



MACKWOODS ENERGY PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30th SEPTEMBER 2016**

MACKWOODS ENERGY PLC
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30TH SEPTEMBER 2016

STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 30.09.2016 Rs.	Three Months Ended 30.09.2015 Rs.	Six Months Ended 30.09.2016 Rs.	Six Months Ended 30.09.2015 Rs.
Continuing Operation				
Turnover	10,216,090	73,336,755	16,480,863	126,501,592
Cost of Sales	<u>(5,148,084)</u>	<u>(58,322,308)</u>	<u>(10,396,951)</u>	<u>(100,489,147)</u>
Gross Profit	5,068,006	15,014,447	6,083,912	26,012,445
Selling & Distribution Expenses	(4,161,924)	(12,339,283)	(9,476,641)	(24,415,420)
Administration Expenses	(1,278,371)	(7,695,398)	(3,211,408)	(13,853,648)
Other Expenses	<u>(1,272,042)</u>	<u>(2,431,957)</u>	<u>(2,768,194)</u>	<u>(4,416,250)</u>
Profit From Operations	(1,644,331)	(7,452,191)	(9,372,331)	(16,672,873)
Finance Income	3,982,791	3,766,132	7,984,989	8,566,703
Finance Cost	<u>(499,957)</u>	<u>(2,402,196)</u>	<u>(1,592,800)</u>	<u>(3,371,365)</u>
Net Finance Income	3,482,834	1,363,936	6,392,189	5,195,338
Profit Before Taxation	1,838,503	(6,088,255)	(2,980,142)	(11,477,535)
Taxation	<u>(1,115,181)</u>	<u>(1,960,537)</u>	<u>(2,235,797)</u>	<u>(2,398,676)</u>
Net Profit for the Period	<u>723,322</u>	<u>(8,048,792)</u>	<u>(5,215,939)</u>	<u>(13,876,211)</u>
OTHER COMPREHENSIVE INCOME				
Other comprehensive income for the period	-	-	-	-
Tax on Other Comprehensive Income	-	-	-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	723,322	(8,048,792)	(5,215,939)	(13,876,211)
Profit Attributable to:				
Owners of the Company	723,322	(8,048,792)	(5,215,939)	(13,876,211)
Non - Controlling Interests	-	-	-	-
Profit for the period	<u>723,322</u>	<u>(8,048,792)</u>	<u>(5,215,939)</u>	<u>(13,876,211)</u>
Total Comprehensive Income Attributable to:				
Owners of the Company	723,322	(8,048,792)	(5,215,939)	(13,876,211)
Non - Controlling Interests	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>723,322</u>	<u>(8,048,792)</u>	<u>(5,215,939)</u>	<u>(13,876,211)</u>
Earnings per Share - Basic - (Rs)	0.01	-0.08	(0.05)	(0.14)

MACKWOODS ENERGY PLC
INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

STATEMENT OF FINANCIAL POSITION AS AT

	30.09.2016	31.03.2016
	Un Audited	Audited
	Rs.	Rs.
ASSETS		
Property, Plant & Equipment	429,230,728	430,584,676
Current Assets		
Inventories	14,674,456	13,579,288
Trade and Other Receivables	50,996,571	46,831,938
Short Term Investments -Comm. Papers (Inter Group)	254,575,000	261,000,000
Amount Due from Related Parties	47,627,443	43,446,883
Cash & Cash Equivalents	<u>535,533</u>	<u>1,470,421</u>
	<u>368,409,003</u>	<u>366,328,530</u>
TOTAL ASSETS	<u>797,639,731</u>	<u>796,913,206</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital (100,000,000 shares)	555,583,112	555,583,112
Retained Earnings	2,425,958	7,641,897
Revaluation Reserve	<u>152,870,059</u>	<u>152,870,059</u>
Shareholders' Funds	<u>710,879,129</u>	<u>716,095,068</u>
Non Current Liabilities		
Retirement benefit Obligation	914,128	806,129
Deferred Tax Payable	5,671,026	5,672,006
Obligations under leases(more than one year)	<u>-</u>	<u>361,829</u>
	<u>6,585,154</u>	<u>6,839,964</u>
Current Liabilities		
Trade and Other Payables	48,294,024	29,780,958
Tax Liabilities	18,373,897	20,837,117
Amount Due to Related parties	1,545,511	2,056,512
Obligations under leases (within one year)	558,979	333,997
Bank Overdraft	<u>11,403,037</u>	<u>20,969,590</u>
	<u>80,175,448</u>	<u>73,978,174</u>
Total Liabilities	<u>86,760,602</u>	<u>80,818,138</u>
TOTAL EQUITY AND LIABILITIES	<u>797,639,731</u>	<u>796,913,206</u>
Net Assets Per Share (Rs)	7.11	7.16

Note :The above figures are not audited.

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

Sgd

N. Perera

Finance Manager

Approved and signed for and on behalf of the Board of Directors of Mackwoods Energy PLC.

Sgd

Dr. C N A Nonis

Chairman / Director

Sgd

F L Fonseka

Director

7th November 2016

MACKWOODS ENERGY PLC
INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Revaluation Reserve	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2015	555,583,112	89,187,059	102,890,107	747,660,278
Comprehensive Income	-	-	(13,876,211)	(13,876,211)
Balance as at 30th September 2015	555,583,112	89,187,059	89,013,896	733,784,067
Balance as at 1st April 2016	555,583,112	152,870,059	7,641,897	716,095,068
Comprehensive Income	-	-	(5,215,939)	(5,215,939)
Balance as at 30th September 2016	555,583,112	152,870,059	2,425,958	710,879,129

MACKWOODS ENERGY PLC
INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

CASH FLOW STATEMENT

For the Six Months Ended 30th September	2016	2015
	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(2,980,142)	(11,477,535)
Adjustments for ;		
Lease Interest	25,515	374,491
Gratuity	108,000	108,000
Deffered Tax	(980)	-
Depreciation	<u>1,079,747</u>	<u>1,590,608</u>
Operating Profit Before Working Capital Changes	(1,767,860)	(9,404,436)
(Increase)/Decrease in Working Capital		
(Increase)/Decrease Inventories	(1,095,168)	26,119,483
(Increase)/Decrease Trade and Other Receivables	(4,164,633)	(33,509,189)
Increase/(Decrease) Trade and Other Payables	18,513,066	24,877,622
Increase/(Decrease) Amount due to Related Companies	(511,001)	(5,661)
(Increase)/Decrease Amount due from Related Companies	<u>(4,180,560)</u>	<u>(1,279,795)</u>
Cash Generated from / (Used in) operating activities	6,793,844	6,798,025
Gratuity Paid	-	
Income Tax Paid	<u>(5,000,000)</u>	<u>(1,374,250)</u>
Net Cash Flows From/ (Used in) Operating Activities	1,793,844	5,423,775
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property, Plant & Equipment	494,001	(8,671,590)
Settlement of Commercial Papers	<u>6,425,000</u>	<u>-</u>
Net Cash Flows From/ (Used in) Investing Activities	<u>8,712,845</u>	<u>(3,247,815)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of shares	-	-
Repayment of the Lease	<u>(81,180)</u>	<u>(1,252,753)</u>
Net Cash Flows From/ (Used in) Financing Activities	<u>(81,180)</u>	<u>(1,252,753)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	8,631,665	(4,500,568)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	(19,499,169)	2,915,544
CASH AND CASH EQUIVALENTS AT THE END (a)	<u>(10,867,504)</u>	<u>(1,585,024)</u>
(a) Analysis of cash & cash equivalents at period end		
Cash in hand & at bank	535,533	941,003
Bank overdraft	<u>(11,403,037)</u>	<u>(2,526,026)</u>
	<u>(10,867,504)</u>	<u>(1,585,024)</u>

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Mackwoods Energy PLC, is a public limited liability company incorporated and domiciled in Sri Lanka. The company was listed on the Diri Savi Board of the Colombo Stock Exchange on 25th April 2012.

2 INTERIM FINANCIAL STATEMENTS

The financial statements for the period ended 30th September 2016, includes “the Company” referring to Mackwoods Energy PLC.

3 BASIS OF PREPARATION

The interim condensed financial statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31.03.2016 and are in compliance with Sri Lanka Accounting Standard LKAS34- “Interim Financial Reporting”.

These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2016.

Further, provisions of the companies ACT no 7 of 2007 have been considered in preparing the same.

4 ACCOUNTING POLICIES

The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

5 POST BALANCE SHEET EVENTS

There have been no material events occurring after the Balance Sheet date which require adjustments to or disclosure in the financial statements.

6 CONTINGENT LIABILITIES

There were no material contingent liabilities outstanding as at Balance Sheet Date.

7 The Interim Financial Statements are provisional and are not audited.

8 SHAREHOLDERS' INFORMATION

8.1 Public Shareholdings

The percentage of shares held by the public as at 30th September 2016 was 19.73%.

No of public shareholders as at 30th September 2016 was 1140

8.2 Top 20 Share Holders List as at 30th September 2016

NAME	NO OF SHARES	PERCENTAGE
Mackwoods (Pvt) Ltd	62,928,793	62.93
Agalawatte Plantations PLC	4,282,079	4.28
Claridge Fund (Pvt) Ltd	3,800,500	3.80
Epoc Research Laboratories (Pvt) Ltd	3,568,500	3.57
Employees Provident Fund	3,508,307	3.51
Dr. C.N.A.Nonis	3,018,707	3.02
Mr. F.L.Fonseka	2,667,500	2.67
Mr. A.L.Yatawara	2,577,418	2.58
Diversified Fund (Pvt) Ltd	1,688,135	1.69
Mr. G.M.Kennedy	1,416,200	1.42
Mr.D.Dhammika	1,000,001	1.00
Mr. F.N. Herft	815,000	0.81
Mrs. N.S.M.Samaratunga	613,934	0.67

Ms. H.S.Tan	491,500	0.49
Mr. M.R.Nishantha	246,995	0.25
Mr H.Beruwalage	232,807	0.23
Mr. R A L. White	210,000	0.21
Mr. U. Rohith	200,040	0.20
Mr. C.G.A.M.Priya	200,000	0.20
Mr. Srilatha	160,213	0.16
	93,626,629	93.69

8.3 Directors' and CEO's Shareholdings as at 30th September 2016

Name		No of Shares	Percentage (%)
Dr. C.N.A.Nonis	Director	3,018,707	3.02
Mr. F.L.Fonseka	Director	2,667,500	2.67
Mr. D.T.Ranaweera	Director	Nil	Nil
Mrs. S.M.A.N.Ranaweera	Director	Nil	Nil
Mr. L.L.Samarasinghe	Director	Nil	Nil
Mr. L.J. K. Hettiaratchi	Director	5,000	0.01
Dr. H.Shafeeu	Director	Nil	Nil

8.4 No of shares representing the company's Stated Capital - 100,000,000 shares

9 MARKET VALUES PER SHARE - CURRENT INTERIM PERIOD

	Date	Rs.
Highest Value per Share	15.07.16	4.00
Lowest Value per Share	28.09.16	3.00
Last Traded Price	30.09.15	3.20

10 NET ASSET VALUE PER SHARE

7.11

11 Current Status of the Mini Hydro Projects

Mackwoods Energy PLC recently signed the Standard Power Purchase Agreement with the Ceylon Electricity Board in respect of the Thudugala Mini Hydro Projects for purchase of power by the grid. The timelines for the implementation of the remaining mini hydro projects, which are awaiting grid connectivity approval prior to the issue of LOI, have been extended due to delays encountered in the approval process, transmission line and grid availability issues, and policy and administrative changes.

As detailed in the Annual Report for 2014/15 and at the AGM of the Company held on 23rd September 2015, the company is making every effort to expedite during the next year, the approvals of the remaining mini hydro projects, which are a key aspect of its diversification into the renewable energy sector in line with the stated objectives of the Company.

Pending approval of the Mini Hydr Projects ,the Company's ongoing action plan includes site inspection s, surveys, upgrading facilities, project consultancies, negotiating with funding agencies and potential investors to accelerate implementation of these projects as soon as approvals are granted.

In addition, the Company was successful in rehabilitating and connecting a 100KW micro hydro to the grid for net metering at Nuwara Eliya, which is the first national hydro net metering project to be commissioned.

Concurrently, Mackwoods Energy has pursued a diversified portfolio approach by expanding the use of existing "clean" renewable energy sources such as hydro, solar, wind,biomass and biogas and is actively following up on proposals submitted for solar power generation and conversion of municipal waste to energy.