

C. W. MACKIE PLC



**INTERIM REPORT
TWELVE MONTHS ENDED 31ST MARCH 2015**

13th May 2015



C. W. Mackie PLC
Statement of Comprehensive Income

Group

For the

Three months ended 31st March

Year ended 31st March

	2015 Rs. 000's (Unaudited)	2014 Rs. 000's (Unaudited)	Variance %	2015 Rs. 000's (Unaudited)	2014 Rs. 000's (Audited)	Variance %
Revenue	1,998,717	2,395,538	(16.57)	7,618,108	7,343,741	3.74
Cost of sales	(1,712,151)	(2,078,098)	(17.61)	(6,585,894)	(6,401,050)	2.89
Gross profit	286,566	317,440	(9.73)	1,032,214	942,691	9.50
Other operating income	30,531	24,911	22.56	98,060	95,704	2.46
Distribution expenses	(91,278)	(87,884)	3.86	(416,201)	(334,632)	24.38
Administrative expenses	(103,813)	(86,183)	20.46	(387,589)	(316,213)	22.57
Other expenses	-	(12,921)		-	(12,921)	
Results from operating activities	122,006	155,363	(21.47)	326,484	374,629	(12.85)
Finance income	919	130	606.92	2,139	523	308.99
Finance costs	(12,202)	(21,120)	(42.23)	(54,850)	(62,669)	(12.48)
Net financing costs	(11,283)	(20,990)	(46.25)	(52,711)	(62,146)	(15.18)
Profit before taxation	110,723	134,373	(17.60)	273,773	312,483	(12.39)
Income tax expense	(33,496)	(63,055)	(46.88)	(94,318)	(103,154)	(8.57)
Profit for the period	77,227	71,318	8.29	179,455	209,329	(14.27)
Other comprehensive income, net of income tax						
Defined benefit plan actuarial gains/(losses)	(8,791)	2,376		(8,791)	2,376	
Fair value gain/(loss) on available-for-sale investments	30	24		142	(21)	
Other comprehensive income for the period, net of tax	(8,761)	24		(8,649)	2,355	
Total comprehensive income for the period	68,466	71,342		170,806	211,684	
Profit attributable to:						
Equity holders of the parent company	73,368	73,119		183,599	208,316	
Non-controlling interests	3,859	(1,801)		(4,144)	1,013	
Profit for the period	77,227	71,318		179,455	209,329	
Total comprehensive income attributable to:						
Equity holders of the parent company	65,385	75,361		175,728	210,513	
Non-controlling interests	3,081	(1,801)		(4,922)	1,171	
Total comprehensive income for the period	68,466	71,342		170,806	211,684	
Basic earnings per share (Rupees)	2.04	2.03		5.10	5.79	
Dividend per share (Rupees)	-	-		3.00	3.00	

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Comprehensive Income

Company

For the

Three months ended 31st March

Year ended 31st March

	2015	2014	Variance	2015	2014	Variance
	Rs. 000's	Rs. 000's	%	Rs. 000's	Rs. 000's	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
Revenue	1,768,821	2,037,650	(13.19)	6,671,012	6,266,782	6.45
Cost of sales	(1,477,565)	(1,732,094)	(14.69)	(5,697,421)	(5,368,456)	6.13
Gross profit	291,256	305,556	(4.68)	973,591	898,326	8.38
Other operating income	26,515	23,179	14.39	112,352	90,685	23.89
Distribution expenses	(105,008)	(102,234)	2.71	(405,580)	(360,744)	12.43
Administrative expenses	(84,374)	(80,531)	4.77	(316,324)	(279,109)	13.33
Results from operating activities	128,389	145,970	(12.04)	364,039	349,158	4.26
Finance income	1,948	(655)	397.40	1,330	6,977	(80.94)
Finance costs	(4,609)	(13,533)	(65.94)	(37,228)	(43,784)	(14.97)
Net financing costs	(2,661)	(14,188)	(81.24)	(35,898)	(36,807)	(2.47)
Profit before taxation	125,728	131,782	-4.59	328,141	312,351	5.06
Income tax expense	(35,398)	(58,859)	-39.86	(91,406)	(96,859)	(5.63)
Profit for the period	90,330	72,923	23.87	236,735	215,492	9.86
Other comprehensive income, net of income tax						
Defined benefit plan actuarial gains/(losses)	(7,662)	2,750		(7,662)	2,750	
Fair value gain/(loss) on available-for-sale investments	30	24		142	(21)	
Other comprehensive income for the period, net of tax	(7,632)	2,774		(7,520)	2,729	
Total comprehensive income for the period	82,698	75,697		229,215	218,221	
Profit attributable to:						
Equity holders of the parent company	90,330	72,923		236,735	215,492	
Profit for the period	90,330	72,923		236,735	215,492	
Total comprehensive income attributable to:						
Equity holders of the parent company	82,698	75,697		229,215	218,221	
Total comprehensive income for the period	82,698	75,697		229,215	218,221	
Basic earnings per share (Rupees)	2.51	2.03		6.58	5.99	
Dividend per share (Rupees)	-	-		3.00	3.00	

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Financial Position

As at	Group		Company	
	31 st March 2015 Rs.000's (Unaudited)	31 st March 2014 Rs.000's (Audited)	31 st March 2015 Rs.000's (Unaudited)	31 st March 2014 Rs.000's (Audited)
Assets				
Non-current assets				
Property, plant and equipment	826,944	832,173	311,431	314,644
Investment property	43,206	48,050	43,206	48,050
Investments in subsidiaries	-	-	612,196	612,156
Available-for-sale investments	1,312	1,171	1,312	1,171
Deferred tax asset	9,001	4,885	-	-
Total non-current assets	880,463	886,279	968,145	976,021
Current assets				
Inventories	685,916	656,934	562,210	537,985
Trade and other receivables	1,525,880	1,781,208	1,310,565	1,456,275
Related party receivables	9,529	6,544	66,515	122,873
Held to maturity investments	360	3,010	-	-
Cash and cash equivalents	81,005	66,542	62,816	36,659
Total current assets	2,302,690	2,514,238	2,002,106	2,153,792
Total assets	3,183,153	3,400,517	2,970,251	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	1,315,171	1,247,551	1,371,377	1,250,270
Available-for-sale reserve	1,236	1,094	1,236	1,094
Equity attributable to equity holders of the Company	1,832,188	1,764,426	1,894,569	1,773,320
Non-controlling interest	39,556	46,190	-	-
Total equity	1,871,744	1,810,616	1,894,569	1,773,320
Liabilities				
Non-current liabilities				
Lease payable after one year	22,567	60,506	1,873	3,301
Employee benefit obligation	53,739	45,877	26,886	21,604
Deferred tax liability	43,479	44,162	36,004	37,396
Total non-current liabilities	119,785	150,545	64,763	62,301
Current liabilities				
Lease payable within one year	34,343	31,316	1,427	2,208
Interest bearing short term borrowings	600,683	780,240	487,402	691,240
Income tax payable	44,307	43,905	41,779	42,714
Trade and other payables	421,608	468,487	379,071	405,430
Related party payables	16,581	1,978	69,508	67,646
Bank overdrafts	74,102	113,430	31,732	84,954
Total current liabilities	1,191,624	1,439,356	1,010,919	1,294,192
Total Liabilities	1,311,409	1,589,901	1,075,682	1,356,493
Total equity and liabilities	3,183,153	3,400,517	2,970,251	3,129,813
Net asset value per share (Rs.)	50.91	49.03	52.64	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
Gerard Soares
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

13th May 2015



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

For the period ended 31st March 2015

Attributable to equity holders of the parent company

	Stated capital Rs.000's	Capital reserve 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 interest 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	-	-	-	-	208,316	208,316	1,013	209,329
Other comprehensive income, net of tax	-	-	(21)	-	2,218	2,197	158	2,355
Total comprehensive income for the period	-	-	(21)	-	210,534	210,513	1,171	211,684
<u>Contributions by and distributions to equity holders</u>								
First and final dividend 2012/13	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Acquisition of subsidiary	-	-	-	-	-	-	15,202	15,202
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)	15,202	(92,764)
Balance as at 31st March 2014	507,047	8,734	1,094	7,000	1,240,551	1,764,426	46,190	1,810,616
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/(loss) for the period	-	-	-	-	183,599	183,599	(4,144)	179,455
Other comprehensive income, net of tax	-	-	142	-	(8,013)	(7,871)	(778)	(8,649)
Total comprehensive income for the period	-	-	142	-	175,586	175,728	(4,922)	170,806
<u>Contributions by and distributions to equity holders</u>								
First and final dividend 2013/14	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Purchase of subsidiary shares from non-controlling interests	-	-	-	-	-	-	(41)	(41)
Subsidiary dividend to non-controlling interests	-	-	-	-	-	-	(1,671)	(1,671)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)	(1,712)	(109,678)
Balance as at 31st March 2015	507,047	8,734	1,236	7,000	1,308,171	1,832,188	39,556	1,871,744

Figures in brackets indicate deductions.



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

For the period ended 31st March 2015

	Stated capital Rs.000's	Capital reserve 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	-	-	-	-	215,492	215,492
Other comprehensive income, net of tax	-	-	(21)	-	2,750	2,729
Total comprehensive income for the period	-	-	(21)	-	218,242	218,221
<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 31st March 2014	507,047	14,909	1,094	7,000	1,243,270	1,773,320
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	-	-	-	-	236,735	236,735
Other comprehensive income, net of tax	-	-	142	-	(7,662)	(7,520)
Total comprehensive income for the period	-	-	142	-	229,073	229,215
<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 31st March 2015	507,047	14,909	1,236	7,000	1,364,377	1,894,569

Figures in brackets indicate deductions.



C.W. Mackie PLC
Cash Flow Statement

For the year ended 31 st March	Group		Company	
	2015 Rs. 000's	2014 Rs. 000's	2015 Rs. 000's	2014 Rs. 000's
Cash flows from operating activities				
Profit before taxation	273,773	312,483	328,141	312,351
Adjustments for :				
Depreciation	89,046	83,817	36,811	33,035
Profit on disposal of property, plant and equipment	(11,206)	(18,273)	(2,277)	(3,067)
Profit on disposal of long term investments	-	(76)	-	(76)
Write-off of property, plant & equipments	832	-	-	-
Impairment of goodwill	-	12,921	-	-
Provision for retirement benefit	13,049	11,124	6,546	6,276
Finance income	(1,592)	(523)	(796)	(6,977)
Finance cost	51,153	60,329	37,228	42,579
Dividend received from subsidiaries	-	-	(14,189)	-
Unrealised profit on inventory	2,739	-	-	-
Compensation under voluntary resignation scheme	17,058	-	-	-
Write back of payables	-	(3,583)	-	(3,583)
Provision for slow moving stocks	24,033	36,289	23,297	36,039
Provision for impairment of trade receivables	16,649	9,645	10,349	8,710
Provision for impairment of other receivables	11,350	3,462	1,350	1,518
Operating profit before working capital changes	486,884	507,615	426,460	426,805
Changes in working capital				
Change in inventories	(55,754)	(135,661)	(47,522)	(101,263)
Change in trade and other receivables	224,344	(237,439)	190,342	(253,777)
Change in trade and other payables	(32,276)	58,186	(24,470)	69,169
Cash generated from operations	623,198	192,701	544,810	140,934
Interest paid	(40,510)	(45,019)	(36,592)	(41,575)
Payments to gratuity fund	(12,629)	(5,931)	(8,926)	(4,405)
Compensation paid under voluntary resignation scheme	(17,058)	-	-	-
Income tax/ESC paid	(98,715)	(104,562)	(93,733)	(98,935)
Net cash flows from operating activities	454,286	37,189	405,559	(3,981)
Cash flows from investing activities				
Purchase of property, plant and equipment	(88,193)	(30,100)	(28,849)	(24,649)
Proceeds from disposal of property, plant and equipment	19,594	25,062	2,372	3,141
Proceeds from disposal of long term investments	-	76	-	76
Investment in long term investments	-	(129,444)	-	(126,874)
Net investments in short term investments	2,650	-	-	-
Purchase of subsidiary shares from non-controlling interests	(40)	-	(40)	-
Dividend received	2	2	14,191	2
Net cash flows from investing activities	(65,987)	(134,404)	(12,326)	(148,304)
Cash flows from financing activities				
Short term borrowings obtained/(repayments)	(180,909)	259,048	(203,838)	241,453
Lease rental paid	(45,551)	(55,206)	(2,844)	(3,854)
Interest received	1,590	521	794	6,975
Dividend paid	(109,638)	(107,966)	(107,966)	(107,966)
Net cash flows from financing activities	(334,508)	96,397	(313,854)	136,608
Net changes in cash and cash equivalents	53,791	(818)	79,379	(15,677)
Cash and cash equivalents at beginning of the year	(46,888)	(46,070)	(48,295)	(32,618)
Cash and cash equivalents at the end of the year	6,903	(46,888)	31,084	(48,295)

Figures in brackets indicate deductions.



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

1. Segmental Information – Group

	Revenue		Segmental Profit	
	2015 Rs.000's	2014 Rs.000's	2015 Rs.000's	2014 Rs.000's
For the year ended 31st March				
Commodity trading	1,980,104	1,928,472	158,599	151,503
Rubber based products manufacturing	828,926	1,078,238	67,457	83,863
Industrial products	589,727	507,850	153,873	147,994
Consumer goods	4,219,205	3,826,434	682,752	589,149
Other	146	2,747	(30,467)	(29,818)
	7,618,108	7,343,741	1,032,214	942,691
Other operating income			98,060	95,704
Operating overheads			(803,790)	(650,845)
Other expenses			-	(12,921)
Finance income			2,139	523
Finance costs			(54,850)	(62,669)
Income tax expense			(94,318)	(103,154)
Profit for the period			179,455	209,329

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 that for 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.

6. Group Administrative Expenses

Group administrative expenses include compensation paid to employees, amounting to Rs.17 million under a Voluntary Resignation Scheme (VRS) by Ceytra (Pvt) Limited (a subsidiary company of C.W. Mackie PLC) during the year ended 31st March 2015.



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

7. Share Information

7.1 Twenty Largest Shareholders as at 31st March 2015

	Name of Shareholder	No. of Ordinary Shares (Voting)	%
1	Lankem Ceylon PLC	12,267,526	34.09
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	1,779,285	4.94
5	Amana Bank Limited	863,774	2.40
6	Mr. P. P. Anandarajah	155,100	0.43
7	Mr. M. A. Lukmanjee	155,000	0.43
8	Mr. T. L. M. Imtiaz	152,084	0.42
9	Navara Capital Limited	147,100	0.41
10	Employees Provident Fund	139,740	0.39
11	Mr. M. Radhakrishnan (Deceased)	130,000	0.36
12	Mr. H. N. de Silva	105,000	0.29
13	Mr. M. M. M. Milfer	97,335	0.27
14	Sir F. I. Rahimtoola	90,000	0.25
15	Mr. M. M. M. Mizver	83,168	0.23
16	Mr. R. A. Rishard	60,000	0.17
17	Mr. Z. G. Carimjee	57,000	0.16
18	Mr. I. M. Rishard	56,900	0.16
19	Macksons Holdings (Private) Limited	53,304	0.15
20	Andaradeniya Estate (Private) Limited	50,000	0.14

7.2 Public Holding

	As at 31st March 2015
Percentage of public holding	11.17%
Number of public shareholders	1,960

7.3 Directors' Holding in Shares

Name of Director	No. of Shares As at 31st March 2015	No. of Shares As at 31st March 2014
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	Nil
Alagarajah Rajaratnam	Nil	Nil



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

7. Share Information (Continued)

7.4 Share Price

	3 months to 31 st March 2015	3 months to 31 st March 2014
	Rs.	Rs.
Highest Price	63.00	68.00
Lowest Price	50.00	55.00
Last Traded Price	54.30	60.90

7.5 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, 13th May 2015

Co. Reg. No - PQ 47
Registered Office - 36, D. R. Wijewardena Mawatha, Colombo 10.
Telephone : 2423554 - 62 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. Senthilvel
H. D. S. Amarasuriya, K. T. A. Mangala Perera, Alagarajah Rajaratnam