

C. W. MACKIE PLC



**INTERIM REPORT
YEAR ENDED 31ST MARCH 2022**

20th May 2022



C. W. Mackie PLC
Statement of Profit or Loss and Other Comprehensive Income

Group

For the

Three months ended 31st March

Year ended 31st March

	2022	2021	Variance	2022	2021	Variance
	Rs. 000's	Rs. 000's	%	Rs. 000's	Rs. 000's	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
Revenue	3,889,490	3,455,046	12.57	13,167,679	10,927,486	20.50
Cost of sales	(3,182,531)	(2,988,647)	6.49	(11,202,967)	(9,446,724)	18.59
Gross profit	706,959	466,399	51.58	1,964,712	1,480,762	32.68
Other operating income	53,601	52,225	2.63	185,123	164,157	12.77
Distribution expenses	(199,824)	(107,354)	86.14	(580,979)	(465,900)	24.70
Administrative expenses	(255,144)	(197,030)	29.50	(751,481)	(636,160)	18.13
Results from operating activities	305,592	214,240	42.64	817,375	542,859	50.57
Finance income	213,156	7,474	2751.97	232,495	22,741	922.36
Finance costs	(59,302)	(24,817)	138.96	(177,413)	(137,914)	28.64
Net financing costs	153,854	(17,343)	(987.12)	55,082	(115,173)	(147.83)
Share of joint venture's loss	(106,147)	(2,171)	4789.31	(127,808)	(50,516)	153.00
Profit before taxation	353,299	194,726	81.43	744,649	377,170	97.43
Income tax expense	(91,033)	(58,325)	56.08	(192,928)	(121,499)	58.79
Profit for the year	262,266	136,401	92.28	551,721	255,671	115.79
Other comprehensive income, net of income tax						
Revaluation of land	534,711	-		534,711	-	
Actuarial gain/(loss) on defined benefit plans	76,783	(31,349)		76,783	(31,349)	
Share of other comprehensive expense of equity accounted investee	209	(103)		209	(103)	
Related taxes on other comprehensive income	(150,079)	(5,943)		(150,079)	(5,943)	
Other comprehensive income for the period, net of tax	461,624	(37,292)		461,624	(37,395)	
Total comprehensive income for the year	723,890	99,109		1,013,345	218,276	
Profit attributable to:						
Equity holders of the parent company	277,848	139,240		564,039	264,684	
Non-controlling interests	(15,582)	(2,839)		(12,318)	(9,013)	
Profit for the year	262,266	136,401		551,721	255,671	
Total comprehensive income attributable to:						
Equity holders of the parent company	736,981	101,948		1,023,172	227,937	
Non-controlling interests	(13,091)	(2,839)		(9,827)	(9,661)	
Total comprehensive income for the year	723,890	99,109		1,013,345	218,276	
Basic earnings per share (Rupees)	7.72	3.87		15.67	7.35	
Dividend per share (Rupees)	-	-		7.00	-	

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Profit or Loss and Other Comprehensive Income

Company

For the

Three months ended 31st March

Year ended 31st March

	2022	2021	Variance	2022	2021	Variance
	Rs. 000's	Rs. 000's	%	Rs. 000's	Rs. 000's	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
Revenue	3,643,886	3,099,754	17.55	12,083,069	9,989,462	20.96
Cost of sales	(2,990,376)	(2,681,660)	11.51	(10,263,536)	(8,640,954)	18.78
Gross profit	653,510	418,094	56.31	1,819,533	1,348,508	34.93
Other operating income	50,194	59,091	(15.06)	173,978	186,714	(6.82)
Distribution expenses	(184,601)	(100,153)	84.32	(544,507)	(433,784)	25.52
Administrative expenses	(234,241)	(175,540)	33.44	(668,627)	(565,015)	18.34
Results from operating activities	284,862	201,492	41.38	780,377	536,423	45.48
Finance income	229,253	16,525	1287.31	252,643	36,275	596.47
Finance costs	(49,465)	(23,076)	114.36	(144,976)	(116,853)	24.07
Net financing costs	179,788	(6,551)	(2844.44)	107,667	(80,578)	(233.62)
Share of joint venture's loss	(106,147)	(2,171)	4789.31	(127,808)	(50,516)	153.00
Profit before taxation	358,503	192,770	85.97	760,236	405,329	87.56
Income tax expense	(85,277)	(57,656)	47.91	(187,172)	(120,830)	54.91
Profit for the year	273,226	135,114	102.22	573,064	284,499	101.43
Other comprehensive income, net of income tax						
Revaluation of land	191,851	-		191,851	-	
Actuarial gain/(loss) on defined benefit plans	50,250	(22,058)		50,250	(22,058)	
Share of other comprehensive expense of equity	209	(103)		209	(103)	
Related taxes on other comprehensive income	(46,044)	3,922		(46,044)	3,922	
Other comprehensive income for the year, net of tax	196,266	(18,239)		196,266	(18,239)	
Total comprehensive income for the year	469,492	116,875		769,330	266,260	
Profit attributable to:						
Equity holders of the parent company	273,226	135,114		573,064	284,499	
Profit for the year	273,226	135,114		573,064	284,499	
Total comprehensive income attributable to:						
Equity holders of the parent company	469,492	116,875		769,330	266,260	
Total comprehensive income for the year	469,492	116,875		769,330	266,260	
Basic earnings per share (Rupees)	7.59	3.75		15.92	7.91	
Dividend per share (Rupees)	-	-		7.00	-	

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Financial Position

	Group		Company	
As at	31 st March 2022 Rs.000's (Unaudited)	31 st March 2021 Rs.000's (Audited)	31 st March 2022 Rs.000's (Unaudited)	31 st March 2021 Rs.000's (Audited)
Assets				
Non-current assets				
Property, plant and equipment	1,750,600	1,659,019	659,229	367,026
Right of use assets	74,979	107,261	74,692	106,545
Investment property	766,995	188,258	9,582	14,382
Intangible assets	10,735	1,469	10,634	1,419
Investments in subsidiaries	-	-	931,518	931,518
Investment in joint venture	163,547	291,146	163,547	291,146
Deferred tax asset	9,395	9,395	-	-
Total non-current assets	2,776,251	2,256,548	1,849,202	1,712,036
Current assets				
Inventories	2,061,829	1,924,202	1,832,476	1,772,889
Trade and other receivables	2,854,818	2,792,268	2,565,116	2,424,443
Related party receivables	15,120	14,119	133,150	152,512
Interest bearing short term loan to related parties	111,302	200,000	111,302	200,000
Cash and cash equivalents	181,752	64,296	132,940	54,751
	5,224,821	4,994,885	4,774,984	4,604,595
Total assets	8,001,072	7,251,433	6,624,186	6,316,631
Equity and liabilities				
Equity				
Stated capital	507,047	507,047	507,047	507,047
Capital reserves	8,734	8,734	14,909	14,909
Revaluation reserve	738,117	353,485	209,305	63,498
Revenue reserves	2,117,193	1,730,573	2,441,875	2,070,272
Equity attributable to equity holders of the Company	3,371,091	2,599,839	3,173,136	2,655,726
Non-controlling interests	323,963	333,790	-	-
Total equity	3,695,054	2,933,629	3,173,136	2,655,726
Liabilities				
Non-current liabilities				
Interest bearing long term borrowings	238,504	31,478	71,248	-
Lease payable after one year	206	76,386	-	76,180
Retirement benefit obligation	50,241	116,560	22,071	67,004
Deferred income	969	1,680	-	-
Deferred tax liability	287,623	131,788	84,679	38,635
Total non-current liabilities	577,543	357,892	177,998	181,819
Current liabilities				
Deferred income	75	75	-	-
Current portion of long term borrowings	67,260	106,657	28,752	91,750
Lease payable within one year	76,648	27,420	76,648	27,104
Interest bearing short term borrowings	2,066,793	1,295,064	1,920,794	1,161,064
Income tax payable	109,374	73,551	109,702	73,879
Trade and other payables	824,066	1,794,846	643,708	1,644,306
Related party payables	388,613	468,983	331,888	312,687
Bank overdrafts	195,646	193,316	161,560	168,296
Total current liabilities	3,728,475	3,959,912	3,273,052	3,479,086
Total Liabilities	4,306,018	4,317,804	3,451,050	3,660,905
Total equity and liabilities	8,001,072	7,251,433	6,624,186	6,316,631
Net asset value per share (Rs.)	93.67	72.24	88.17	73.79

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

C. Welengoda

General Manager - Group Finance

The Board of Directors are responsible for preparation and presentation of these financial statements.

Signed

W. T. Ellawala

Director

20th May 2022

Signed

A. M. de S. Jayaratne

Director



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

For the year ended 31st March 2022

Attributable to equity holders of the parent company

	Stated capital Rs.000's	Capital reserves Rs.000's	Revaluation 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 2020	507,047	8,734	359,428	7,000	1,489,693	2,371,902	343,451	2,715,353
<u>Total comprehensive income for the year</u>								
Net profit/(loss) for the year	-	-	-	-	264,684	264,684	(9,013)	255,671
Other comprehensive income, net of tax	-	-	(5,943)	-	(30,804)	(36,747)	(648)	(37,395)
Total comprehensive income for the year	-	-	(5,943)	-	233,880	227,937	(9,661)	218,276
Balance as at 31st March 2021	507,047	8,734	353,485	7,000	1,723,573	2,599,839	333,790	2,933,629
Balance as at 1st April 2021	507,047	8,734	353,485	7,000	1,723,573	2,599,839	333,790	2,933,629
<u>Total comprehensive income for the year</u>								
Net profit for the period	-	-	-	-	564,039	564,039	(12,318)	551,721
Other comprehensive income, net of tax	-	-	384,632	-	74,501	459,133	2,491	461,624
Total comprehensive income for the year	-	-	384,632	-	638,540	1,023,172	(9,827)	1,013,345
<u>Contributions by and distributions to equity holders</u>								
First and final dividend 2020/21	-	-	-	-	(251,920)	(251,920)	-	(251,920)
Total distributions to equity holders	-	-	-	-	(251,920)	(251,920)	-	(251,920)
Balance as at 31st March 2022	507,047	8,734	738,117	7,000	2,110,193	3,371,091	323,963	3,695,054

Figures in brackets indicate deductions.



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

For the year ended 31st March 2022

	Stated capital Rs.000's	Capital reserves Rs.000's	Revaluation reserve Rs.000's	General reserve Rs.000's	Retained earnings Rs.000's	Total equity Rs.000's
Balance as at 1st April 2020	507,047	14,909	59,576	7,000	1,800,934	2,389,466
<u>Total comprehensive income for the year</u>						
Net profit for the year	-	-	-	-	284,499	284,499
Other comprehensive income, net of tax	-	-	3,922	-	(22,161)	(18,239)
Total comprehensive income for the year	-	-	3,922	-	262,338	266,260
Balance as at 31st March 2021	507,047	14,909	63,498	7,000	2,063,272	2,655,726
Balance as at 1st April 2021	507,047	14,909	63,498	7,000	2,063,272	2,655,726
<u>Total comprehensive income for the year</u>						
Net profit for the period	-	-	-	-	573,064	573,064
Other comprehensive income, net of tax	-	-	145,807	-	50,459	196,266
Total comprehensive income for the year	-	-	145,807	-	623,523	769,330
<u>Contributions by and distributions to equity holders</u>						
First and final dividend 2020/21	-	-	-	-	(251,920)	(251,920)
Total distributions to equity holders	-	-	-	-	(251,920)	(251,920)
Balance as at 31st March 2022	507,047	14,909	209,305	7,000	2,434,875	3,173,136

Figures in brackets indicate deductions.



C.W.MACKIE PLC
STATEMENT OF CASH FLOW

	Group		Company	
For the year ended 31 March	2022	2021	2022	2021
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's
Cash flows from operating activities				
Profit before taxation	744,249	377,170	762,353	405,329
<i>Adjustments for:</i>				
Depreciation and amortisation of investment property, intangible assets and property, plant and equipment	141,527	134,526	107,315	113,661
Profit on disposal of property, plant and equipment	(210)	(11,904)	(127)	(11,835)
Write-off of property, plant and equipments	35	-	35	-
Share of joint venture's (profit)/loss	127,808	50,516	127,808	50,516
Provision for retirement benefit obligation	23,808	19,091	13,535	12,177
Finance income	(14,558)	(11,437)	(22,544)	(24,458)
Finance costs	177,413	137,914	144,976	116,853
Unrealised profit/(loss) on inventory	12	(1,264)	-	-
Provision for slow moving inventories	28,087	96,714	28,452	95,136
Provision for market returns	16,000	16,000	16,000	16,000
Provision for impairment of trade receivables	45,876	29,528	44,981	28,653
Provision for other receivables	8,199	-	8,199	-
Operating profit before working capital changes	1,298,246	836,854	1,230,983	802,032
Changes in working capital				
Change in inventories	(165,726)	(889,343)	(88,039)	(849,616)
Change in trade and other receivables	(113,564)	(429,923)	(174,491)	(411,308)
Change in interest bearing short-term loans to related parties	88,698	15,586	88,698	15,586
Change in trade and other payables	(1,067,150)	1,097,694	(997,397)	892,521
Change in deferred income/revenue	(711)	803	-	-
Cash generated from operating activities	39,793	631,671	59,754	449,215
Interest paid	(166,667)	(123,706)	(134,285)	(102,742)
Payments to gratuity fund	(16,313)	(13,025)	(10,333)	(10,102)
Gratuity paid	(692)	(692)	-	-
Income tax/ESC paid	(151,349)	(124,165)	(151,349)	(121,718)
Net cash flows from/(used in) operating activities	(295,228)	370,083	(236,213)	214,653
Cash flows from investing activities				
Purchase of property, plant and equipment	(254,197)	(238,535)	(180,308)	(23,601)
Proceeds from disposal of property, plant and equipment	254	12,749	171	12,577
Net cash flows used in investing activities	(253,943)	(225,786)	(180,137)	(11,024)
Cash flows from financing activities				
Repayments of long term borrowings	167,749	(56,313)	8,370	(99,960)
Short-term borrowings obtained/(repayments)	771,729	(108,527)	759,729	(97,527)
Lease rental paid	(37,819)	(39,925)	(37,448)	(39,554)
Interest received	14,558	11,437	22,544	24,458
Dividend paid	(251,920)	-	(251,920)	-
Net cash flows (used in)/from financing activities	664,297	(193,328)	501,275	(212,583)
Net changes in cash and cash equivalents	115,126	(49,031)	84,925	(8,954)
Cash and cash equivalents at beginning of the year	(129,020)	(79,989)	(113,545)	(104,591)
Cash and cash equivalents at the end of the year	(13,894)	(129,020)	(28,620)	(113,545)
Note A				
Cash and cash equivalents	181,752	85,161	132,940	67,722
Bank overdrafts	(195,646)	(179,996)	(161,560)	(138,841)
	(13,894)	(94,835)	(28,620)	(71,119)

Figures in brackets indicate deductions.



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

1. Segmental Information – Group

	Revenue		Segmental Profit	
<i>For the year ended 31st March</i>	2022 Rs.000's	2021 Rs.000's	2022 Rs.000's	2021 Rs.000's
Commodity trading	5,520,364	4,529,842	382,835	240,172
Rubber based products manufacturing	986,202	831,432	72,367	71,855
Industrial products	2,096,976	1,268,506	649,480	343,909
Consumer goods	4,564,137	4,297,706	860,030	824,826
	13,167,679	10,927,486	1,964,712	1,480,762
Other operating income			185,123	164,157
Operating overheads			(1,332,460)	(1,102,060)
Share of joint venture's profit/(loss)			(127,808)	(50,516)
Finance income			232,495	22,741
Finance costs			(177,413)	(137,914)
Income tax expense			(192,928)	(121,499)
Profit for the period			551,721	255,671

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 financial statements for the year ended 31st March 2022, includes "the Company" referring to C. W. Mackie PLC, as the holding Company and "the Group" referring to the companies whose accounts have been consolidated therein.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31st March 2021.

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

During the year 2020/21, Sunquick Lanka (Private) Limited (the Joint Venture Company) entered into a contract to purchase plant and machinery worth of USD 1.5 million, of which there is no balance commitment outstanding as at 31st March 2022.

There is no 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 2021, other than disclosed above.

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.7/- per share amounting to Rs.251,919,892/- for the financial year ended 31st March 2021 authorised for distribution by the Directors was approved by the shareholders of the Company at the Annual General Meeting held on 18th August 2021 and was fully paid to the Shareholders on 8th September 2021.



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

6. Share Information

6.1 Twenty Largest Shareholders as at 31st March 2022

	Name of Shareholder	No. of Ordinary Shares (Voting)	%
1	Lankem Ceylon PLC	16,006,441	44.48
2	Seylan Bank PLC/Senthilvel Holdings (Private) Limited	8,701,464	24.18
3	Union Bank of Colombo PLC/Lankem Ceylon PLC	2,137,526	5.94
4	Sampath Bank PLC / Dr. T. Senthilvel	1,782,575	4.95
5	Pan Asia Banking Corporation PLC /Lankem Ceylon PLC	1,779,285	4.94
6	Acuity Partners (Private) Limited/Union Investment (Private) Limited	950,000	2.64
7	Mr. D. N. P. Rathnayake	285,037	0.79
8	Corporate Holdings (Private) Limited Account No. 1	249,982	0.69
9	Bansei Securities Capital (Pvt) Ltd/K. A. R. Chandra	220,498	0.61
10	Sezeka Limited	202,692	0.56
11	Harnam Holdings SDN BHD	200,000	0.56
12	Mr. P. P. Anandaraja	155,100	0.43
13	Mr. M. A. Lukmanjee	155,000	0.43
14	Ms. N. Harnam and Mrs. J. K. P. Singh	100,000	0.28
15	Mr. E. P. I. Fernando	95,634	0.27
16	DFCC Bank PLC/Ravi Exports (Private) Limited	93,500	0.26
17	Sir F. I. Rahimtoola	90,000	0.25
18	Mr. H. A. R. Pieris	80,000	0.22
19	Mr. G. P. D. M. Pathiraja	62,347	0.17
20	Mr. Z. G. Carimjee	60,200	0.17

6.2 Public Holding

	As at 31st March 2022
Percentage of public holding	11.53%
Number of public shareholders	2,509

6.3 The float adjusted market capitalisation of the Company as at 31st March 2022 is Rs. 228,221,427/87.

6.4 The Float adjusted market capitalization of the Company falls under Option 2 of Rule 7.13.1(b) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

6.5 Directors' Holding in Shares

Name of Director	No. of Shares As at 31st March 2022	No. of Shares As at 31st March 2021
W. T. Ellawala (Chairman/CEO)	500	500
Ms. C. R. Ranasinghe	100	100
A. M. de S. Jayaratne	Nil	Nil
R. C. Peries	N/A	Nil
Anushman Rajaratnam	Nil	Nil
S. D. R. Arudpragasam	Nil	Nil
Dr. T. Senthilvel	1,782,575	1,782,575
H. D. S. Amarasuriya	Nil	Nil
K. T. A. Mangala Perera	Nil	Nil
Sanjeev Rajaratnam	Nil	N/A
A. Hettiarachchy	Nil	N/A
E. A. A. K. Edirisinghe (from 1 April 2022)	19	N/A

6.6 Share Price

	3 months to 31st March 2022	3 months to 31st March 2021
	Rs.	Rs.
Highest Price	74.30	59.00
Lowest Price	50.20	41.80
Last Traded Price	55.00	44.00



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

6. Share Information (Cont'd...)

6.7 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, 20th May 2022

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
Anushman Rajaratnam, S. D. R. Arudpragasam, Dr. T. Senthilvel, H. D. S. Amarasuriya
K. T. A. Mangala Perera, Sanjeev Rajaratnam, A. Hettiarachchy, E. A. A. K. Edirisinghe