

C. W. MACKIE PLC



**INTERIM REPORT
SIX MONTHS ENDED 30TH SEPTEMBER 2015**

4th November 2015



C. W. Mackie PLC
Statement of Comprehensive Income

Group

For the

Three months ended 30th September

Six months ended 30th September

	2015	2014	Variance	2015	2014	Variance
	Rs. 000's (Unaudited)			Rs. 000's (Unaudited)		
Revenue	1,756,079	1,964,054	(10.59)	3,603,625	3,844,121	(6.26)
Cost of sales	(1,509,549)	(1,705,453)	(11.49)	(3,071,738)	(3,358,874)	(8.55)
Gross profit	246,530	258,601	(4.67)	531,887	485,247	9.61
Other operating income	26,591	23,229	14.47	50,533	45,497	11.07
Distribution expenses	(105,688)	(113,721)	(7.06)	(226,086)	(216,758)	4.30
Administrative expenses	(87,444)	(97,036)	(9.88)	(186,573)	(185,260)	0.71
Results from operating activities	79,989	71,073	12.54	169,761	128,726	31.88
Finance income	21,255	229	9,181.66	21,791	612	3,460.62
Finance costs	(6,501)	(12,668)	(48.68)	(17,046)	(31,932)	(46.62)
Net financing costs	14,754	(12,439)	(218.61)	4,745	(31,320)	(115.15)
Profit before taxation	94,743	58,634	61.58	174,506	97,406	79.15
Income tax expense	(29,600)	(16,413)	80.34	(53,450)	(27,413)	94.98
Profit for the period	65,143	42,221	54.29	121,056	69,993	72.95
Other comprehensive income, net of income tax						
Fair value gain on available-for-sale investments	(16)	212		-	230	
Net change in fair value on available-for-sale investments reclassified to profit or loss	(1,236)	-		(1,236)	-	
Other comprehensive income for the period, net of tax	(1,252)	212		(1,236)	230	
Total comprehensive income for the period	63,891	42,433		119,820	70,223	
Profit attributable to:						
Equity holders of the parent company	65,189	45,796		121,273	75,702	
Non-controlling interests	(46)	(3,575)		(217)	(5,709)	
Profit for the period	65,143	42,221		121,056	69,993	
Total comprehensive income attributable to:						
Equity holders of the parent company	63,937	46,008		120,037	75,932	
Non-controlling interests	(46)	(3,575)		(217)	(5,709)	
Total comprehensive income for the period	63,891	42,433		119,820	70,223	
Basic earnings per share (Rupees)	1.81	1.27		3.37	2.10	
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 30 th September			Six months ended 30 th September		
	2015 Rs. 000's (Unaudited)	2014 Rs. 000's (Unaudited)	Variance %	2015 Rs. 000's (Unaudited)	2014 Rs. 000's (Unaudited)	Variance %
Revenue	1,581,727	1,688,874	(6.34)	3,219,771	3,370,319	(4.47)
Cost of sales	(1,346,487)	(1,469,230)	(8.35)	(2,728,456)	(2,934,823)	(7.03)
Gross profit	235,240	219,644	7.10	491,315	435,496	12.82
Other operating income	30,053	45,221	(33.54)	62,405	75,434	(17.27)
Distribution expenses	(104,223)	(101,411)	2.77	(225,655)	(200,371)	12.62
Administrative expenses	(77,952)	(78,912)	(1.22)	(164,016)	(152,672)	7.43
Results from operating activities	83,118	84,542	(1.68)	164,049	157,887	3.90
Finance income	17,761	1,842	864.22	18,067	2,212	716.77
Finance costs	(3,777)	(9,780)	(61.38)	(10,931)	(24,665)	(55.68)
Net financing costs	13,984	(7,938)	(276.17)	7,136	(22,453)	(131.78)
Profit before taxation	97,102	76,604	26.76	171,185	135,434	26.40
Income tax expense	(28,600)	(14,500)	97.24	(51,600)	(25,500)	102.35
Profit for the period	68,502	62,104	10.30	119,585	109,934	8.78
Other comprehensive income, net of income tax						
Fair value gain on available-for-sale investments	(16)	212		-	230	
Net change in fair value on available-for-sale investments reclassified to profit or loss	(1,236)	-		(1,236)	-	
Other comprehensive income for the period, net of tax	(1,252)	212		(1,236)	230	
Total comprehensive income for the period	67,250	62,316		118,349	110,164	
Profit attributable to:						
Equity holders of the parent company	68,502	62,104		119,585	109,934	
Profit for the period	68,502	62,104		119,585	109,934	
Total comprehensive income attributable to:						
Equity holders of the parent company	67,250	62,316		118,349	110,164	
Total comprehensive income for the period	67,250	62,316		118,349	110,164	
Basic earnings per share (Rupees)	1.90	1.73		3.32	3.05	
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	
	30 th September 2015 Rs.000's (Unaudited)	31 st March 2015 Rs.000's (Audited)	30 th September 2015 Rs.000's (Unaudited)	31 st March 2015 Rs.000's (Audited)
Assets				
Non-current assets				
Property, plant and equipment	800,123	826,944	314,062	311,431
Investment property	40,788	43,206	40,788	43,206
Investments in subsidiaries	-	-	612,196	612,196
Available-for-sale investments	-	1,312	-	1,312
Deferred tax asset	9,001	9,001	-	-
Total non-current assets	849,912	880,463	967,046	968,145
Current assets				
Inventories	581,417	685,916	484,310	562,210
Trade and other receivables	1,253,437	1,525,880	1,046,871	1,310,565
Related party receivables	4,148	9,529	5,671	66,515
Held to maturity investments	360	360	-	-
Cash and cash equivalents	89,637	81,005	77,223	62,816
Total current assets	1,928,999	2,302,690	1,614,075	2,002,106
Total assets	2,778,911	3,183,153	2,581,121	2,970,251
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	1,333,419	1,320,112	1,382,996	1,371,377
Available-for-sale reserve	-	1,236	-	1,236
Equity attributable to equity holders of the Company	1,849,200	1,837,129	1,904,952	1,894,569
Non-controlling interests	34,398	34,615	-	-
Total equity	1,883,598	1,871,744	1,904,952	1,894,569
Liabilities				
Non-current liabilities				
Lease payable after one year	1,184	22,567	1,184	1,873
Retirement benefit obligation	58,996	53,739	30,386	26,886
Deferred tax liability	43,479	43,479	36,004	36,004
Total non-current liabilities	103,659	119,785	67,574	64,763
Current liabilities				
Lease payable within one year	39,464	34,343	1,427	1,427
Interest bearing short term borrowings	204,000	600,683	135,000	487,402
Income tax payable	34,781	44,307	33,915	41,779
Trade and other payables	362,020	421,608	266,324	379,071
Related party payables	41,822	16,581	100,067	69,508
Bank overdrafts	109,567	74,102	71,862	31,732
Total current liabilities	791,654	1,191,624	608,595	1,010,919
Total Liabilities	895,313	1,311,409	676,169	1,075,682
Total equity and liabilities	2,778,911	3,183,153	2,581,121	2,970,251
Net asset value per share (Rs.)	51.38	51.05	52.93	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

4th November 2015



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

For the period ended 30th September 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
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	-	-	-	-	75,702	75,702	(5,709)	69,993
Other comprehensive income, net of tax	-	-	230	-	-	230	-	230
Total comprehensive income for the period	-	-	230	-	75,702	75,932	(5,709)	70,223
<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	-	-	-	-	-	-	(1,676)	(1,676)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)	(1,717)	(109,683)
Balance as at 30th September 2014	507,047	8,734	1,324	7,000	1,208,287	1,732,392	38,764	1,771,156
Balance as at 1st April 2015	507,047	8,734	1,236	7,000	1,313,112	1,837,129	34,615	1,871,744
<u>Total comprehensive income for the period</u>								
Net profit for the period	-	-	-	-	121,273	121,273	(217)	121,056
Other comprehensive income, net of tax	-	-	(1,236)	-	-	(1,236)	-	(1,236)
Total comprehensive income for the period	-	-	(1,236)	-	121,273	120,037	(217)	119,820
<u>Contributions by and distributions to equity holders</u>								
First and final dividend 2014/15	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Balance as at 30th September 2015	507,047	8,734	-	7,000	1,326,419	1,849,200	34,398	1,883,598

Figures in brackets indicate deductions.



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

For the period ended 30th September 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
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	-	-	-	-	109,934	109,934
Other comprehensive income, net of tax	-	-	230	-	-	230
Total comprehensive income for the period	-	-	230	-	109,934	110,164
<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 September 2014	507,047	14,909	1,324	7,000	1,245,238	1,775,518
Balance as at 1st April 2015	507,047	14,909	1,236	7,000	1,364,377	1,894,569
<u>Total comprehensive income for the period</u>						
Net profit for the period	-	-	-	-	119,585	119,585
Other comprehensive income, net of tax	-	-	(1,236)	-	-	(1,236)
Total comprehensive income for the period	-	-	(1,236)	-	119,585	118,349
<u>Contributions by and distributions to equity holders</u>						
First and final dividend 2014/15	-	-	-	-	(107,966)	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)
Balance as at 30th September 2015	507,047	14,909	-	7,000	1,375,996	1,904,952

Figures in brackets indicate deductions.



C. W. Mackie PLC
Cash Flow Statement

	Group		Company	
<i>For the period ended 30th September</i>	2015 Rs. 000's	2014 Rs. 000's	2015 Rs. 000's	2014 Rs. 000's
Cash flows from operating activities				
Profit before taxation	174,506	97,406	171,185	135,434
<i>Adjustments for :</i>				
Depreciation	47,363	41,397	19,614	16,121
Profit on disposal of property, plant and equipment	(4,370)	(3,667)	(1,867)	(818)
Profit on disposal of available-for-sale investment	(1,245)	-	(1,245)	-
Provision for retirement benefit obligation	5,384	3,451	3,500	2,040
Compensation under voluntary resignation scheme	2,202	11,832	-	-
Finance income	(1,847)	(612)	(2,159)	(2,212)
Finance costs	17,046	30,115	10,931	24,484
Dividend received/ receivable from subsidiaries	-	-	-	(14,185)
Operating profit before working capital changes	239,039	179,922	199,959	160,864
Changes in working capital				
Change in inventories	104,499	93,127	77,900	49,276
Change in trade and other receivables	272,443	392,642	263,694	345,658
Change in related party receivables	5,381	(109)	60,844	83,434
Change in trade and other payables	(59,588)	(111,533)	(112,747)	(112,344)
Change in related party payables	25,241	15,568	30,559	12,386
Cash generated from operations	587,015	569,617	520,209	539,274
Interest paid	(13,360)	(24,416)	(10,698)	(24,127)
Payments to gratuity fund	-	(3,450)	-	(2,200)
Compensation paid under voluntary resignation scheme	(2,202)	(11,832)	-	-
Income tax/ESC paid	(63,294)	(56,780)	(58,060)	(55,733)
Net cash flows from operating activities	508,159	473,139	451,451	457,214
Cash flows from/(used in) investing activities				
Purchase of property, plant and equipment	(22,523)	(33,483)	(20,234)	(7,307)
Proceeds from disposal of property, plant and equipment	8,770	11,047	1,031	918
Proceeds from disposal of available-for-sale investment	1,313	-	1,313	-
Net investments in short term investments	-	2,500	-	-
Purchase of subsidiary shares from non-controlling interests	-	-	-	(41)
Dividend received	-	1	-	1,621
Net cash flows used in investing activities	(12,440)	(19,935)	(17,890)	(4,809)
Cash flows from/(used) in financing activities				
Repayment of short term borrowings	(396,683)	(337,969)	(352,402)	(337,969)
Lease rental paid	(19,750)	(28,592)	(1,075)	(2,043)
Interest received	1,847	612	2,159	2,212
Dividend paid	(107,966)	(107,966)	(107,966)	(107,966)
Net cash flows used in financing activities	(522,552)	(473,915)	(459,284)	(445,766)
Net changes in cash and cash equivalents	(26,833)	(20,711)	(25,723)	6,639
Cash and cash equivalents at beginning of the period	6,903	(46,888)	31,084	(48,295)
Cash and cash equivalents at the end of the period (Note A)	(19,930)	(67,599)	5,361	(41,656)
Note A				
Cash and cash equivalents	89,637	52,869	77,223	37,227
Bank overdrafts	(109,567)	(120,468)	(71,862)	(78,883)
	(19,930)	(67,599)	5,361	(41,656)

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
<i>For the period ended 30th September</i>				
Commodity trading	795,164	1,220,498	40,372	81,422
Rubber based products manufacturing	342,637	416,481	49,838	73,698
Industrial products	297,925	283,240	78,201	72,721
Consumer goods	2,167,899	1,923,756	381,526	272,296
Other	-	146	(18,050)	(14,890)
	3,603,625	3,844,121	531,887	485,247
Other operating income			50,533	45,497
Operating overheads			(412,659)	(402,018)
Finance income			21,791	612
Finance costs			(17,046)	(31,932)
Income tax expense			(53,450)	(27,413)
Profit for the period			121,056	69,993

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 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 31st 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 31st March 2015 authorised for distribution by the Directors was approved by the shareholders of the Company at the Annual General Meeting held on 24th June 2015 and was paid to the Shareholders on 6th July 2015.

6. Share Information

6.1 Twenty Largest Shareholders as at 30th September 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	883,982	2.46
6	Mr. P. Anandarajah	155,100	0.43
7	Mr. M. A. Lukmanjee	155,000	0.43
8	Mr. T. L. M. Imtiaz	153,834	0.43
9	Navara Capital Limited	141,895	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	People's Leasing and Finance PLC/L. P. Hapangama	60,451	0.17
16	Mr. Z. G. Carimjee	60,200	0.17
17	Andaradeniya Estate (Private) Limited	50,000	0.14
18	Mackson Holdings (Private) Limited	50,000	0.14
19	Ms. N. Harnam	44,790	0.12
20	Asha Financial Services Limited/Mr. C. N. Pakianathan	41,724	0.12



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

6. Share Information (Contd.)

6.2 Public Holding

	As at 30th September 2015
Percentage of public holding	11.17%
Number of public shareholders	2,011

6.3 Directors' Holding in Shares

Name of Director	No. of Shares As at 30th September 2015	No. of Shares As at 30th September 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

6.4 Share Price

	3 months to 30th September 2015 Rs.	3 months to 30th September 2014 Rs.
Highest Price	63.00	68.20
Lowest Price	54.00	56.30
Last Traded Price	54.00	63.40

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 November 2015

REGISTERED OFFICE

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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