

C. W. MACKIE PLC



INTERIM REPORT NINE MONTHS ENDED 31ST DECEMBER 2015

12th February 2016



C. W. Mackie PLC
Statement of Comprehensive Income

Group

For the

Three months ended 31st December

Nine months ended 31st December

	Three months ended 31 st December			Nine months ended 31 st December		
	2015 Rs. 000's (Unaudited)	2014 Rs. 000's (Unaudited)	Variance %	2015 Rs. 000's (Unaudited)	2014 Rs. 000's (Unaudited)	Variance %
Revenue	1,799,059	1,775,270	1.34	5,402,684	5,619,391	(3.86)
Cost of sales	(1,556,259)	(1,514,869)	2.73	(4,627,997)	(4,873,743)	(5.04)
Gross profit	242,800	260,401	(6.76)	774,687	745,648	3.89
Other operating income	31,218	22,032	41.69	81,751	67,529	21.06
Distribution expenses	(105,955)	(108,165)	(2.04)	(332,041)	(324,923)	2.19
Administrative expenses	(103,753)	(98,516)	5.32	(290,326)	(283,776)	2.31
Results from operating activities	64,310	75,752	(15.10)	234,071	204,478	14.47
Finance income	2,694	608	343.09	24,485	1,220	1,906.97
Finance costs	(8,229)	(10,716)	(23.21)	(25,275)	(42,648)	(40.74)
Net financing costs	(5,535)	(10,108)	(45.24)	(790)	(41,428)	(98.09)
Profit before taxation	58,775	65,644	(10.46)	233,281	163,050	43.07
Income tax expense	(24,818)	(33,409)	(25.71)	(78,268)	(60,822)	28.68
Profit for the period	33,957	32,235	5.34	155,013	102,228	51.63
Other comprehensive income, net of income tax						
Fair value gain on available-for-sale investments	-	(118)		-	112	
Net change in fair value on available-for-sale investments reclassified to profit or loss	-	-		(1,236)	-	
Other comprehensive income for the period, net of tax	-	(118)		(1,236)	112	
Total comprehensive income for the period	33,957	32,117		153,777	102,340	
Profit/(loss) attributable to:						
Equity holders of the parent company	38,404	34,529		159,677	110,231	
Non-controlling interests	(4,447)	(2,294)		(4,664)	(8,003)	
Profit for the period	33,957	32,235		155,013	102,228	
Total comprehensive income attributable to:						
Equity holders of the parent company	38,404	34,411		158,441	110,343	
Non-controlling interests	(4,447)	(2,294)		(4,664)	(8,003)	
Total comprehensive income for the period	33,957	32,117		153,777	102,340	
Basic earnings per share (Rupees)	1.07	0.96		4.44	3.06	
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 December

Nine months ended 31st December

	2015	2014	Variance	2015	2014	Variance
	Rs. 000's	Rs. 000's	%	Rs. 000's	Rs. 000's	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Revenue	1,659,082	1,531,872	8.30	4,878,853	4,902,191	(0.48)
Cost of sales	(1,422,268)	(1,306,925)	8.83	(4,150,724)	(4,241,748)	(2.15)
Gross profit	236,814	224,947	5.28	728,129	660,443	10.25
Other operating income	28,819	32,295	(10.76)	91,224	107,729	(15.32)
Distribution expenses	(106,979)	(100,201)	6.76	(332,634)	(300,572)	10.67
Administrative expenses	(79,619)	(79,278)	0.43	(243,635)	(231,950)	5.04
Results from operating activities	79,035	77,763	1.64	243,084	235,650	3.15
Finance income	1,819	1,066	70.64	19,886	3,278	506.65
Finance costs	(4,659)	(7,954)	(41.43)	(15,590)	(32,619)	(52.21)
Net financing costs	(2,840)	(6,888)	(58.77)	4,296	(29,341)	(114.64)
Profit before taxation	76,195	70,875	7.51	247,380	206,309	19.91
Income tax expense	(24,400)	(30,508)	(20.02)	(76,000)	(56,008)	35.69
Profit for the period	51,795	40,367	28.31	171,380	150,301	14.02
Other comprehensive income, net of income tax						
Fair value gain on available-for-sale investments	-	(118)		-	112	
Net change in fair value on available-for-sale investments reclassified to profit or loss	-	-		(1,236)	-	
Other comprehensive income for the period, net of tax	-	(118)		(1,236)	112	
Total comprehensive income for the period	51,795	40,249		170,144	150,413	
Profit attributable to:						
Equity holders of the parent company	51,795	40,367		171,380	150,301	
Profit for the period	51,795	40,367		171,380	150,301	
Total comprehensive income attributable to:						
Equity holders of the parent company	51,795	40,249		170,144	150,413	
Total comprehensive income for the period	51,795	40,249		170,144	150,413	
Basic earnings per share (Rupees)	1.44	1.12		4.76	4.18	
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 December 2015 Rs.000's (Unaudited)	31 st March 2015 Rs.000's (Audited)	31 st December 2015 Rs.000's (Unaudited)	31 st March 2015 Rs.000's (Audited)
Assets				
Non-current assets				
Property, plant and equipment	804,903	826,944	330,287	311,431
Investment property	39,583	43,206	39,583	43,206
Investments in subsidiaries	-	-	612,314	612,196
Available-for-sale investments	-	1,312	-	1,312
Deferred tax asset	9,001	9,001	-	-
Total non-current assets	853,487	880,463	982,184	968,145
Current assets				
Inventories	792,051	685,916	656,130	562,210
Trade and other receivables	1,231,009	1,525,880	1,112,941	1,310,565
Related party receivables	7,975	9,529	8,736	66,515
Held to maturity investments	360	360	-	-
Cash and cash equivalents	79,892	81,005	65,111	62,816
Total current assets	2,111,287	2,302,690	1,842,918	2,002,106
Total assets	2,964,774	3,183,153	2,825,102	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	1,371,823	1,320,112	1,434,791	1,371,377
Available-for-sale reserve	-	1,236	-	1,236
Equity attributable to equity holders of the Company	1,887,604	1,837,129	1,956,747	1,894,569
Non-controlling interests	29,833	34,615	-	-
Total equity	1,917,437	1,871,744	1,956,747	1,894,569
Liabilities				
Non-current liabilities				
Lease payable after one year	-	22,567	-	1,873
Retirement benefit obligation	56,178	53,739	28,268	26,886
Deferred tax liability	43,279	43,479	36,004	36,004
Total non-current liabilities	99,457	119,785	64,272	64,763
Current liabilities				
Lease payable within one year	733	34,343	-	1,427
Interest bearing short term borrowings	372,128	600,683	315,000	487,402
Income tax payable	37,655	44,307	36,315	41,779
Trade and other payables	412,238	421,608	339,124	379,071
Related party payables	10,933	16,581	38,300	69,508
Bank overdrafts	114,193	74,102	75,344	31,732
Total current liabilities	947,880	1,191,624	804,083	1,010,919
Total Liabilities	1,047,337	1,311,409	868,355	1,075,682
Total equity and liabilities	2,964,774	3,183,153	2,825,102	2,970,251
Net asset value per share (Rs.)	52.45	51.05	54.37	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

12th February 2016



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

For the period ended 31st December 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	-	-	-	-	110,231	110,231	(8,003)	102,228
Other comprehensive income, net of tax	-	-	112	-	-	112	-	112
Total comprehensive income for the period	-	-	112	-	110,231	110,343	(8,003)	102,340
<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 31st December 2014	507,047	8,734	1,206	7,000	1,242,816	1,766,803	36,470	1,803,273
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	-	-	-	-	159,677	159,677	(4,664)	155,013
Other comprehensive income, net of tax	-	-	(1,236)	-	-	(1,236)	-	(1,236)
Total comprehensive income for the period	-	-	(1,236)	-	159,677	158,441	(4,664)	153,777
<u>Contributions by and distributions to equity holders</u>								
Purchase of subsidiary shares from non-controlling interests	-	-	-	-	-	-	(118)	(118)
First and final dividend 2014/15	-	-	-	-	(107,966)	(107,966)	-	(107,966)
Total distributions to equity holders	-	-	-	-	(107,966)	(107,966)	(118)	(108,084)
Balance as at 31st December 2015	507,047	8,734	-	7,000	1,364,823	1,887,604	29,833	1,917,437

Figures in brackets indicate deductions.



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

For the period ended 31st December 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 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	-	-	-	-	150,301	150,301
Other comprehensive income, net of tax	-	-	112	-	-	112
Total comprehensive income for the period	-	-	112	-	150,301	150,413
<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 December 2014	507,047	14,909	1,206	7,000	1,285,605	1,815,767
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	-	-	-	-	171,380	171,380
Other comprehensive income, net of tax	-	-	(1,236)	-	-	(1,236)
Total comprehensive income for the period	-	-	(1,236)	-	171,380	170,144
<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 31st December 2015	507,047	14,909	-	7,000	1,427,791	1,956,747

Figures in brackets indicate deductions.



C. W. Mackie PLC
Cash Flow Statement

	Group		Company	
For the period ended 31 st December 2015	2015 Rs. 000's	2014 Rs. 000's	2015 Rs. 000's	2014 Rs. 000's
Cash flows from operating activities				
Profit before taxation	233,281	163,050	247,380	206,309
<i>Adjustments for :</i>				
Depreciation	69,717	66,001	28,932	27,057
Profit on disposal of property, plant and equipment	(12,568)	(4,021)	(744)	(1,205)
Profit on disposal of available-for-sale investment	(1,245)	-	(1,245)	-
Provision for retirement benefit obligation	7,826	6,251	5,000	3,735
Compensation under voluntary resignation scheme	10,645	17,059	-	-
Finance income	(2,121)	(1,220)	(1,952)	(2,998)
Finance costs	25,275	39,670	15,590	32,619
Dividend received/ receivable from subsidiaries	-	-	-	(14,185)
Operating profit before working capital changes	330,810	286,790	292,961	251,332
Changes in working capital				
Change in inventories	(106,135)	124,611	(93,920)	80,945
Change in trade and other receivables	294,871	422,300	197,624	357,066
Change in related party receivables	1,554	(214)	57,779	91,321
Change in trade and other payables	(9,370)	(122,196)	(39,947)	(117,404)
Change in related party payables	(5,648)	13,616	(31,208)	(6,496)
Cash generated from operations	506,082	724,907	383,289	656,764
Interest paid	(19,686)	(31,221)	(15,195)	(32,117)
Payments to gratuity fund	(5,212)	(9,454)	(3,618)	(5,617)
Compensation paid under voluntary resignation scheme	(10,645)	(17,059)	-	-
Income tax/ESC paid	(85,122)	(78,246)	(81,486)	(75,722)
Net cash flows from operating activities	385,417	588,927	282,990	543,308
Cash flows from/(used in) investing activities				
Purchase of property, plant and equipment	(54,269)	(62,263)	(44,475)	(24,886)
Proceeds from disposal of property, plant and equipment	21,319	11,888	1,173	1,276
Proceeds from disposal of available-for-sale investment	1,313	-	1,313	-
Net investments in short term investments	-	2,650	-	-
Purchase of subsidiary shares from non-controlling interests	-	-	(118)	(41)
Dividend received	64	1	64	1,621
Net cash flows used in investing activities	(31,573)	(47,724)	(42,043)	(22,030)
Cash flows from/(used) in financing activities				
Repayment of short term borrowings	(228,555)	(394,609)	(172,402)	(385,530)
Lease rental paid	(60,584)	(36,868)	(3,784)	(2,502)
Interest received	2,057	1,220	1,888	2,998
Dividend paid	(107,966)	(109,824)	(107,966)	(107,966)
Net cash flows used in financing activities	(395,048)	(540,081)	(282,264)	(493,000)
Net changes in cash and cash equivalents	(41,204)	1,122	(41,317)	28,278
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)	(34,301)	(45,766)	(10,233)	(20,017)
Note A				
Cash and cash equivalents	79,892	59,824	65,111	39,060
Bank overdrafts	(114,193)	(105,590)	(75,344)	(59,077)
	(34,301)	(45,766)	(10,233)	(20,017)

Figures in brackets indicate deductions.



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

1. Segmental Information – Group

For the period ended 31 st December 2015	Revenue		Segmental Profit	
	2015 Rs.000's	2014 Rs.000's	2015 Rs.000's	2014 Rs.000's
Commodity trading	1,122,834	1,612,571	64,467	108,154
Rubber based products manufacturing	463,474	630,821	61,636	89,590
Industrial products	449,920	424,361	116,297	110,366
Consumer goods	3,366,456	2,951,493	554,006	460,436
Other	-	145	(21,719)	(22,898)
	5,402,684	5,619,391	774,687	745,648
Other operating income			81,751	67,529
Operating overheads			(622,367)	(608,699)
Finance income			24,485	1,220
Finance costs			(25,275)	(42,648)
Income tax expense			(78,268)	(60,822)
Profit for the period			155,013	102,228

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 31st December 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	888,580	2.47
6	Mr. P. P. Anandarajah	155,100	0.43
7	Mr. M. A. Lukmanjee	155,000	0.43
8	Employees Provident Fund	139,740	0.39
9	Mr. T. L. M. Imtiaz	130,389	0.36
10	Mr. M. Radhakrishnan (Deceased)	130,000	0.36
11	Mr. M. M. M. Milfer	90,935	0.25
12	Sir F. I. Rahimtoola	90,000	0.25
13	Mr. M. M. M. Mizver	83,168	0.23
14	People's Leasing and Finance PLC/L. P. Hapangama	83,128	0.23
15	Bank of Ceylon No.1 Account	78,505	0.22
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 and J. K. P. Singh	44,790	0.12
20	Seylan Bank PLC/ L. C. R Pathirana	44,688	0.12



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

6. Share Information (Contd.)

6.2 Public Holding

	As at 31st December 2015
Percentage of public holding	11.16%
Number of public shareholders	2,009

6.3 Directors' Holding in Shares

Name of Director	No. of Shares As at 31st December 2015	No. of Shares As at 31st December 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 31st December 2015	3 months to 31st December 2014
	Rs.	Rs.
Highest Price	61.80	65.00
Lowest Price	54.00	56.70
Last Traded Price	57.90	59.00

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, 12th February 2016

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