

C. W. MACKIE PLC



**INTERIM REPORT
THREE MONTHS ENDED 30TH JUNE 2013**

8th August 2013



C. W. Mackie PLC
Statement of Comprehensive Income

Group

For the

Three months ended 30th June

	2013 Rs. 000's (Unaudited)	2012 Rs. 000's (Unaudited)	Variance %
Revenue	1,463,031	2,013,493	-27.34
Cost of sales	(1,268,921)	<u>(1,767,097)</u>	-28.19
Gross profit	194,110	246,396	-21.22
Other operating income	24,489	20,367	20.24
Distribution expenses	(75,530)	(86,720)	-12.90
Administrative expenses	(73,011)	<u>(63,111)</u>	15.69
Results from operating activities	70,058	116,932	-40.09
Finance income	137	16,249	-99.16
Finance costs	(17,022)	(27,823)	-38.82
Net financing costs	(16,885)	<u>(11,574)</u>	45.89
Profit before taxation	53,173	105,358	-49.53
Tax expense	(13,700)	<u>(14,000)</u>	-2.14
Profit for the period	39,473	<u>91,358</u>	-56.79
Other comprehensive income, net of income tax			
Fair value gain/(loss) on available-for-sale investments	65	(30)	316.67
Other comprehensive income for the period, net of tax	65	<u>(30)</u>	316.67
Total comprehensive income for the period	39,538	<u>91,328</u>	-56.71
Profit attributable to:			
Equity holders of the parent company	38,976	87,805	-55.61
Non-controlling interests	497	3,553	-86.01
Profit for the period	39,473	<u>91,358</u>	-56.79
Total comprehensive income attributable to:			
Equity holders of the parent company	39,041	87,775	-55.52
Non-controlling interests	497	3,553	-86.01
Total comprehensive income for the period	39,538	<u>91,328</u>	-56.71
Basic earnings per share (Rupees)	1.10	<u>2.54</u>	
Dividend per share (Rupees)	3.00	<u>1.00</u>	

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Comprehensive Income

Company

For the

Three months ended 30th June

	2013 Rs. 000's (Unaudited)	2012 Rs. 000's (Unaudited)	Variance %
Revenue	1,262,131	1,666,538	-24.27
Cost of sales	(1,071,446)	<u>(1,443,674)</u>	-25.78
Gross profit	190,685	222,864	-14.44
Other operating income	19,777	28,121	-29.67
Distribution expenses	(79,825)	(86,983)	-8.23
Administrative expenses	(60,586)	<u>(51,690)</u>	17.21
Results from operating activities	70,051	112,312	-37.63
Finance income	3,718	31,747	-88.29
Finance costs	(13,656)	(34,962)	-60.94
Net financing costs	(9,938)	<u>(3,215)</u>	209.11
Profit before taxation	60,113	109,097	-44.90
Tax expense	(13,700)	<u>(13,000)</u>	5.38
Profit for the period	46,413	<u>96,097</u>	-51.70
Other comprehensive income, net of income tax			
Fair value gain/(loss) on available-for-sale investments	65	(30)	316.67
Other comprehensive income for the period, net of tax	65	<u>(30)</u>	316.67
Total comprehensive income for the period	46,478	<u>96,067</u>	-51.62
Profit attributable to:			
Equity holders of the parent company	46,413	96,097	
Profit for the period	46,413	<u>96,097</u>	-51.70
Total comprehensive income attributable to:			
Equity holders of the parent company	46,478	96,067	
Total comprehensive income for the period	46,478	<u>96,067</u>	-51.62
Basic earnings per share (Rupees)	1.29	<u>2.67</u>	
Dividend per share (Rupees)	3.00	<u>1.00</u>	

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Financial Position

As at	Group		Company	
	30 th June 2013 Rs.000's (Unaudited)	31 st March 2013 Rs.000's (Audited)	30 th June 2013 Rs.000's (Unaudited)	31 st March 2013 Rs.000's (Audited)
Assets				
Non-current assets				
Property, plant and equipment	780,282	790,406	316,982	318,298
Investments property	51,650	52,856	51,650	52,856
Investments in subsidiaries	-	-	485,282	485,282
Available-for-sale investments	1,257	1,192	1,257	1,192
Deferred tax asset	7,774	7,774	-	-
Total non-current assets	840,963	852,228	855,171	857,628
Current assets				
Inventories	524,868	536,652	445,778	472,761
Trade and other receivables	821,748	1,316,012	701,356	1,121,986
Related party receivables	25,625	25,505	76,809	99,633
Other current assets	117,603	153,968	67,436	113,980
Cash and cash equivalents	37,092	70,106	33,275	57,929
Total current assets	1,526,936	2,102,243	1,324,654	1,866,289
Total assets	2,367,899	2,954,471	2,179,825	2,723,917
Equity and liabilities				
Equity				
Stated capital	507,047	507,047	507,047	507,047
Capital reserves	8,734	8,734	14,909	14,909
Revenue reserves	1,075,993	1,144,950	1,078,441	1,139,994
Available-for-sale reserve	1,180	1,115	1,180	1,115
Equity attributable to equity holders of the Company	1,592,954	1,661,846	1,601,577	1,663,065
Non-controlling interests	30,314	29,849	-	-
Total equity	1,623,268	1,691,695	1,601,577	1,663,065
Liabilities				
Non-current liabilities				
Lease payable after one year	54,027	76,290	3,193	5,512
Employee benefit obligation	39,053	39,236	22,038	22,483
Deferred tax liability	43,567	43,567	35,210	35,210
Total non-current liabilities	136,647	159,093	60,441	63,205
Current liabilities				
Lease payable within one year	56,764	37,304	4,526	2,845
Interest bearing short term borrowings	94,147	521,197	66,143	449,789
Income tax payable	33,407	48,797	31,177	46,976
Trade and other payables	193,427	277,369	172,032	267,353
Related party payables	8,106	9,722	39,740	59,109
Other current liabilities	86,685	93,118	75,333	81,028
Dividend payable	107,966	-	107,966	-
Bank overdrafts	27,482	116,176	20,890	90,547
Total current liabilities	607,984	1,103,683	517,807	997,647
Total Liabilities	744,631	1,262,776	578,248	1,060,852
Total equity and liabilities	2,367,899	2,954,471	2,179,825	2,723,917
Net asset value per share (Rs.)	45.11	47.01	44.50	46.21

Note : The above figures are 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

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

Signed

W.T. Ellawala

Director

8th August 2013

Signed

A. M. de S. Jayaratne

Director



C. W. Mackie PLC
Statement of Changes in Equity - Group

For the period ended 30th June 2013

Attributable to equity holders of the parent company

	Stated capital Rs.000's	Capital reserves Rs.000's	Available for sale reserve Rs.000's	General reserve Rs.000's	Retained earnings Rs.000's	Total Rs.000's	Non-controlling interests Rs.000's	Total equity Rs.000's
Balance as at 1st April 2012	507,047	8,734	1,014	7,000	1,011,527	1,535,322	28,397	1,563,719
<u>Total comprehensive income for the period</u>								
Net profit for the period	-	-	-	-	87,805	87,805	3,553	91,358
Other comprehensive income, net of tax	-	-	(30)	-	-	(30)	-	(30)
Total comprehensive income for the period	-	-	(30)	-	87,805	87,775	3,553	91,328
<u>Contributions by and distributions to equity holders</u>								
Final dividend 2011/12	-	-	-	-	(35,989)	(35,989)	-	(35,989)
Subsidiary dividend to non-controlling interests	-	-	-	-	-	-	(110)	(110)
Total distributions to equity holders	-	-	-	-	(35,989)	(35,989)	(110)	(36,099)
Balance as at 30th June 2012	507,047	8,734	984	7,000	1,063,343	1,587,108	31,840	1,618,948
Balance as at 1st April 2012	507,047	8,734	1,115	7,000	1,137,983	1,661,879	29,817	1,691,696
<u>Total comprehensive income for the period</u>								
Net profit for the period	-	-	-	-	38,976	38,976	497	39,473
Other comprehensive income, net of tax	-	-	65	-	-	65	-	65
Total comprehensive income for the period	-	-	65	-	38,976	39,041	497	39,538
<u>Contributions by and distributions to equity holders</u>								
First and final dividend 2012/13	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Balance as at 30th June 2013	507,047	8,734	1,180	7,000	1,068,993	1,592,954	30,314	1,623,268

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Changes in Equity - Company

For the period ended 30th June 2013

	Stated capital Rs.000's	Capital reserves Rs.000's	Available for sale reserve Rs.000's	General reserve Rs.000's	Retained earnings Rs.000's	Total equity Rs.000's
Balance as at 1st April 2012	507,047	14,909	1,014	7,000	957,864	1,487,834
<u>Total comprehensive income for the period</u>						
Net profit for the period	-	-	-	-	96,097	96,097
Other comprehensive income, net of tax	-	-	(30)	-	-	(30)
Total comprehensive income for the period	-	-	(30)	-	96,097	96,067
<u>Contributions by and distributions to equity holders</u>						
Final dividend 2011/12	-	-	-	-	(35,989)	(35,989)
Total distributions to equity holders	-	-	-	-	(35,989)	(35,989)
Balance as at 30th June 2012	507,047	14,909	984	7,000	1,017,972	1,547,912
Balance as at 1st April 2013	507,047	14,909	1,115	7,000	1,132,994	1,663,065
<u>Total comprehensive income for the period</u>						
Net profit for the period	-	-	-	-	46,413	46,413
Other comprehensive income, net of tax	-	-	65	-	-	65
Total comprehensive income for the period	-	-	65	-	46,413	46,478
<u>Contributions by and distributions to equity holders</u>						
First and final dividend 2012/13	-	-	-	-	(107,966)	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)
Balance as at 30th June 2013	507,047	14,909	1,180	7,000	1,071,441	1,601,577

Figures in brackets indicate deductions.



C. W. Mackie PLC
Cash Flow Statement

	Group		Company	
<i>For the period ended 30th June</i>	2013 Rs. 000's	2012 Rs. 000's	2013 Rs. 000's	2012 Rs. 000's
Cash flows from operating activities				
Profit before taxation	53,173	105,358	60,113	109,097
<i>Adjustments for :</i>				
Depreciation	20,831	15,037	7,681	9,171
Profit on disposal of property, plant and equipment	(4,823)	(3,164)	(113)	(131)
Provision for retirement benefit	463	1,620	338	1,245
Finance income	(137)	(124)	(3,718)	(17,858)
Finance costs	16,111	27,823	13,281	34,962
Dividend received from subsidiaries	-	-	-	(8,502)
Operating profit before working capital changes	85,618	146,550	77,582	127,984
Changes in working capital				
Change in inventories	11,784	(21,955)	26,983	18,781
Change in trade and other receivables	494,264	366,083	420,630	254,757
Change in related party receivables	(120)	(25,303)	22,824	(20,248)
Change in other current assets	36,365	148,208	46,544	154,127
Change in trade and other payables	(83,942)	(98,716)	(95,321)	(90,840)
Change in related party payables	(1,616)	12,744	(19,369)	(4,112)
Change in other current liabilities	(6,433)	(26,189)	(5,695)	(25,191)
Cash generated from operations	535,920	501,422	474,178	415,258
Interest paid	(12,078)	(23,630)	(12,996)	(34,098)
Payments to gratuity fund	(1,805)	-	(1,691)	-
Income tax/ESC paid	(29,090)	(19,719)	(29,499)	(18,344)
Net cash flows from operating activities	492,947	458,073	429,992	362,816
Cash flows from/(used in) investing activities				
Purchase of property, plant and equipment	(4,693)	(14,808)	(4,693)	(8,611)
Proceeds from disposal of property, plant and equipment	6,685	3,189	656	156
Dividend received	-	-	-	8,502
Net cash flows from/(used in) investing activities	1,992	(11,619)	(4,037)	47
Cash flows used in financing activities				
Repayment of short term borrowings	(427,050)	(445,020)	(383,646)	(380,020)
Lease rental paid	(12,346)	(8,176)	(1,024)	(1,705)
Interest received	137	125	3,718	17,858
Net cash flows used in financing activities	(439,259)	(453,071)	(380,952)	(363,867)
Net changes in cash and cash equivalents	55,680	(6,617)	45,003	(1,004)
Cash and cash equivalents at beginning of the period	(46,070)	(648)	(32,618)	10,562
Cash and cash equivalents at the end of the period (Note A)	9,610	(7,265)	12,385	9,558
Note A				
Cash and cash equivalents	37,092	27,565	33,275	25,986
Bank overdrafts	(27,482)	(34,830)	(20,890)	(16,428)
	9,610	(7,265)	12,385	9,558

Figures in brackets indicate deductions.



C. W. Mackie PLC
Notes to the Interim Financial Statements

1. Segmental Information – Group

For the period ended 30th June	Revenue		Segmental Profit	
	2013 Rs.000's	2012 Rs.000's	2013 Rs.000's	2012 Rs.000's
Commodity trading	366,077	613,358	24,670	53,235
Rubber based products manufacturing	201,254	355,408	20,880	55,052
Industrial products	102,872	91,464	30,395	29,116
Consumer goods	792,141	952,576	128,361	119,149
Other	687	687	(10,196)	(10,157)
	1,463,031	2,013,493	194,110	246,396
Other operating income			24,489	20,367
Operating overheads			(148,541)	(149,831)
Finance income			137	16,249
Finance costs			(17,022)	(27,823)
Tax expense			(13,700)	(14,000)
Profit for the period			39,473	91,358

2. Basis of Preparation

The interim financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting and provide the information required by the Listing Rules of the Colombo Stock Exchange.

The Company and its subsidiaries follow the same accounting policies as in the Annual Report for the year ended 31st March 2013.

The presentation and classification of the interim financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

3. Contingent Liabilities and Capital Commitments

There has not been a significant change neither in the nature of the contingent liabilities nor in the capital commitments, which were disclosed in the Annual Report for the year ended 31st March 2013.

4. Events After the Reporting Date

Subsequent to the date of the reporting, no circumstances have arisen that would require adjustment to or disclosure in the interim financial statements.

5. Dividend

First and final dividend of Rs.3/- per share amounting to Rs.107,965,668/- for the financial year ended 31st March 2013 authorised for distribution by the Directors was approved by the shareholders of the Company at the Annual General Meeting held on 27th June 2013 and was paid to the Shareholders on 7th July 2013. This dividend has been recognised as a liability as at 30th June 2013.

6. Share Information

6.1 Twenty Largest Shareholders as at 30th June 2013

	Name of Shareholder	No. of Ordinary Shares (Voting)	%
1	Lankem Ceylon PLC	12,267,526	34.09
2	Seylan Bank PLC/Dr. T. Senthilvel	10,765,575	29.91
3	Kotagala Plantations PLC	7,157,857	19.89
4	Pan Asia Banking Corporation PLC/Lankem Ceylon PLC	1,779,285	4.94
5	Amana Bank Limited	740,268	2.06
6	Mr. P. Anandarajah	160,200	0.45
7	Mr. M. A. Lukmanjee	155,000	0.43
8	Navara Capital Limited	146,100	0.41
9	Nuwara Eliya Property Developers (Pvt.) Ltd.	138,900	0.39
10	Mr. T. L. M. Imtiaz	135,901	0.38
11	Mr. M. Radhakrishnan (Deceased)	130,000	0.36
12	Mr. H. N. de Silva	125,000	0.35
13	Employees Provident Fund	114,740	0.32
14	Sir F. I. Rahimtoola	90,000	0.25
15	Mr. M. M. M. Mizver	85,571	0.24
16	Mr. C. R. D. Fernando	65,558	0.18
17	Mr. Z. G. Carimjee	57,000	0.16
18	Mr. R. A. Rishard	54,100	0.15
19	Andaradeniya Estate Private Limited	50,000	0.14
20	Pan Asia Banking Corporation PLC/Nuwara Eliya Property Developers (Pvt.) Ltd.	49,200	0.14

6.2 Percentage of public holding as at 30th June 2013 is 11.17%



C. W. Mackie PLC
Notes to the Interim Financial Statements (Contd.)

6. Share Information (Contd.)

6.3 Directors' Holding in Shares

Name of Director	No. of Shares As at 30 th June 2013	No. of Shares As at 30 th June 2012
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
Anushman Rajaratnam	Nil	Nil
S. D. R. Arudpragasam	Nil	Nil
Dr. T. Senthilverl	10,765,575	10,765,575
H. D. S. Amarasuriya	Nil	Nil
K. T. A. Mangala Perera	Nil	N/A
Alagarajah Rajaratnam	Nil	N/A

6.4 Share Price

	3 months to 30 th June 2013 Rs.	3 months to 30 th June 2012 Rs.
Highest Price	78.00	77.90
Lowest Price	52.60	51.70
Last Traded Price	72.90	60.00

6.5 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, 8th August 2013

REGISTERED OFFICE

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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, Alagarajah Rajaratnam