductions.

Consolidated statement of other comprehensive income

	Quarter ended 31 March 2018			Twelve month ended 31 March		
	2018	2017	Change %	2018	2017	Change %
Profit for the period	(6,835)	211,808	(103)	938,667	1,225,659	(24)
Fair value adjustment of investment	-	-	-	-	-	-
Items that may not be subsequently reclassified to profit or loss						
Actuarial gain on gratuity	-	92,604	-	35,655	92,604	-
Tax on actuarial gain on gratuity	-	(8,845)	-	(3,380)	(8,845)	-
Total comprehensive income for the period	(6,835)	295,567	(103)	970,942	1,309,418	(21)
Total comprehensive income attributable to						
Owners of the Company	(5,625)	297,667	(103)	999,171	1,310,218	(1)
Non-controlling interest	(1,210)	(2,100)	-	(28,229)	(800)	-
Total comprehensive income for the period	(6,835)	295,567	(103)	970,942	1,309,418	(4)

Note : All values are in LKR '000s, unless otherwise stated.
 Figures in brackets indicate deductions.

Company Income Statement

	Quarter ended 31 March 2018			Twelve month ended 31 March		
	2018	2017	Change %	2018	2017	Change %
Revenue	510,042	1,716,136	(70)	4,764,455	6,392,956	(25)
Cost of sales	(333,272)	(1,372,046)	(74)	(3,360,797)	(4,689,441)	(27)
Gross profit	176,770	344,090	(59)	1,403,658	1,703,515	(22)
Other operating income	45,662	80,771	(43)	149,223	142,808	5
Administrative expenses	(56,208)	(100,822)	(44)	(327,309)	(324,227)	1
Operating profit	166,224	324,039	(60)	1,225,572	1,522,096	(24)
Finance cost	(14,024)	(28,986)	(52)	(85,665)	(118,802)	(28)
Finance income	38,207	22,266	72	136,175	42,523	220
Net finance cost	24,183	(6,720)	(460)	50,511	(76,279)	(166)
Profit before tax	190,407	317,319	(40)	1,276,083	1,445,817	(12)
Tax expenses	(186,983)	(91,156)	105	(225,547)	(216,156)	4
Profit for the period	3,424	226,163	(98)	1,050,536	1,229,661	(15)
	Rs.	Rs.		Rs.	Rs.	
Earning per share (LKR)	0.01	0.87		4.52	5.20	

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Figures in brackets indicate deductions.

Company statement of other comprehensive income

	Quarter ended 31 March 2018			Twelve month ended 31 March		
	2018	2017	Change %	2018	2017	Change %
Profit for the period	3,424	226,163	(99)	1,050,536	1,229,661	(20)
Items that may not be subsequently reclassified to profit or loss						
Actuarial gain on gratuity	-	88,451	-	33,803	88,451	-
Tax on actuarial gain on gratuity	-	(8,845)	-	(3,380)	(8,845)	-
Total other comprehensive income for the period	-	79,606		30,423	79,606	
Total comprehensive income for the period	3,424	305,769	(99)	1,080,959	1,309,267	(17)
Profit attributable to:						
Equity holders of the company	3,424	305,769	(99)	1,080,959	1,309,267	(17)
Total comprehensive income for the period	3,424	305,769	(99)	1,080,959	1,309,267	(17)

Note : All values are in LKR '000s, unless otherwise stated.
Figures in brackets indicate deductions.

Consolidated Statement of Changes in Equity

	Stated capital	Retained earnings	Total	Non Controlling Interest	Total Equity
Opening balance at 1 April 2016	460,000	4,320,050	4,780,050	-	4,780,050
Shares issued to NCI	-	-	-	292,000	292,000
Net profit for the period	-	1,226,459	1,226,459	(800)	1,225,659
Actuarial gain / (loss) on gratuity	-	92,604	92,604	-	92,604
Tax on actuarial gain / (loss) on gratuity	-	(8,845)	(8,845)	-	(8,845)
Total comprehensive income	-	1,310,218	1,310,218	291,200	1,601,418
Dividend paid for the year ended 31 March 2016		(177,500)	(177,500)	-	(177,500)
Interim dividend paid for the year		(153,833)	(153,833)	-	(153,833)
Total transactions with owners	-	(331,333)	(331,333)	-	(331,333)
Balance at 31 March 2017	460,000	5,298,935	5,758,935	291,200	6,050,135
Balance at 1 April 2017	460,000	5,298,935	5,758,935	291,200	6,050,135
Net profit for the period	-	966,896	966,896	(28,229)	938,667
Actuarial gain / (loss) on gratuity	-	35,655	35,655	-	35,655
Tax on actuarial gain / (loss) on gratuity	-	(3,380)	(3,380)	-	(3,380)
Total comprehensive income	-	999,171	999,171	(28,229)	970,942
Final dividend paid for the year ended 31 March 2017	-	(201,167)	(201,167)	-	(201,167)
Assets vested with Hatton Plantations PLC	-	(1,856,198)	(1,856,198)	-	(1,856,198)
Interim dividend paid for the year ended 31 March 2018	-	(150,722)	(150,722)	-	(150,722)
Payment for Share Repurchased	-	(1,178,236)	(1,178,236)	-	(1,178,236)
Balance as at 31 March 2018	460,000	2,911,783	3,371,783	262,971	3,634,755

Note : All values are in LKR '000s, unless otherwise stated.
Figures in brackets indicate deductions.

Company Statement of Changes in Equity

	Stated capital	Retained earnings	Total
Opening balance at 1 April 2016	460,000	4,320,409	4,780,409
Net profit for the period		1,229,661	1,229,661
Actuarial gain / (loss) on gratuity		88,451	88,451
Tax on actuarial gain / (loss) on gratuity		(8,845)	(8,845)
Total comprehensive income		1,309,267	1,309,267
Dividend paid for the year ended 31 March 2016		(177,500)	(177,500)
Interim dividend paid for the year		(153,833)	(153,833)
Total transactions with owners		(331,333)	(331,333)
Balance at 31 March 2017	460,000	5,298,343	5,758,343
Balance at 1 April 2017	460,000	5,298,343	5,758,343
Net profit for the period	-	1,050,536	1,050,536
Actuarial gain / (loss) on gratuity		33,803	33,803
Tax on actuarial gain / (loss) on gratuity		(3,380)	(3,380)
Total comprehensive income	-	1,080,959	1,080,959
Interim dividend paid for the year ended 31 March 2018		(150,722)	(150,722)
Final dividend paid for the year ended 31 March 2017		(201,167)	(201,167)
Net Assets vested with Hatton Plantations Ltd		(1,856,198)	(1,856,198)
Payment for Share Repurchased		(1,178,236)	(1,178,236)
Balance as at 31 March 2018	460,000	2,992,979	3,452,979

Note : All values are in LKR '000s, unless otherwise stated.
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Statement of Cash Flows

Twelve month ended 31 March	GROUP		COMPANY	
	2018	2017	2018	2017
Net profit before taxation	1,163,238	1,446,081	1,276,082	1,445,817
Adjustments for:				
Depreciation & amortisation	317,768	320,108	278,595	313,187
Provision for retirement benefit obligations	90,894	164,156	87,558	159,625
Profit on sale of property, plant and equipment	(17,831)	(9,650)	(17,834)	(9,650)
Profit on sale of consumable biological assets	-	-	-	-
Profit on sale of bearer plants	(72,625)	(20,320)	(72,625)	(20,320)
Gain on fair valuation of consumable biological assets	(5,072)	(6,161)	(8,237)	(6,196)
Gain on fair valuation of unharvested crops	(10,073)	(35,757)	(9,965)	(35,452)
Gain on fair valuation of livestock	(31,785)	(3,983)	-	-
Income from investment fund	(30,276)	(23,950)	(30,276)	(23,950)
Amortisation of capital grants	(53,862)	(10,041)	(5,665)	(10,041)
Amortisation of Concession asset	(3,200)	-	(3,200)	-
Loss on transfer of livestock to WDL	-	-	-	6,574
Net finance cost	(13,567)	47,620	(50,510)	76,279
Profit before working capital changes	1,333,609	1,868,103	1,443,923	1,895,873
Changes in working capital				
- Inventories	(57,579)	(95,215)	(4,388)	(52,039)
- Trade and other receivables	(533)	(51,237)	(35,542)	45,758
- Amount due from Related parties	279,735	(204,743)	269,735	(204,743)
- Trade and other payables	109,973	77,810	99,361	36,089
Cash generated from operations	1,665,205	1,594,718	1,773,089	1,720,938
Net finance cost	13,567	(47,620)	50,510	(76,279)
Tax paid	(326,263)	(30,562)	(323,490)	(30,562)
Retirement benefit obligations paid	(80,850)	(139,998)	(76,731)	(138,698)
	(393,546)	(218,180)	(349,711)	(245,539)
Net cash generated from operating activities	1,271,659	1,376,538	1,423,378	1,475,399
Cash flows from investing activities				
Additions to property, plant and equipment	(956,825)	(755,447)	(138,034)	(164,307)
Additions to Bearer plants	(344,662)	(317,033)	(318,058)	(284,302)
Additions to Consumable biological assets	(24,193)	(33,675)	(24,186)	(29,583)
Proceeds from sale of bearer plants	81,255	39,693	81,255	39,693
Proceeds from sale of property, plant and equipment	18,028	10,525	17,628	10,525
Adjustments to Property, plant & equipment	1,585	7,318	1,585	7,318
Addition to livestock	(241,889)	6,574	-	-
Proceeds from issue of shares	-	292,000	-	-
Settlements made to HP PLC	(216,227)	-	(216,227)	-
Investment in unit trust	-	564,597	-	564,597
Investment in a subsidiary	-	-	-	(438,000)
Net cash used in investing activities	(1,682,928)	(185,448)	(596,037)	(294,059)
Cash flows from financing activities				
Dividends paid	(351,889)	(331,333)	(351,889)	(331,333)
Payment for shares repurchased	(1,178,236)	-	(1,178,236)	-
Proceeds from borrowings	1,335,349	71,247	89,854	71,247
Repayment of borrowings	(94,453)	(128,309)	(93,800)	(128,309)
Repayment of lease principal	(7,381)	(7,624)	(7,381)	(7,624)
Net cash generated / (used) from financing activities	(296,610)	(396,019)	(1,541,452)	(396,019)
Increase / (decrease) in cash and cash equivalents	(707,879)	795,071	(714,111)	785,321
Movement in cash and cash equivalents				
At the beginning of year	888,143	93,072	861,945	76,624
Increase / (decrease) for the year	(707,879)	795,071	(714,111)	785,321
At end of year	180,264	888,143	147,834	861,945

Note : All values are in LKR '000s, unless otherwise stated.
Figures in brackets indicate deductions.

SEGMENTAL ANALYSIS - GROUP

	Tea		Palm Oil		Export		Dairy		Others		Inter Segment		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Three months ended 31 March														
Revenue	29,933	1,207,815	4,25,659	4,26,217	54,812	130,401	55,985	7,650	-	-	-	(8,214)	566,389	1,763,870
Cost of sales	(27,062)	(1,022,13)	(260,787)	(295,105)	(45,336)	(110,904)	(125,426)	(14,671)	-	-	-	8,214	(458,614)	(1,434,579)
Gross profit/(loss)	2,871	185,702	164,872	131,112	9,474	19,497	(69,444)	(7,021)	-	-	-	-	107,775	329,291
Other operating income	-	-	-	-	-	-	80,749	3,982	45,662	80,832	-	-	126,411	84,814
Administrative expenses	(10,297)	(44,143)	(42,151)	(56,679)	(4,965)	(1,658)	(3,970)	(1,061)	-	(250)	(250)	223	(61,632)	(103,318)
Operating profit/(loss)	(7,426)	141,559	122,721	74,433	4,509	17,839	7,338	(4,100)	45,662	80,832	(250)	223	172,554	310,787
Net finance expenses	(270)	(5,060)	24,453	(1,660)	(24)	5	(9,742)	3,159	-	-	(5,299)	-	9,117	(3,556)
Profit/(Loss) before tax	(7,696)	136,499	147,174	72,773	4,485	17,844	(2,404)	(941)	45,662	80,832	(5,549)	223	181,671	307,230
Tax expenses	(20,111)	(55,154)	(116,755)	(26,263)	(9,088)	(672)	(1,524)	(4,266)	(41,029)	(9,067)	-	-	(188,506)	(95,422)
Net profit / (loss)	(27,807)	81,345	30,419	46,510	(4,603)	17,172	(3,928)	(5,207)	4,633	71,765	(5,549)	223	(6,835)	211,808
Actuarial gain/(loss) on gratuity	-	71,531	-	16,920	-	-	-	4,153	-	-	-	-	-	92,604
Tax on actuarial gain/(loss) on gratuity	-	(7,153)	-	(1,692)	-	-	-	-	-	-	-	-	-	(8,845)
Total other comprehensive income/(loss)	-	64,378	-	15,228	-	-	-	4,153	-	-	-	-	-	83,759
Total comprehensive income/(loss)	(27,807)	145,723	30,419	61,738	(4,603)	17,172	(3,928)	(1,054)	4,633	71,765	(5,549)	223	(6,835)	295,567

Note : All values are in LKR 000s, unless otherwise stated.
 Figures in brackets indicate deductions.

SEGMENTAL ANALYSIS - GROUP

	Tea		Palm Oil		Export		Dairy Farm		Others		Inter Segment		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue	2,462,523	3,908,955	2,031,142	2,162,347	281,336	428,796	173,753	32,560	-	-	-	(30,893)	4,948,755	6,501,765
Cost of sales	(2,198,418)	(3,585,962)	(925,391)	(857,947)	(249,084)	(366,459)	(322,244)	(49,104)	-	-	-	30,893	(3,695,137)	(4,828,579)
Gross profit/(loss)	264,105	322,993	1,105,751	1,304,400	32,252	62,337	(148,491)	(16,544)	-	-	-	-	1,253,618	1,673,186
Other operating income	-	-	-	-	-	-	79,285	3,982	149,223	142,869	2,677	-	23,185	146,851
Administrative expenses	(150,047)	(70,458)	(73,502)	(153,769)	(5,124)	(3,104)	(6,264)	(1,061)	-	-	2,481	2,056	(335,132)	(326,336)
Management fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss)	114,058	152,535	932,249	1,150,631	27,128	59,233	(75,470)	(13,623)	149,223	142,869	2,481	2,056	1,149,671	1,493,701
Net finance expenses	2,488	(55,008)	48,023	(21,271)	(58)	13	(16,281)	28,646	-	-	(20,605)	-	13,567	(47,620)
Profit/(Loss) before tax	116,546	97,527	980,272	1,129,360	27,070	59,247	(91,751)	15,023	149,223	142,869	(20,800)	2,056	1,163,238	1,446,081
Tax expenses	21,391	(91,235)	(204,315)	(104,142)	(14,046)	(11,712)	976	(4,266)	(28,577)	(9,067)	-	-	(224,571)	(220,422)
Net profit / (loss)	137,937	6,292	775,957	1,025,218	13,024	47,534	(90,775)	10,757	120,646	133,802	(8,124)	2,056	938,667	1,225,659
Fair value adjustment of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss) on gratuity	29840	71531	3962	16920	-	-	1853	4153	-	-	-	-	35,655	92,604
Tax on actuarial gain/(loss) on gratuity	(2,984)	(7,153)	(396)	(1,692)	-	-	-	-	-	-	-	-	(3,380)	(8,845)
Total other comprehensive income/(loss)	26,856	64,378	3,566	15,228	-	-	1,853	4,153	-	-	-	-	32,275	83,759
Total comprehensive income/(loss)	164,794	70,670	779,523	1,040,446	13,024	47,534	(86,922)	14,910	120,646	133,802	(8,124)	2,056	970,943	1,309,418

Note : All values are in LKR 000s, unless otherwise stated.
 Figures in brackets indicate deductions.

SEGMENTAL ANALYSIS - COMPANY

	Tea		Palm Oil		Export		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Three months ended 31 March										
Revenue	29,933	1,199,601	425,659	426,217	54,450	90,318	-	-	510,042	1,716,136
Cost of sales	(27,062)	(1,008,407)	(260,787)	(295,105)	(45,423)	(68,534)	-	-	(333,272)	(1,372,046)
Gross profit/(loss)	2,871	191,194	164,872	131,112	9,027	21,784	-	-	176,770	344,090
Other operating income	-	-	-	-	-	-	45,662	80,771	45,662	80,771
Administrative expenses	(10,297)	(44,143)	(42,151)	(56,679)	(3,760)	-	-	-	(56,208)	(100,822)
Operating profit/(loss)	(7,426)	147,051	122,721	74,433	5,267	21,784	45,662	80,771	166,224	324,039
Net finance expenses	(270)	(5,060)	24,453	(1,660)	-	-	-	-	24,183	(6,720)
Profit/(Loss) before tax	(7,696)	141,991	147,174	72,773	5,267	21,784	45,662	80,771	190,407	317,319
Tax expenses	(20,111)	(55,154)	(116,755)	(26,263)	(9,088)	(672)	(41,029)	(9,067)	(186,983)	(91,156)
Net profit / (loss)	(27,807)	86,837	30,419	46,510	(3,821)	21,112	4,633	71,704	3,424	226,163
Fair value adjustment of investment	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss) on gratuity	-	71,531	-	16,920	-	-	-	-	-	88,451
Tax on actuarial gain/(loss) on gratuity	-	(7,153)	-	(1,692)	-	-	-	-	-	(8,845)
Total other comprehensive income/(loss)	-	64,378	-	15,228	-	-	-	-	-	79,606
Total comprehensive income/(loss)	(27,807)	151,215	30,419	61,738	(3,821)	21,112	4,633	71,704	3,424	305,769

Note : All values are in LKR 000s, unless otherwise stated.
 Figures in brackets indicate deductions.

SEGMENTAL ANALYSIS - COMPANY

	Tea		Palm Oil		Export		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue	2,462,524	3,878,062	2,031,142	2,162,347	270,789	352,547	-	-	4,764,455	6,392,956
Cost of sales	(2,195,741)	(3,537,677)	(925,391)	(857,947)	(239,665)	(293,817)	-	-	(3,360,797)	(4,689,441)
Gross profit/(loss)	266,783	340,385	1,105,751	1,304,400	31,124	58,730	-	-	1,403,658	1,703,515
Other operating income	-	-	-	-	-	-	149,223	142,808	149,223	142,808
Administrative expenses	(150,047)	(170,458)	(173,502)	(153,769)	(3,760)	-	-	-	(327,309)	(524,227)
Management fees	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss)	116,736	169,927	932,249	1,150,631	27,364	58,730	149,223	142,808	1,225,572	1,522,096
Net finance expenses	2,488	(55,008)	48,023	(21,271)	-	-	-	-	50,511	(76,279)
Profit/(Loss) before tax	119,224	114,919	980,272	1,129,360	27,364	58,730	149,223	142,808	1,276,083	1,445,817
Tax expenses	21,391	(91,235)	(204,315)	(104,142)	(14,046)	(11,712)	(28,577)	(9,067)	(225,547)	(216,156)
Net profit / (loss)	140,615	23,684	775,957	1,025,218	13,318	47,018	120,646	133,741	1,050,535	1,229,661
Fair value adjustment of investment	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss) on gratuity	29,840	71,531	3,962	16,920	-	-	-	-	33,803	88,451
Tax on actuarial gain/(loss) on gratuity	(2,984)	(7,153)	(396)	(1,692)	-	-	-	-	(3,380)	(8,845)
Total other comprehensive income/(loss)	26,856	64,378	3,566	15,228	-	-	-	-	30,422	79,606
Total comprehensive income/(loss)	167,471	88,062	779,523	1,040,446	13,318	47,018	120,646	133,741	1,080,958	1,309,267

Note : All values are in LKR 000s, unless otherwise stated.
 Figures in brackets indicate deductions.

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, manufacture, sale of tea, palm oil, direct exports of tea and Dairy farming.

02. Interim consolidated financial statement

The Consolidated interim financial statements of the Watawala Plantations PLC as at and for the year ended 31 March 2018 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 year ended 31 March 2018 were authorised for issue by the Board of Directors on 25 May 2018.

04. 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 2016/17. Further, 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.

05. Net assets per share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at the Balance Sheet date.

06. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial Statements.

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

08. The Interim Financial Statement are not audited.

Share Trading Information

1 Public share holdings

	As at 31.03.18	As at 31.03.2017
The percentage of shares held by the public	25.78	15.62
Number of shareholders representing public share holdings	15,697	16,056

2 DIRECTORS SHAREHOLDING AS AT 31ST MARCH 2018

The number of shares held by the Board of Directors are as follows:

Board of Directors	As at 31.03.2018	As at 31.03.2017
Wijesinha S.G. (Chairman)	1	Nil
Fernando A.N.	1	Nil
Govindasamy V. (Group Managing Director)	Nil	Nil
Sathasivam G.	Nil	Nil
Hulangamuwa B.A.	Nil	Nil
Mawzoon M.S.	Nil	Nil
Weerasekera N.B.	Nil	Nil
Ramanayake L.	Nil	Nil

Messrs. A.K. Misra, K. Venkataramanan and C.P. Thomas resigned from the board of directors with effect from 28 December 2017.

3 Twenty (20) Largest Shareholders

Name	No of Shares held	% of the holding	No of Shares held	% of the holding
01. ESTATE MANAGEMENT SERVICES (PVT) LTD.	149,195,309	74.24	179,034,370	75.65
02. SAMPATH BANK PLC/ SEYLAN BANK PLC/ DRT.SENTHILVERL	22,480,010	11.19	20,670,414	8.73
03. K.C. VIGNARAJAH	2,148,644	1.07	2,164,280	0.91
04. HSBC INTERNATIONAL NOMINEES LTD-SSBT-DEUSTCHE BANK	1,365,459	0.68	1,800,000	0.76
05. VYJAYANTHI & COMPANY LIMITED	1,000,000	0.50	1,000,000	0.42
06. N. MULJIE	552,900	0.28	552,900	0.23
07. M.I. ABDUL HAMEED	350,000	0.17	350,000	0.15
08. S. VIGNARAJAH	258,783	0.13	262,539	0.11
09. DEUTSCHE BANK AG AS TRUSTEE TO CANDOR OPPORTUNITIE	258,333	0.13	1,289,342	0.54
10. COCOSHELL ACTIVATED CARBON COMPANY LIMITED	251,666	0.13	362,451	0.15
11. LIFE INSURANCE CORPORATION (LANKA) LTD	234,471	0.12		
12. UNION INVESTMENTS PRIVATE LTD	218,333	0.11	262,000	0.11
13. COMMERCIAL BANK OF CEYLON PLC/S.AGULAMHUSEIN	182,000	0.09	236,500	0.10
14. PERSHING LLC S/A AVERBACH GRAUSON & CO.	166,667	0.08		
15. BEST REAL INVEST CO SERVICES (PRIVATE) LIMITED	160,964	0.08		
16. C M HOLDINGS PLC	141,667	0.07		
17. M.M. HASHIM	135,869	0.07	331,082	0.14
18. ADAMJEE LUKMANJEE & SONS (PVT) LTD	117,135	0.06		
19. D.C.D.L.S.D. PERERA	115,000	0.06		
20. K.G.M. PIERIS	104,917	0.05		
Sub Total	179,438,127	89.29	208,315,878	88.00
Other Shareholders	21,524,429	10.71	28,350,793	12.00
Grand Total	200,962,556	100.00	236,666,671	100.00

Share Trading Information (Contd)

4 Stated capital

Stated capital is represented by shares in issue as given below:

As at	As at 31.03.2018	As at 31.03.2017
Ordinary Shares	200,962,556	236,666,670
Golden Share	1	1

Movement in issued and fully paid shares

31 March	2018	2017
Opening balance	236,666,671	236,666,671
Acquisition or Redemption by Company of own shares	(35,704,115)	-
Year end balance	200,962,556	236,666,671

In January 2018, the Company offered to repurchase One ordinary voting share out of every six ordinary voting shares held by the shareholders in terms of the Section 64 of the Companies Act No 07 of 2007. The repurchase price was offered at Rs 33 per ordinary voting share as at the entitlement date on 22nd January 2018. Consequently, Total of 35,704,115 shares were repurchased at a consideration of Rs.1,178,235,795.

5 Market price per share

As at	As at 31.03.2018	As at 31.03.2017
Highest during the period	31.70	24.50
Lowest during the period	26.30	17.70
Closing price	28.90	24.40
No. of Transactions	817	748
No. of Shares Traded	3,532,657	3,273,162
Value of Shares Traded (LKR)	103,450,176	75,987,758

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 - Managing Director
 A.N.Fernando
 M.S.Mawzoon
 L.Ramanayake
 N. B. Weerasekara
 B. A. Hulangamuwa

Secretaries

Corporate Advisory Services (Pvt) Ltd.
 47, Alexandra Place, Colombo 7, Sri Lanka.

Auditors

PricewaterhouseCoopers (Chartered Accountants)
 PO Box 918,100, Braybrooke Place, Colombo 02

Bankers

Hatton National Bank PLC
 Commercial Bank of Ceylon PLC
 People's Bank
 Amana Bank Ltd
 ICICI Bank
 Citi Bank N A
 MCB Bank Ltd
 Nations Trust Bank
 Standard Chartered Bank
 Public Bank Berhad
 Seylan Bank

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