

**PELWATTE SUGAR INDUSTRIES PLC**

**FINANCIAL STATEMENTS**

**AUGUST 2008**



# Pelwatte Sugar Industries PLC

## INCOME STATEMENT

Month ended 31 August 2008

	Note	2008 August Rs'000	2008 March (Audited) Rs '000
Revenue	1	1,216,837	1,089,613
Cost of Sales	2	(543,868)	(1,380,972)
<b>Gross Profit/(Loss)</b>		<u>672,969</u>	<u>(291,359)</u>
Other Income and Gains	3	289	2,984
Selling and Distribution Expenses	-	-	-
Administrative Expenses	4	(100,536)	(281,272)
Finance Cost	5	(124,822)	(194,011)
Finance Income	5	17,565	85,771
<b>Profit/ (Loss) Before tax</b>		<u>465,465</u>	<u>(677,887)</u>
Tax Expense		-	(23,177)
<b>Profit / (Loss) for the year</b>		<u><u>465,465</u></u>	<u><u>(701,064)</u></u>
<b>Attributable to :</b>			
Equity Holders of the Parent		465,465	(701,064)
Minority Interest		-	-
		<u><u>465,465</u></u>	<u><u>(701,064)</u></u>

# Pelwatte Sugar Industries PLC

## BALANCE SHEET

As at 31 August 2008

ASSETS	Note	2008 August	2008 March
<b>Non-Current Assets</b>		<b>Rs.000</b>	<b>Rs.000</b>
Property, Plant & Equipment	6	838,089	847,483
Biological Assets			-
Investment in Subsidiaries		100,000	100,000
Other Investments		4,000	4,000
Amount due from Related Parties		23,623	23,623
		<u>965,712</u>	<u>975,106</u>
<b>Current Assets</b>			
Investments	7	30,000	242,645
Inventories	8	942,052	529,668
Trade and Other Receivables	9	83,293	45,420
Loan due from Farmers	10	272,476	269,464
Amount Due from Related Parties		124,625	95,229
Cash and Cash Equivalents		3,875	28,806
		<u>1,456,321</u>	<u>1,211,232</u>
<b>Total Assets</b>		<u>2,422,033</u>	<u>2,186,338</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital		679,769	679,769
Reserves		374,393	374,393
Accumulated Losses		(592,934)	(1,058,545)
<b>Shareholders Funds</b>		<u>461,228</u>	<u>(4,383)</u>
Minority Interest			-
<b>Total Equity</b>		<u>461,228</u>	<u>(4,383)</u>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans & Borrowings	11	10,782	13,815
Retirement Benefit Liability		202,242	191,420
		<u>213,024</u>	<u>205,235</u>
<b>Current Liabilities</b>			
Trade and Other Payables	12	785,820	574,959
Income Tax Liabilities		-	24,822
Amounts Due to Related Parties	13	223,710	393,163
Interest Bearing Loans & Borrowings	14	738,251	992,543
		<u>1,747,781</u>	<u>1,985,487</u>
<b>Total Equity and Liabilities</b>		<u>2,422,033</u>	<u>2,186,338</u>

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

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Financial Controller

# Pelwatte Sugar Industries PLC

## NOTES TO THE FINANCIAL STATEMENTS

Month ended 31 August 2008

### 6. PROPERTY, PLANT & EQUIPMENT - COMPANY

<b>Description</b>	Opening Balance	Revaluation	This Year	Disposal	Closing Balance
	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
Land	44,150				44,150
Land development	126,303				126,303
Roads & bridges	110,471		100		110,571
Settler zone infrastructure	66,781		1,318		68,099
Factory building	234,179				234,179
Building other	185,232		4,568		189,800
Field plant & equipment	347,482		470		347,952
Irrigation & other equipment	164,565		190		164,755
Factory plant & equipment	1,032,111		2,040		1,034,151
Vehicles	69,931		3,099		73,031
Furniture/Utilit/Misc;	88,261		1,556		89,816
	<b>2,469,465</b>		<b>13,341</b>	<b>-</b>	<b>2,482,806</b>
<b>Depreciation</b>	<b>Opening Balance</b>		<b>Depn.during This Year</b>	<b>Disposal</b>	<b>Closing Balance</b>
Land development	41,580		1,053		42,633
Roads & bridges	79,914		1,603		81,517
Settler zone infrastructure	41,194		4,504		45,698
Factory building	99,210		1,952		101,162
Building other	77,769		1,558		79,326
Field plant & equipment	240,971		10,527		251,498

-NOTE 01-

Irrigation & other equipment	74,015	5,567	79,582
Factory plant & equipment	915,759	4,428	920,186
Vehicles	61,384	1,725	63,109
Furniture/Utilit/Misc;	73,057	1,913	74,970
	<u>1,704,853</u>	<u>34,828</u>	<u>1,739,681</u>
<b>Net Book Value</b>	<b>764,612</b>		<b>743,126</b>

## 6.2 In the Course of Construction

Rs. 000

Hotel & Other Project	84,582
Construction of Assets	10,382
<b>Total Fixed Assets</b>	<u><u>838,089</u></u>

## 7. Current

2008  
August  
Rs.000

Investments in Fixed Deposits Sampath Bank	<u>30,000</u>
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## 8. INVENTORIES

2008  
August  
Rs. 000

Produced Inventory	486,129
Standing Cane and Bio-Mass	296,490
Other Inventory	159,435
	<u>942,053</u>

### 8.1 Produced Inventory

-NOTE 01-

Sugar	326,102
Molasses	160,027
Total Produced Inventory	<u>486,129</u>

**8.2 Other Inventory**

Fuel & Lubricants	4,077
Factory Chemicals	4,544
Bags & Liners	739
Fertilizers	6,479
General	8,608
Agriculture Spares	69,110
Stationery	1,173
Factory Spares	125,824
Tyres & Tubes	3,748
Stocks In Field	19,521
	243,823
<b>Less: Provision for Obsolete stocks</b>	<u>(91,742)</u>
	152,081
Goods-in-Transit	<u>7,354</u>
	<u>159,435</u>

# Pelwatte Sugar Industries PLC

## NOTES TO THE FINANCIAL STATEMENTS

Month ended 31 August 2008

<b>1. REVENUE</b>	<b>2008</b>	
	<b>August</b>	
	<b>Rs.000</b>	
<b>1.1 Summary</b>		
Turnover	1,216,837	
	<u>1,216,837</u>	
<b>1.2 Turnover is derived from the following:</b>		
Sugar	843,482	
Molasses	373,355	
Spirits	-	
Dairy Product	-	
	<u>1,216,837</u>	
	<u>1,216,837</u>	
<b>2. Cost Of Sales</b>	<b>2008</b>	
	<b>August</b>	
	<b>Rs.000</b>	
<b>2.1</b> Stock Movement - Sugar	304,477	
- Molasses	141,877	
<b>2.2</b> Operating Cost	<u>(990,222)</u>	
	<u>(543,868)</u>	
	<u>(543,868)</u>	
<b>3. OTHER INCOME &amp; GAINS</b>	<b>2008</b>	<b>2007</b>
	<b>August</b>	
	<b>Rs.000</b>	
Profit on Sale of Property, Plant & Equipment	-	-
Rent Income	13	51,325
Misc Income	276	51,325
Other Income	1	
	<u>289</u>	
	<u>289</u>	
<b>4. ADMINISTRATION EXP</b>	<b>2008</b>	
	<b>August</b>	
	<b>Rs.000</b>	
Finance & Admin	51,115	
Personnel & Manpower	49,421	
	<u>100,536</u>	
	<u>100,536</u>	
<b>5. FINANCE COST AND INCOME</b>	<b>2008</b>	
	<b>August</b>	
	<b>Rs.000</b>	
<b>5.1 Finance Cost</b>		
Interest Expense on Bank Overdrafts	124,822	
	<u>124,822</u>	
	<u>124,822</u>	
<b>5.2 Finance Income</b>		
Interest Income on Loans Due from Farmers	7,963	
Interest Income on Deposits	9,602	
	<u>17,565</u>	
	<u>17,565</u>	

## Pelwatte Sugar Industries PLC

### NOTES TO THE FINANCIAL STATEMENTS

Month ended 31 August 2008

#### 9. TRADE AND OTHER RECEIVABLES

	2008 August Rs. 000
Trade Debtors	9,875
Other Debtors	14,876
Advances & Prepayments	48,810
Less: Provision for Doubtful Debts	(35,230)
	38,331
Defence Levy	29,882
Staff Debtors	15,080
	83,293

#### 10. LOANS DUE FROM FARMERS

	2008 August Rs. 000
Out Growers	85,565
Settlers	180,955
ISFO Farmers	5,956
	272,476

#### 11. Finance Leases

	As At 31.03.2008 Rs.000	As At 31.08.2008 Rs.000	Within Year	Current As at 31.03.2008 Rs.000	Non Current As at 31.03.2008 Rs.000	Non Current As at 31.08.2008 Rs.000
Gross Liability	26,429	22,186	4,243	10,285	16,144	11,901
Finance Charges	(4,897)	(3,688)	(1,209)	(2,568)	(2,329)	(1,120)
Net Liability	21,532	18,498	3,034	7,717	13,815	10,781



**12. TRADE & OTHER PAYABLES****2008  
August  
Rs.000**

Trade Creditors (Note 12.1)	180,212
Other Creditors & Accruals (Note 12.2)	93,256
Advance Received	349,582
VAT Payable	162,770
	<u>785,820</u>

**12.1 Trade Creditors**

Trade Creditors	36,470
Accrued Cost of Cane - ISFO,OG,SE	143,742
	<u>180,212</u>

**12.2 Other Creditors & Accruals**

Other Creditors	3,763
Other Accruals	18,383
Accrued Expenditure	40,394
Income Tax & Other Payable	30,716
	<u>93,256</u>

**13. AMOUNTS DUE TO RELATED PARTIES****2008  
August  
Rs. 000**

	<b>Relationship</b>	
Master Divers (Pvt) Ltd.	Parent Company	71,142
Mr. D.A.Wickramanayake	Director	1,837
Pelwatte Sugar Distilleries (Pvt) Ltd.	Subsidiary Company	314,714
		<u>387,694</u>

**14. INTEREST BEARING LOANS AND BORROWINGS****2008  
August  
Rs.000**

Finance leases	7,717
Bank Loans	232,068
Bank Overdrafts	498,466
	<u>738,251</u>