

# **C. W. MACKIE PLC**



**INTERIM REPORT  
THREE MONTHS ENDED 30<sup>TH</sup> JUNE 2015**

**4<sup>th</sup> August 2015**



**C. W. Mackie PLC**  
**Statement of Comprehensive Income**

Group

For the

Three months ended 30<sup>th</sup> June

	2015 Rs. 000's (Unaudited)	2014 Rs. 000's (Unaudited)	Variance %
<b>Revenue</b>	<b>1,847,546</b>	1,880,067	<b>(1.73)</b>
Cost of sales	<b>(1,562,189)</b>	<u>(1,653,421)</u>	<b>(5.52)</b>
<b>Gross profit</b>	<b>285,357</b>	226,646	<b>25.90</b>
Other operating income	<b>23,942</b>	22,268	<b>7.52</b>
Distribution expenses	<b>(120,398)</b>	(103,037)	<b>16.85</b>
Administrative expenses	<b>(99,129)</b>	<u>(88,224)</u>	<b>12.36</b>
<b>Results from operating activities</b>	<b>89,772</b>	57,653	<b>55.71</b>
Finance income	<b>536</b>	383	<b>39.95</b>
Finance costs	<b>(10,545)</b>	(19,264)	<b>(45.26)</b>
<b>Net financing costs</b>	<b>(10,009)</b>	<u>(18,881)</u>	<b>(46.99)</b>
<b>Profit before taxation</b>	<b>79,763</b>	38,772	<b>105.72</b>
Income tax expense	<b>(23,850)</b>	<u>(11,000)</u>	<b>116.82</b>
<b>Profit for the period</b>	<b>55,913</b>	<u>27,772</u>	<b>101.33</b>
<b>Other comprehensive income, net of income tax</b>			
Fair value gain on available-for-sale investments	<b>16</b>	18	
<b>Other comprehensive income for the period, net of tax</b>	<b>16</b>	<u>18</u>	
<b>Total comprehensive income for the period</b>	<b>55,929</b>	<u>27,790</u>	
<b>Profit attributable to:</b>			
Equity holders of the parent company	<b>56,084</b>	29,906	
Non-controlling interests	<b>(171)</b>	(2,134)	
<b>Profit for the period</b>	<b>55,913</b>	<u>27,772</u>	
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent company	<b>56,100</b>	29,924	
Non-controlling interests	<b>(171)</b>	(2,134)	
<b>Total comprehensive income for the period</b>	<b>55,929</b>	<u>27,790</u>	
<b>Basic earnings per share (Rupees)</b>	<b>1.56</b>	<u>0.83</u>	
<b>Dividend per share (Rupees)</b>	<b>3.00</b>	<u>3.00</u>	

Figures in brackets indicate deductions.



**C. W. Mackie PLC**  
**Statement of Comprehensive Income**

Company

For the

Three months ended 30<sup>th</sup> June

	2015 Rs. 000's (Unaudited)	2014 Rs. 000's (Unaudited)	Variance %
<b>Revenue</b>	<b>1,638,044</b>	1,681,445	<b>(2.58)</b>
Cost of sales	<b>(1,381,969)</b>	(1,465,593)	<b>(5.71)</b>
<b>Gross profit</b>	<b>256,075</b>	215,852	<b>18.63</b>
Other operating income	<b>32,352</b>	30,213	<b>7.08</b>
Distribution expenses	<b>(121,432)</b>	(98,960)	<b>22.71</b>
Administrative expenses	<b>(86,064)</b>	(73,760)	<b>16.68</b>
<b>Results from operating activities</b>	<b>80,931</b>	73,345	<b>10.34</b>
Finance income	<b>306</b>	370	<b>(17.30)</b>
Finance costs	<b>(7,154)</b>	(14,885)	<b>(51.94)</b>
<b>Net financing costs</b>	<b>(6,848)</b>	(14,515)	<b>(52.82)</b>
<b>Profit before taxation</b>	<b>74,083</b>	58,830	<b>25.93</b>
Tax expense	<b>(23,000)</b>	(11,000)	<b>109.09</b>
<b>Profit for the period</b>	<b>51,083</b>	47,830	<b>6.80</b>
<b>Other comprehensive income, net of income tax</b>			
Fair value gain on available-for-sale investments	<b>16</b>	18	
<b>Other comprehensive income for the period, net of tax</b>	<b>16</b>	18	
<b>Total comprehensive income for the period</b>	<b>51,099</b>	47,848	
<b>Profit attributable to:</b>			
Equity holders of the parent company	<b>51,083</b>	47,830	
<b>Profit for the period</b>	<b>51,083</b>	47,830	
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent company	<b>51,099</b>	47,848	
<b>Total comprehensive income for the period</b>	<b>51,099</b>	47,848	
<b>Basic earnings per share (Rupees)</b>	<b>1.42</b>	1.33	
<b>Dividend per share (Rupees)</b>	<b>3.00</b>	3.00	

Figures in brackets indicate deductions.



**C. W. Mackie PLC**  
**Statement of Financial Position**

As at	Group		Company	
	30 <sup>th</sup> June 2015 Rs.000's (Unaudited)	31 <sup>st</sup> March 2015 Rs.000's (Audited)	30 <sup>th</sup> June 2015 Rs.000's (Unaudited)	31 <sup>st</sup> March 2015 Rs.000's (Audited)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	807,919	826,944	306,453	311,431
Investment property	41,994	43,206	41,994	43,206
Investments in subsidiaries	-	-	612,196	612,196
Available-for-sale investments	1,328	1,312	1,328	1,312
Deferred tax asset	9,001	9,001	-	-
<b>Total non-current assets</b>	<b>860,242</b>	<b>880,463</b>	<b>961,971</b>	<b>968,145</b>
<b>Current assets</b>				
Inventories	588,697	685,916	509,215	562,210
Trade and other receivables	1,262,706	1,525,880	1,033,354	1,310,565
Related party receivables	4,253	9,529	8,086	66,515
Held to maturity investments	360	360	-	-
Cash and cash equivalents	82,834	81,005	61,790	62,816
<b>Total current assets</b>	<b>1,938,850</b>	<b>2,302,690</b>	<b>1,612,445</b>	<b>2,002,106</b>
<b>Total assets</b>	<b>2,799,092</b>	<b>3,183,153</b>	<b>2,574,416</b>	<b>2,970,251</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Stated capital	507,047	507,047	507,047	507,047
Capital reserves	8,734	8,734	14,909	14,909
Revenue reserves	1,268,230	1,320,112	1,314,494	1,371,377
Available-for-sale reserve	1,252	1,236	1,252	1,236
<b>Equity attributable to equity holders of the Company</b>	<b>1,785,263</b>	<b>1,837,129</b>	<b>1,837,702</b>	<b>1,894,569</b>
Non-controlling interests	34,444	34,615	-	-
<b>Total equity</b>	<b>1,819,707</b>	<b>1,871,744</b>	<b>1,837,702</b>	<b>1,894,569</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease payable after one year	20,175	22,567	1,394	1,873
Retirement benefit obligation	56,681	53,739	28,886	26,886
Deferred tax liability	43,479	43,479	36,005	36,004
<b>Total non-current liabilities</b>	<b>120,335</b>	<b>119,785</b>	<b>66,285</b>	<b>64,763</b>
<b>Current liabilities</b>				
Lease payable within one year	32,704	34,343	1,567	1,427
Interest bearing short term borrowings	194,890	600,683	64,969	487,402
Income tax payable	40,772	44,307	39,779	41,779
Trade and other payables	411,010	421,608	342,007	379,071
Related party payables	21,003	16,581	96,833	69,508
Dividend payable	107,966	-	107,966	-
Bank overdrafts	50,705	74,102	17,308	31,732
<b>Total current liabilities</b>	<b>859,050</b>	<b>1,191,624</b>	<b>670,429</b>	<b>1,010,919</b>
<b>Total Liabilities</b>	<b>979,385</b>	<b>1,311,409</b>	<b>736,714</b>	<b>1,075,682</b>
<b>Total equity and liabilities</b>	<b>2,799,092</b>	<b>3,183,153</b>	<b>2,574,416</b>	<b>2,970,251</b>
Net asset value per share (Rs.)	49.61	51.05	51.06	52.64

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

4<sup>th</sup> August 2015



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

For the period ended 30<sup>th</sup> June 2015

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
<b>Balance as at 1<sup>st</sup> April 2014</b>	507,047	8,734	1,094	7,000	1,240,551	1,764,426	46,190	1,810,616
<b><u>Total comprehensive income for the period</u></b>								
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
<b><u>Contributions by and distributions to equity holders</u></b>								
First and final dividend 2013/14	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)	-	(107,966)
<b>Balance as at 30<sup>th</sup> June 2014</b>	<b>507,047</b>	<b>8,734</b>	<b>1,112</b>	<b>7,000</b>	<b>1,162,491</b>	<b>1,686,384</b>	<b>44,056</b>	<b>1,730,440</b>
<b>Balance as at 1<sup>st</sup> April 2015</b>	507,047	8,734	1,236	7,000	1,313,112	1,837,129	34,615	1,871,744
<b><u>Total comprehensive income for the period</u></b>								
Net profit for the period	-	-	-	-	56,084	56,084	(171)	55,913
Other comprehensive income, net of tax	-	-	16	-	-	16	-	16
Total comprehensive income for the period	-	-	16	-	56,084	56,100	(171)	55,929
<b><u>Contributions by and distributions to equity holders</u></b>								
First and final dividend 2014/15	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)	-	(107,966)
<b>Balance as at 30<sup>th</sup> June 2015</b>	<b>507,047</b>	<b>8,734</b>	<b>1,252</b>	<b>7,000</b>	<b>1,261,230</b>	<b>1,785,263</b>	<b>34,444</b>	<b>1,819,707</b>

Figures in brackets indicate deductions.



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

For the period ended 30<sup>th</sup> June 2015

	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
<b>Balance as at 1<sup>st</sup> April 2014</b>	507,047	14,909	1,094	7,000	1,243,270	1,773,320
<b><u>Total comprehensive income for the period</u></b>						
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
<b><u>Contributions by and distributions to equity holders</u></b>						
First and final dividend 2013/14	-	-	-	-	(107,966)	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)
<b>Balance as at 30<sup>th</sup> June 2014</b>	<b>507,047</b>	<b>14,909</b>	<b>1,112</b>	<b>7,000</b>	<b>1,183,134</b>	<b>1,713,202</b>
<b>Balance as at 1<sup>st</sup> April 2015</b>	507,047	14,909	1,236	7,000	1,364,377	1,894,569
<b><u>Total comprehensive income for the period</u></b>						
Net profit for the period	-	-	-	-	51,083	51,083
Other comprehensive income, net of tax	-	-	16	-	-	16
Total comprehensive income for the period	-	-	16	-	51,083	51,099
<b><u>Contributions by and distributions to equity holders</u></b>						
First and final dividend 2014/15	-	-	-	-	(107,966)	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)
<b>Balance as at 30<sup>th</sup> June 2015</b>	<b>507,047</b>	<b>14,909</b>	<b>1,252</b>	<b>7,000</b>	<b>1,307,494</b>	<b>1,837,702</b>

*Figures in brackets indicate deductions.*



**C. W. Mackie PLC**  
**Cash Flow Statement**

	Group		Company	
<i>For the period ended 30<sup>th</sup> June</i>	2015 Rs. 000's	2014 Rs. 000's	2015 Rs. 000's	2014 Rs. 000's
<b>Cash flows from operating activities</b>				
Profit before taxation	79,763	38,772	74,083	58,830
<i>Adjustments for :</i>				
Depreciation	24,657	21,699	10,454	8,858
Profit on disposal of property, plant and equipment	(1,529)	(1,125)	(403)	-
Provision for retirement benefit	2,942	1,910	2,000	1,245
Finance income	(360)	(383)	(306)	(370)
Finance costs	10,545	18,825	7,148	14,717
Compensation under voluntary resignation scheme	2,202	-	-	-
Dividend receivable from subsidiaries	-	-	-	(1,620)
<b>Operating profit before working capital changes</b>	<b>118,220</b>	<b>79,698</b>	<b>92,976</b>	<b>81,660</b>
<b>Changes in working capital</b>				
Change in inventories	97,219	93,772	52,995	101,630
Change in trade and other receivables	263,174	492,858	277,211	402,305
Change in related party receivables	5,276	(148)	58,429	52,152
Change in trade and other payables	(10,598)	(126,840)	(37,064)	(112,713)
Change in related party payables	4,422	7,932	27,325	12,187
Cash generated from operations	477,713	547,272	471,872	537,221
Interest paid	(8,595)	(15,534)	(7,025)	(14,520)
Payments to gratuity fund	-	(500)	-	(500)
Compensation paid under voluntary resignation scheme	(2,202)	-	-	-
Income tax/ESC paid	(25,000)	(30,420)	(25,000)	(30,265)
<b>Net cash flows from operating activities</b>	<b>441,916</b>	<b>500,818</b>	<b>439,847</b>	<b>491,936</b>
<b>Cash flows from/(used in) investing activities</b>				
Purchase of property, plant and equipment	(4,466)	(11,895)	(4,303)	(3,161)
Proceeds from disposal of property, plant and equipment	2,200	8,507	530	-
Dividend received	64	-	64	-
<b>Net cash flows used in investing activities</b>	<b>(2,202)</b>	<b>(3,388)</b>	<b>(3,709)</b>	<b>(3,161)</b>
<b>Cash flows from/(used) in financing activities</b>				
Repayment of short term borrowings	(405,793)	(455,937)	(422,433)	(456,947)
Lease rental paid	(8,991)	(19,644)	(613)	(964)
Interest received	296	383	306	370
<b>Net cash flows used in financing activities</b>	<b>(414,488)</b>	<b>(475,198)</b>	<b>(422,740)</b>	<b>(457,541)</b>
<b>Net changes in cash and cash equivalents</b>	<b>25,226</b>	<b>22,232</b>	<b>13,398</b>	<b>31,234</b>
Cash and cash equivalents at beginning of the period	6,903	(46,888)	31,084	(48,295)
<b>Cash and cash equivalents at the end of the period (Note A)</b>	<b>32,129</b>	<b>(24,656)</b>	<b>44,482</b>	<b>(17,061)</b>
<b>Note A</b>				
Cash and cash equivalents	82,834	62,043	61,790	32,335
Bank overdrafts	(50,705)	(86,699)	(17,308)	(49,396)
	<b>32,129</b>	<b>(24,656)</b>	<b>44,482</b>	<b>(17,061)</b>

Figures in brackets indicate deductions.



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

**1. Segmental Information – Group**

<i>For the period ended 30<sup>th</sup> June</i>	Revenue		Segmental Profit	
	2015 Rs.000's	2014 Rs.000's	2015 Rs.000's	2014 Rs.000's
Commodity trading	446,053	624,009	22,917	40,257
Rubber based products manufacturing	181,869	164,153	30,952	19,666
Industrial products	146,591	131,792	39,157	33,055
Consumer goods	1,073,033	959,426	199,871	142,163
Other	-	687	(7,540)	(8,495)
	<b>1,847,546</b>	<b>1,880,067</b>	<b>285,357</b>	<b>226,646</b>
Other operating income			23,942	22,268
Operating overheads			(219,527)	(191,261)
Finance income			536	383
Finance costs			(10,545)	(19,264)
Income tax expense			(23,850)	(11,000)
<b>Profit for the period</b>			<b>55,913</b>	<b>27,772</b>

**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 31<sup>st</sup> March 2015.

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 31<sup>st</sup> March 2015.

**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 31<sup>st</sup> March 2015 authorised for distribution by the Directors was approved by the shareholders of the Company at the Annual General Meeting held on 24<sup>th</sup> June 2015 and was paid to the Shareholders on 6<sup>th</sup> July 2015. This dividend has been recognised as a liability as at 30<sup>th</sup> June 2015.

**6. Share Information**

**6.1 Twenty Largest Shareholders as at 30<sup>th</sup> June 2015**

	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	879,218	2.44
6	Mr. 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	142,100	0.39
10	Employees Provident Fund	139,740	0.39
11	Mr. M. Radhakrishnan (Deceased)	130,000	0.36
12	Mr. M. M. M. Milfer	90,935	0.25
13	Sir F. I. Rahimtoola	90,000	0.25
14	Mr. M. M. M. Mizver	83,168	0.23
15	Mr. Z. G. Carimjee	57,000	0.16
16	Andaradeniya Estate (Private) Limited	50,000	0.14
17	Mackson Holdings (Private) Limited	50,000	0.14
18	Ms. N. Harnam	44,790	0.12
19	Merchant Bank of Sri Lanka Ltd. A/c No.1	42,483	0.12
20	Asha Financial Services Limited/Mr. C. N. Pakianathan	38,446	0.11





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

**6. Share Information (Contd.)**

**6.2 Public Holding**

	<b>As at 30<sup>th</sup> June 2015</b>
Percentage of public holding	11.17%
Number of public shareholders	1,960

**6.3 Directors' Holding in Shares**

<b>Name of Director</b>	<b>No. of Shares As at 30<sup>th</sup> June 2015</b>	<b>No. of Shares As at 30<sup>th</sup> June 2014</b>
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

**6.4 Share Price**

	<b>3 months to 30<sup>th</sup> June 2015 Rs.</b>	<b>3 months to 30<sup>th</sup> June 2014 Rs.</b>
Highest Price	64.40	64.50
Lowest Price	52.20	55.70
Last Traded Price	60.10	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, 4<sup>th</sup> August 2015

**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. Senthilverl  
H. D. S. Amarasuriya, K. T. A. Mangala Perera, Alagarajah Rajaratnam