

# C. W. MACKIE PLC



**INTERIM REPORT  
TWELVE MONTHS ENDED 31<sup>ST</sup> MARCH 2012**

15<sup>th</sup> May 2012



**C.W. MACKIE PLC**  
and its subsidiary companies

**COMPANY PROFIT AND LOSS ACCOUNT**

**FOR 3 MONTHS ENDED 31<sup>ST</sup> MARCH 2012**

**FOR 12 MONTHS ENDED 31<sup>ST</sup> MARCH 2012**

	Unaudited 3 Months to 31.03.2012 (Rs.'000)	Unaudited 3 Months to 31.03.2011 (Rs.'000)	Change %	Unaudited 12 Months to 31.03.2012 (Rs.'000)	Unaudited 12 Months to 31.03.2011 (Rs.'000)	Change %
Revenue	1,973,227	1,747,105	12.94	7,168,070	5,263,681	36.18
Cost of sales	(1,771,794)	(1,612,282)	9.89	(6,318,834)	(4,686,014)	34.84
<b>Gross profit</b>	<b>201,433</b>	<b>134,823</b>	<b>49.41</b>	<b>849,236</b>	<b>577,667</b>	<b>47.01</b>
Other operating income	6,403	408	1,469.36	42,848	24,214	76.96
Distribution expenses	(26,095)	(23,057)	13.17	(335,715)	(223,701)	50.07
Administrative expenses	(59,595)	(31,501)	89.19	(168,038)	(112,641)	49.18
<b>Profit from operations</b>	<b>122,146</b>	<b>80,673</b>	<b>51.41</b>	<b>388,331</b>	<b>265,540</b>	<b>46.24</b>
Net financing cost	(14,361)	(9,506)	(51.07)	(29,660)	(20,293)	46.16
<b>Profit before tax</b>	<b>107,785</b>	<b>71,167</b>	<b>51.45</b>	<b>358,671</b>	<b>245,247</b>	<b>46.25</b>
Taxation	(33,514)	(20,222)	65.73	(94,014)	(74,917)	25.49
<b>Profit after tax</b>	<b>74,271</b>	<b>50,945</b>	<b>45.79</b>	<b>264,657</b>	<b>170,330</b>	<b>55.38</b>
<b>Basic earnings per share Rs.</b>	<b>2.06</b>	<b>1.42</b>		<b>7.35</b>	<b>4.73</b>	
<b>Dividend per share Rs.</b>	<b>1.00</b>	<b>1.00</b>		<b>1.00</b>	<b>1.00</b>	

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**FOR 3 MONTHS ENDED 31<sup>ST</sup> MARCH 2012**

**FOR 12 MONTHS ENDED 31<sup>ST</sup> MARCH 2012**

	Unaudited 3 Months to 31.03.2012 (Rs.'000)	Unaudited 3 Months to 31.03.2011 (Rs.'000)	Change %	Unaudited 12 Months to 31.03.2012 (Rs.'000)	Unaudited 12 Months to 31.03.2011 (Rs.'000)	Change %
Revenue	2,558,123	2,599,383	(1.59)	9,703,085	7,575,376	28.09
Cost of sales	(2,289,076)	(2,386,660)	(4.09)	(8,636,569)	(6,773,870)	27.50
<b>Gross profit</b>	<b>269,047</b>	<b>212,723</b>	<b>26.48</b>	<b>1,066,516</b>	<b>801,506</b>	<b>33.06</b>
Other operating income	11,721	408	2,772.79	50,879	27,690	83.75
Distribution expenses	(18,354)	(15,615)	17.54	(307,067)	(286,356)	7.23
Administrative expenses	(92,962)	(43,398)	114.21	(231,909)	(209,711)	10.59
<b>Profit from operations</b>	<b>169,452</b>	<b>154,118</b>	<b>9.95</b>	<b>578,419</b>	<b>333,129</b>	<b>73.63</b>
Net financing cost	(28,103)	(22,130)	26.99	(78,014)	(58,158)	34.14
<b>Profit before tax</b>	<b>141,349</b>	<b>131,988</b>	<b>7.09</b>	<b>500,405</b>	<b>274,971</b>	<b>81.98</b>
Taxation	(34,571)	(25,538)	35.37	(115,072)	(78,233)	47.09
<b>Profit after tax</b>	<b>106,778</b>	<b>106,450</b>	<b>(0.31)</b>	<b>385,333</b>	<b>196,738</b>	<b>95.86</b>
<b>Attributable to :</b>						
Equity holders of the parent company	106,849	107,430	(0.54)	383,100	198,142	93.35
Minority interests	(71)	(980)	92.76	2,233	(1,404)	259.05
<b>Profit after minority interests</b>	<b>106,778</b>	<b>106,450</b>	<b>(0.31)</b>	<b>385,333</b>	<b>196,738</b>	<b>95.86</b>
<b>Basic earnings per share Rs.</b>	<b>2.97</b>	<b>2.96</b>		<b>10.65</b>	<b>5.51</b>	
<b>Dividend per share Rs.</b>	<b>1.00</b>			<b>1.00</b>	<b>1.00</b>	



**C.W. MACKIE PLC**  
and its subsidiary companies

**BALANCE SHEET**

as at 31<sup>st</sup> March 2012

(Rs.'000)

	COMPANY		GROUP	
	Unaudited 31.03.2012	Audited 31.03.2011	Unaudited 31.03.2012	Audited 31.03.2011
<b>Assets</b>				
<b>Non- Current assets</b>				
Property, plant and equipment	319,947	330,036	790,456	716,362
Leasehold property	99,796	108,289	99,796	108,289
Investments property	46,729	50,753	46,729	50,753
Investments in subsidiaries	535,175	416,732	-	-
Other investments	327	402	327	402
Deferred tax asset	-	-	4,652	6,036
Retirement Benefit Asset	-	-	149	-
<b>Total non-current assets</b>	<b>1,001,974</b>	<b>906,212</b>	<b>942,109</b>	<b>881,842</b>
<b>Current assets</b>				
Inventories	512,932	476,638	651,352	678,769
Trade and other receivables	1,846,941	1,437,238	1,741,034	1,536,845
Cash and cash equivalents	43,987	10,243	48,084	11,705
Total current assets	2,403,860	1,924,119	2,440,470	2,227,319
<b>Total assets</b>	<b>3,405,834</b>	<b>2,830,331</b>	<b>3,382,579</b>	<b>3,109,161</b>
<b>Equity and liabilities</b>				
Stated capital	507,047	507,047	507,047	507,047
Capital reserves	758,502	655,571	562,317	577,829
Revenue reserves	388,434	180,242	585,374	258,739
<b>Total capital and reserves</b>	<b>1,653,983</b>	<b>1,342,860</b>	<b>1,654,737</b>	<b>1,343,614</b>
Minority interests	-	-	29,778	27,545
	<b>1,653,983</b>	<b>1,342,860</b>	<b>1,684,515</b>	<b>1,371,159</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest bearing long term borrowings	-	56,911	-	56,911
Lease Payable after one year	4,254	7,754	98,816	57,675
Retirement benefit obligation	2,418	1,276	11,549	11,885
Deferred tax liability	35,524	40,115	50,976	53,604
<b>Total non-current liabilities</b>	<b>42,196</b>	<b>106,056</b>	<b>161,341</b>	<b>180,075</b>
<b>Current liabilities</b>				
Current portion of long term borrowings	32,114	-	32,114	-
Lease Payable within one year	4,590	2,488	35,068	23,558
Interest bearing short term borrowings	731,190	790,818	806,190	875,818
Income tax payable	85,686	62,261	101,807	69,108
Trade and other payables / provisions	822,650	435,738	512,812	482,124
Bank overdrafts	33,425	90,110	48,732	107,319
Total current liabilities	1,709,655	1,381,415	1,536,723	1,557,927
<b>Total equity and liabilities</b>	<b>3,405,834</b>	<b>2,830,331</b>	<b>3,382,579</b>	<b>3,109,161</b>
Net asset value per share (Rs.)	<b>45.96</b>	<b>37.31</b>	<b>46.81</b>	<b>38.10</b>

The above figures are provisional and subject to audit.

I certify that the financial statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

Signed

**A. I. Piyadigama**  
**Chief Financial Officer**

Signed on behalf of the Board of Directors :

Signed

**W.T. Ellawala - Chairman/Chief Executive Officer**  
15<sup>th</sup> May 2012

Signed

**A.M. de S. Jayaratne - Director**



**C.W. MACKIE PLC**  
and its subsidiary companies  
**CASH FLOW STATEMENT**

	Company		Group	
	2012	2011	2012	2011
(Rs.'000)				
<b>For the 12 months ended 31<sup>st</sup> March</b>				
<b>Cash flows from operating activities</b>				
Net profit before taxation	358,671	245,247	500,405	274,971
Adjustments for :				
Depreciation	38,590	35,584	79,978	63,577
Profit on disposal of property, plant and equipment	(7,233)	(4,270)	(21,946)	(7,684)
Profit on disposal of long term investments	(2,830)	-	(2,830)	-
Provision for Gratuity	7,482	2,969	11,956	4,686
Net financing costs	48,947	30,451	100,088	78,318
Operating profit before working capital changes	443,627	309,981	667,651	413,868
Increase/(decrease) in working capital requirements				
Trade and other accounts receivable	(409,703)	(581,616)	(204,189)	(620,994)
Inventories	(36,294)	(212,525)	27,417	(363,113)
Accounts payable	386,910	114,200	30,686	235,841
Cash generated from operations	384,540	(369,960)	521,564	(334,399)
Interest paid	(88,400)	(35,830)	(84,758)	(71,810)
Gratuity fund	(6,340)	(3,400)	(12,441)	(3,850)
Income tax paid	(75,181)	(37,473)	(83,618)	(42,887)
<b>Net cash flows from operating activities</b>	<b>214,619</b>	<b>(446,663)</b>	<b>340,748</b>	<b>(452,946)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(13,393)	(15,024)	(56,855)	(27,439)
Proceeds from sale of property, plant and equipment	8,000	4,301	35,918	7,746
Proceeds from disposal of long term investments	2,905	-	2,905	-
Interest received	41,403	17,615	673	423
Dividends received	52	184	52	184
<b>Net cash flows from investing activities</b>	<b>38,967</b>	<b>7,076</b>	<b>(17,307)</b>	<b>(19,086)</b>
<b>Cash flows from financing activities</b>				
Short term borrowings/(repayments)	(59,628)	439,368	(69,628)	506,939
Long term borrowings/(repayments)	(31,549)	(23,961)	(86,869)	(70,526)
Dividend paid	(71,977)	(35,989)	(71,977)	(35,989)
<b>Net cash flow from financing activities</b>	<b>(163,154)</b>	<b>379,418</b>	<b>(228,474)</b>	<b>400,424</b>
<b>Net changes in cash and cash equivalents</b>	<b>90,432</b>	<b>(60,169)</b>	<b>94,966</b>	<b>(71,606)</b>
Cash and cash equivalents at beginning of period	(79,871)	(19,702)	(95,614)	(24,007)
<b>Cash and cash equivalents at end of period</b>	<b>10,562</b>	<b>(79,871)</b>	<b>(648)</b>	<b>(95,613)</b>
<b>Analysis of the balance cash and cash equivalents at the end of the period:</b>				
Cash in hand and at bank	43,987	160	48,084	1,623
Bank overdraft	(33,425)	(80,031)	(48,732)	(97,236)
	<b>10,562</b>	<b>(79,871)</b>	<b>(648)</b>	<b>(95,613)</b>



**C.W. MACKIE PLC**  
and its subsidiary companies  
**STATEMENT OF CHANGES IN EQUITY**

**For the 12 months ended 31<sup>st</sup> March 2012**

(Rs.'000)

	Company					
	Stated Capital	Capital Reserves	General Reserve	Income Statements	Minority Interests	Total
Balance as at 1 <sup>st</sup> January 2010	507,047	492,401	7,000	(29,684)	-	976,764
Change in fair value of Investment in subsidiaries	-	137,892	-	-	-	137,892
Transfer from revaluation reserve to net earnings	-	(15,513)	-	15,513	-	-
Revaluation surplus	-	44,984	-	-	-	44,984
Deferred tax effect on current year revaluation	-	(4,193)	-	-	-	(4,193)
Net profit for the 15 months	-	-	-	223,402	-	223,402
Dividend paid (2009/10)	-	-	-	(35,989)	-	(35,989)
<b>Balance as at 31<sup>st</sup> March 2011</b>	<b>507,047</b>	<b>655,571</b>	<b>7,000</b>	<b>173,242</b>	<b>-</b>	<b>1,342,860</b>
Change in fair value of Investment in subsidiaries	-	118,444	-	-	-	118,444
Transfer from revaluation reserve to net earnings	-	(15,513)	-	15,513	-	-
Net profit for the 12 months	-	-	-	264,657	-	264,657
Dividend paid (2010/11)	-	-	-	(71,978)	-	(71,978)
<b>Balance as at 31<sup>st</sup> March 2012</b>	<b>507,047</b>	<b>758,502</b>	<b>7,000</b>	<b>381,434</b>	<b>-</b>	<b>1,653,982</b>

	Group					
	Stated Capital	Capital Reserves	General Reserve	Income Statements	Minority Interests	Total
Balance as at 1 <sup>st</sup> January 2010	507,047	444,359	7,000	17,598	25,953	1,001,957
Transfer from revaluation reserve to net earnings	-	(15,513)	-	15,513	-	-
Deferred tax effect on current year revaluation	-	(10,220)	-	-	-	(10,220)
Revaluation surplus	-	159,203	-	-	-	159,203
Net profit for the 15 months	-	-	-	254,617	1,592	256,209
Dividend paid (2009/10)	-	-	-	(35,989)	-	(35,989)
<b>Balance as at 31<sup>st</sup> March 2011</b>	<b>507,047</b>	<b>577,829</b>	<b>7,000</b>	<b>251,739</b>	<b>27,545</b>	<b>1,371,160</b>
Net profit for the 12 months	-	-	-	383,100	2,233	385,333
Transfer from revaluation reserve to net earnings	-	(15,513)	-	15,513	-	-
Dividend paid (2010/11)	-	-	-	(71,978)	-	(71,978)
<b>Balance as at 31<sup>st</sup> March 2012</b>	<b>507,047</b>	<b>562,317</b>	<b>7,000</b>	<b>578,374</b>	<b>29,778</b>	<b>1,684,515</b>

**For the 12 months ended 31<sup>st</sup> March 2011**

(Rs.'000)

	Company					
	Stated Capital	Capital Reserves	General Reserve	Income Statements	Minority Interests	Total
Balance as at 1 <sup>st</sup> January 2009	507,047	467,385	7,000	(84,528)	-	896,904
Change in fair value of Investment in subsidiaries	-	58,775	-	-	-	58,775
Transfer from revaluation reserve to net earnings	-	(14,449)	-	14,449	-	-
Net profit for the period	-	-	-	120,458	-	120,458
Dividend paid	-	-	-	(26,991)	-	(26,991)
<b>Balance as at 31<sup>st</sup> March 2010</b>	<b>507,047</b>	<b>511,711</b>	<b>7,000</b>	<b>23,388</b>	<b>-</b>	<b>1,049,146</b>
Change in fair value of Investment in subsidiaries	-	118,582	-	-	-	118,582
Revaluation surplus	-	44,984	-	-	-	44,984
Deferred Tax	-	(4,193)	-	-	-	(4,193)
Transfer from revaluation reserve to net earnings	-	(15,513)	-	15,513	-	-
Net profit for the 12 months	-	-	-	170,330	-	170,330
Dividend paid	-	-	-	(35,989)	-	(35,989)
<b>Balance as at 31<sup>st</sup> March 2011</b>	<b>507,047</b>	<b>655,571</b>	<b>7,000</b>	<b>173,242</b>	<b>-</b>	<b>1,342,860</b>

	Group					
	Stated Capital	Capital Reserves	General Reserve	Income Statements	Minority Interests	Total
Balance as at 1 <sup>st</sup> January 2009	507,047	458,808	7,000	(76,713)	14,133	910,275
Transfer from revaluation reserve to retained earnings	-	(14,449)	-	14,449	-	-
Net profit for the period	-	-	-	164,732	14,816	179,548
Dividend paid	-	-	-	(26,991)	-	(26,991)
<b>Balance as at 31<sup>st</sup> March 2010</b>	<b>507,047</b>	<b>444,359</b>	<b>7,000</b>	<b>75,477</b>	<b>28,949</b>	<b>1,062,832</b>
Revaluation surplus	-	159,203	-	-	-	159,203
Deferred Tax	-	(10,220)	-	-	-	(10,220)
Transfer from revaluation reserve to retained earnings	-	(15,513)	-	15,513	-	-
Net profit for the 12 months	-	-	-	196,738	(1,404)	195,334
Dividend paid	-	-	-	(35,989)	-	(35,989)
<b>Balance as at 31<sup>st</sup> March 2011</b>	<b>507,047</b>	<b>577,829</b>	<b>7,000</b>	<b>251,739</b>	<b>27,545</b>	<b>1,371,160</b>

**C. W. MACKIE PLC**  
**and its subsidiary companies**

**1 Segmental Information – Group**

For the twelve months ended 31 <sup>st</sup> March	Revenue		(Rs.'000)	
			Segmental Profit	
	2012	2011	2012	2011
Export trading	2,760,199	1,670,466	122,698	93,062
Domestic trading	6,158,168	5,352,288	762,086	596,433
Manufacture for export	784,718	552,622	181,731	112,011
	<b><u>9,703,085</u></b>	<b><u>7,575,376</u></b>	<b><u>1,066,515</u></b>	<b><u>801,506</u></b>
Other operating income			50,880	27,690
Operating overheads			(538,976)	(496,067)
Finance cost			(78,014)	(58,158)
Income tax			(115,072)	(78,233)
<b>Net profit for the period</b>			<b><u>385,333</u></b>	<b><u>196,738</u></b>

2

The Company and its subsidiaries follow the same accounting policies as in the Annual Report for the 15 month financial period. The financial statements referred to are based on historical cost convention modified for revaluation of land and buildings.

3 There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the 15 month financial period ended 31<sup>st</sup> March 2011.

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.

4 The Profit and Loss Accounts for the twelve months ended 31<sup>st</sup> March 2012 and the Balance Sheets as at 31<sup>st</sup> March 2012 have been drawn up from unaudited accounts of the Company and its subsidiary companies and prepared in accordance with Sri Lanka Accounting Standards (SLAS 35). These provide the information required by the Listing Rules of the Colombo Stock Exchange.

5 Subsequent to the date of the balance sheet no circumstances have arisen that would require adjustment or disclosure in the financial statements.

6 Interim Dividend :

An Interim Dividend of Rs. 1/- per share amounting to Rs. 35,988,556/- for the financial year ended 31<sup>st</sup> March 2012 authorised for distribution by the Directors, was paid to the Shareholders of the company on 17<sup>th</sup> November 2011.

**7 Additional Notes :**

(a) **Twenty Largest Shareholders as at 31<sup>st</sup> March 2012**

Name of Shareholder	No. of Ordinary Shares (Voting)	%
1 Lankem Ceylon PLC	12,266,218	34.08
2 Seylan Bank PLC/Dr. T. Senthilverl	10,765,575	29.91
3 Kotagala Plantations PLC	7,157,857	19.89
4 Pan Asia Banking Corporation PLC/Lankem Ceylon PLC	1,927,235	5.36
5 Mr.H.N. De Silva	175,000	0.49
6 Mr. A. Periyasaami Pillai	160,200	0.45
7 Navara Capital Limited	155,100	0.43
8 Mr. M.A. Lukmanjee	155,000	0.43
9 Mr. T.L.M. Imtiaz	143,999	0.40
10 Nuwara Eliya Property Developers (Pvt.) Ltd.	138,900	0.39
11 Mr. M.M. Fuad	135,100	0.38
12 Mr. M. Radhakrishnan	130,000	0.36
13 Mr. M.M. Mohamed Makeen	98,899	0.27
14 Mr. M.M.M. Mizver	95,500	0.27
15 Sir F.I. Rahimtoola	90,000	0.25
16 Employees Provident Fund	89,700	0.25
17 Amana Bank Limited	72,200	0.20
18 Mr. C.R.D. Fernando	65,558	0.18
19 Mr. Z.G. Carimjee	57,000	0.16
20 Mr. R.A. Rishard	54,100	0.15

(b) Percentage of public holding as at 31<sup>st</sup> March 2012 is 10.76%

**C. W. MACKIE PLC**  
and its subsidiary companies

(c) **Directors' Holding in Shares**

Name of Director	No. of Shares	
	As at 31 <sup>st</sup> Mar. 2012	As at 31 <sup>st</sup> Mar. 2011
W.T. Ellawala (Chairman/CEO)	500	500
Ms. C.R. Ranasinghe	100	100
A.M. de S. Jayaratne	Nil	Nil
R. C. Peries	Nil	Nil
S. D. R. Arudpragasam	Nil	Nil
Anushman Rajaratnam	Nil	Nil
Dr. T. Senthilverl	10,765,575	10,204,075
H. D. S. Amarasuriya	Nil	Nil
K.T.A.Mangala Perera	Nil	N/A

(d) **Share Price**

	3 months to 31 <sup>st</sup> Mar. 2012 Rs.	3 months to 31 <sup>st</sup> Mar. 2011 Rs.	12 months to 31 <sup>st</sup> Mar. 2012 Rs.	12 months to 31 <sup>st</sup> Mar. 2011 Rs.
Highest Price	95.00	124.90	95.00	124.90
Lowest Price	68.50	78.00	68.50	78.00
Last Traded Price	74.70	87.10	74.70	87.10

(e) **Stated Capital of the Company represents 35,988,556 ordinary shares.**

Signed  
**W. T. Ellawala**  
Chairman/Chief Executive Officer

Signed  
**C. R. Ranasinghe**  
Director/Company Secretary

Colombo, 15<sup>th</sup> May 2012

**REGISTERED OFFICE**

36, D. R. Wijewardena Mawatha, Colombo 10.  
Telephone : 2423554 - 63 Fax: 2440228  
E-mail : info@cwmackie.com  
website : www.cwmackie.com

**DIRECTORS**

W. T. Ellawala, Ms. C. R. Ranasinghe, A.M. de S. Jayaratne  
R. C. Peries, Anushman Rajaratnam, S. D. R. Arudpragasam  
Dr. T. Senthilverl, H. D. S. Amarasuriya, K.T.A.Mangala Perera (w.e from 02.04.2012)