

C. W. MACKIE PLC



**INTERIM REPORT
THREE MONTHS ENDED 30TH JUNE 2014**

4th August 2014



C. W. Mackie PLC
Statement of Comprehensive Income

Group

For the

Three months ended 30th June

	2014 Rs. 000's (Unaudited)	2013 Rs. 000's (Unaudited)	Variance %
Revenue	1,880,067	1,463,031	28.50
Cost of sales	(1,653,421)	<u>(1,268,921)</u>	30.30
Gross profit	226,646	194,110	16.76
Other operating income	22,268	24,489	-9.07
Distribution expenses	(100,037)	(75,530)	32.45
Administrative expenses	(91,224)	<u>(73,011)</u>	24.95
Results from operating activities	57,653	70,058	-17.71
Finance income	383	137	179.56
Finance costs	(19,264)	(17,022)	13.17
Net financing costs	(18,881)	<u>(16,885)</u>	11.82
Profit before taxation	38,772	53,173	-27.08
Income tax expense	(11,000)	<u>(13,700)</u>	-19.71
Profit for the period	27,772	<u>39,473</u>	-29.64
Other comprehensive income, net of income tax			
Fair value gain on available-for-sale investments	18	65	-72.31
Other comprehensive income for the period, net of tax	18	<u>65</u>	-72.31
Total comprehensive income for the period	27,790	<u><u>39,538</u></u>	-29.71
Profit attributable to:			
Equity holders of the parent company	29,906	38,976	-23.27
Non-controlling interests	(2,134)	497	-529.38
Profit for the period	27,772	<u><u>39,473</u></u>	-29.64
Total comprehensive income attributable to:			
Equity holders of the parent company	29,924	39,041	-23.35
Non-controlling interests	(2,134)	497	-529.38
Total comprehensive income for the period	27,790	<u><u>39,538</u></u>	-29.71
Basic earnings per share (Rupees)	0.83	<u>1.08</u>	
Dividend per share (Rupees)	3.00	<u>3.00</u>	

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Comprehensive Income

Company

For the

Three months ended 30th June

	2014 Rs. 000's (Unaudited)	2013 Rs. 000's (Unaudited)	Variance %
Revenue	1,681,445	1,262,131	33.22
Cost of sales	(1,460,504)	<u>(1,071,446)</u>	36.31
Gross profit	220,941	190,685	15.87
Other operating income	22,574	19,777	14.14
Distribution expenses	(95,960)	(79,825)	20.21
Administrative expenses	(74,210)	<u>(60,586)</u>	22.49
Results from operating activities	73,345	70,051	4.70
Finance income	370	3,718	-90.05
Finance costs	(14,885)	(13,656)	9.00
Net financing costs	(14,515)	<u>(9,938)</u>	46.06
Profit before taxation	58,830	60,113	-2.13
Tax expense	(11,000)	<u>(13,700)</u>	-19.71
Profit for the period	47,830	<u>46,413</u>	3.05
Other comprehensive income, net of income tax			
Fair value gain on available-for-sale investments	18	65	-72.31
Other comprehensive income for the period, net of tax	18	<u>65</u>	-72.31
Total comprehensive income for the period	47,848	<u>46,478</u>	2.95
Profit attributable to:			
Equity holders of the parent company	47,830	46,413	
Profit for the period	47,830	<u>46,413</u>	3.05
Total comprehensive income attributable to:			
Equity holders of the parent company	47,848	46,478	
Total comprehensive income for the period	47,848	<u>46,478</u>	2.95
Basic earnings per share (Rupees)	1.33	<u>1.29</u>	
Dividend per share (Rupees)	3.00	<u>3.00</u>	

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Financial Position

As at	Group		Company	
	30 th June 2014 Rs.000's (Unaudited)	31 st March 2014 Rs.000's (Audited)	30 th June 2014 Rs.000's (Unaudited)	31 st March 2014 Rs.000's (Audited)
Assets				
Non-current assets				
Property, plant and equipment	815,723	832,173	310,304	314,644
Investments property	46,807	48,050	46,807	48,050
Investments in subsidiaries	-	-	612,156	612,156
Available-for-sale investments	1,189	1,171	1,189	1,171
Deferred tax asset	4,885	4,885	-	-
Total non-current assets	868,604	886,279	970,456	976,021
Current assets				
Inventories	563,162	656,934	436,355	537,985
Trade and other receivables	1,294,496	1,787,354	1,061,736	1,462,421
Related party receivables	546	398	64,575	116,727
Held to maturity investments	3,010	3,010	-	-
Cash and cash equivalents	62,043	66,542	32,335	36,659
Total current assets	1,923,257	2,514,238	1,595,001	2,153,792
Total assets	2,791,861	3,400,517	2,565,457	3,129,813
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	1,169,491	1,247,551	1,190,134	1,250,270
Available-for-sale reserve	1,112	1,094	1,112	1,094
Equity attributable to equity holders of the Company	1,686,384	1,764,426	1,713,202	1,773,320
Non-controlling interests	44,056	46,190	-	-
Total equity	1,730,440	1,810,616	1,713,202	1,773,320
Liabilities				
Non-current liabilities				
Lease payable after one year	31,552	60,506	3,607	3,301
Employee benefit obligation	46,408	45,877	22,349	21,604
Deferred tax liability	44,162	44,162	37,396	37,396
Total non-current liabilities	122,122	150,545	63,352	62,301
Current liabilities				
Lease payable within one year	44,289	31,316	1,249	2,208
Interest bearing short term borrowings	324,303	780,240	234,293	691,240
Income tax payable	24,485	43,905	23,449	42,714
Trade and other payables	341,647	468,487	292,717	405,430
Related party payables	9,910	1,978	79,833	67,646
Dividend payable	107,966	-	107,966	-
Bank overdrafts	86,699	113,430	49,396	84,954
Total current liabilities	939,299	1,439,356	788,903	1,294,192
Total Liabilities	1,061,421	1,589,901	852,255	1,356,493
Total equity and liabilities	2,791,861	3,400,517	2,565,457	3,129,813
Net asset value per share (Rs.)	46.86	49.03	47.60	49.27

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

Signed
A. M. de S. Jayaratne
Director

4th August 2014



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

For the period ended 30th June 2014

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 2013	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
Balance as at 1st April 2014	507,047	8,734	1,094	7,000	1,240,551	1,764,426	46,190	1,810,616
<u>Total comprehensive income for the period</u>								
Net profit for the period	-	-	-	-	29,906	29,906	(2,134)	27,772
Other comprehensive income, net of tax	-	-	18	-	-	18	-	18
Total comprehensive income for the period	-	-	18	-	29,906	29,924	(2,134)	27,790
<u>Contributions by and distributions to equity holders</u>								
First and final dividend 2013/14	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Balance as at 30th June 2014	507,047	8,734	1,112	7,000	1,162,491	1,686,384	44,056	1,730,440

Figures in brackets indicate deductions.



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

For the period ended 30th June 2014

	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 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
Balance as at 1st April 2014	507,047	14,909	1,094	7,000	1,243,270	1,773,320
<u>Total comprehensive income for the period</u>						
Net profit for the period	-	-	-	-	47,830	47,830
Other comprehensive income, net of tax	-	-	18	-	-	18
Total comprehensive income for the period	-	-	18	-	47,830	47,848
<u>Contributions by and distributions to equity holders</u>						
First and final dividend 2013/14	-	-	-	-	(107,966)	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)
Balance as at 30th June 2014	507,047	14,909	1,112	7,000	1,183,134	1,713,202

Figures in brackets indicate deductions.



C. W. Mackie PLC
Cash Flow Statement

	Group		Company	
<i>For the period ended 30th June</i>	2014 Rs. 000's	2013 Rs. 000's	2014 Rs. 000's	2013 Rs. 000's
Cash flows from operating activities				
Profit before taxation	38,772	53,173	58,830	60,113
<i>Adjustments for :</i>				
Depreciation	21,699	20,831	8,858	7,681
Profit on disposal of property, plant and equipment	(1,125)	(4,823)	-	(113)
Provision for retirement benefit	1,910	463	1,245	338
Finance income	(383)	(137)	(370)	(3,718)
Finance costs	18,825	16,111	14,717	13,281
Dividend received/ receivable from subsidiaries	-	-	(1,620)	-
Operating profit before working capital changes	79,698	85,618	81,660	77,582
Changes in working capital				
Change in inventories	93,772	11,784	101,630	26,983
Change in trade and other receivables	492,858	530,629	402,305	467,174
Change in related party receivables	(148)	(120)	52,152	22,824
Change in trade and other payables	(126,840)	(90,375)	(112,713)	(101,016)
Change in related party payables	7,932	(1,616)	12,187	(19,369)
Cash generated from operations	547,272	535,920	537,221	474,178
Interest paid	(15,534)	(12,078)	(14,520)	(12,996)
Payments to gratuity fund	(500)	(1,805)	(500)	(1,691)
Income tax/ESC paid	(30,420)	(29,090)	(30,265)	(29,499)
Net cash flows from operating activities	500,818	492,947	491,936	429,992
Cash flows from/(used in) investing activities				
Purchase of property, plant and equipment	(11,895)	(4,693)	(3,161)	(4,693)
Proceeds from disposal of property, plant and equipment	8,507	6,685	-	656
Net cash flows from/(used in) investing activities	(3,388)	1,992	(3,161)	(4,037)
Cash flows used in financing activities				
Repayment of short term borrowings	(455,937)	(427,050)	(456,947)	(383,646)
Lease rental paid	(19,644)	(12,346)	(964)	(1,024)
Interest received	383	137	370	3,718
Net cash flows used in financing activities	(475,198)	(439,259)	(457,541)	(380,952)
Net changes in cash and cash equivalents	22,232	55,680	31,234	45,003
Cash and cash equivalents at beginning of the period	(46,888)	(46,070)	(48,295)	(32,618)
Cash and cash equivalents at the end of the period (Note A)	(24,656)	9,610	(17,061)	12,385
Note A				
Cash and cash equivalents	62,043	37,092	32,335	33,275
Bank overdrafts	(86,699)	(27,482)	(49,396)	(20,890)
	(24,656)	9,610	(17,061)	12,385

Figures in brackets indicate deductions.



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

1. Segmental Information – Group

<i>For the period ended 30th June</i>	Revenue		Segmental Profit	
	2014 Rs.000's	2013 Rs.000's	2014 Rs.000's	2013 Rs.000's
Commodity trading	624,009	366,077	40,257	24,670
Rubber based products manufacturing	164,153	201,254	19,666	20,880
Industrial products	131,792	102,872	33,055	30,395
Consumer goods	959,426	792,141	142,163	128,361
Other	687	687	(8,495)	(10,196)
	1,880,067	1,463,031	226,646	194,110
Other operating income			22,268	24,489
Operating overheads			(191,261)	(148,541)
Finance income			383	137
Finance costs			(19,264)	(17,022)
Income tax expense			(11,000)	(13,700)
Profit for the period			27,772	39,473

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 2014.

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 2014.

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 2014 authorised for distribution by the Directors was approved by the shareholders of the Company at the Annual General Meeting held on 27th June 2014 and was paid to the Shareholders on 8th July 2014. This dividend has been recognised as a liability as at 30th June 2014.

6. Share Information

6.1 Twenty Largest Shareholders as at 30th June 2014

	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	715,565	1.99
6	Mr. P. Anandarajah	155,100	0.43
7	Mr. M. A. Lukmanjee	155,000	0.43
8	Navara Capital Limited	147,100	0.41
9	Mr. T. L. M. Imtiaz	142,384	0.40
10	Employees Provident Fund	139,740	0.39
11	Mr. M. Radhakrishnan (Deceased)	130,000	0.36
12	Mr. H. N. de Silva	125,000	0.35
13	Mr. R. A. Rishard	102,001	0.28
14	Sir F. I. Rahimtoola	90,000	0.25
15	Mr. M. M. M. Milfer	87,335	0.24
16	Mr. M. M. M. Mizver	76,426	0.21
17	Mr. Z. G. Carimjee	57,000	0.16
18	Andaradeniya Estate Private Limited	50,000	0.14
19	Mr. C. K. Sangakkara	43,663	0.12
20	Merchant Bank of Sri Lanka Ltd. A/c No.1	42,477	0.12



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

6. Share Information (Contd.)

6.2 Percentage of public holding as at 30th June 2014 is 11.17%

6.3 Directors' Holding in Shares

Name of Director	No. of Shares As at 30 th June 2014	No. of Shares As at 30 th June 2013
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 2014 Rs.	3 months to 30 th June 2013 Rs.
Highest Price	64.50	78.00
Lowest Price	55.70	52.60
Last Traded Price	60.00	72.90

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, 4th August 2014

REGISTERED OFFICE

36, D. R. Wijewardena Mawatha, Colombo 10.
Telephone : 2423554 - 62 Fax: 2440228
E-mail : info@cw Mackie.com
website : www.cw Mackie.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