

C. W. MACKIE PLC



**INTERIM REPORT
PERIOD ENDED 30th JUNE 2022**

9th August 2022



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

Group

For the

Three months ended 30th June

	2022 Rs. 000's (Unaudited)	2021 Rs. 000's (Unaudited)	Variance %
Revenue	4,386,727	2,808,667	56.19
Cost of sales	(3,384,578)	(2,421,673)	39.76
Gross profit	1,002,149	386,994	158.96
Other operating income	58,363	48,180	21.14
Distribution expenses	(225,623)	(137,339)	64.28
Administrative expenses	(220,002)	(160,312)	37.23
Results from operating activities	614,887	137,523	347.12
Finance income	12,117	4,733	156.01
Finance costs	(107,838)	(30,255)	256.43
Net financing costs	(95,721)	(25,522)	275.05
Share of joint venture's loss	(50,203)	(20,688)	142.67
Profit before taxation	468,963	91,313	413.58
Income tax expense	(84,800)	(23,900)	254.81
Profit for the period	384,163	67,413	469.86
Total comprehensive income for the period	384,163	67,413	
Profit attributable to:			
Equity holders of the parent company	385,071	65,008	
Non-controlling interests	(908)	2,405	
Profit for the period	384,163	67,413	
Total comprehensive income/(expense) attributable to:			
Equity holders of the parent company	385,071	65,008	
Non-controlling interests	(908)	2,405	
Total comprehensive income/(expense) for the period	384,163	67,413	
Basic earnings per share (Rupees)	10.70	1.81	

Figures in brackets indicate deductions.



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

Company

For the

Three months ended 30th June

	2022 Rs. 000's (Unaudited)	2021 Rs. 000's (Unaudited)	Variance %
Revenue	4,004,731	2,536,064	57.91
Cost of sales	(3,100,103)	(2,193,970)	41.30
Gross profit	904,628	342,094	164.44
Other operating income	57,091	40,825	39.84
Distribution expenses	(217,379)	(130,768)	66.23
Administrative expenses	(196,490)	(134,707)	45.86
Results from operating activities	547,850	117,444	366.48
Finance income	23,146	8,008	189.04
Finance costs	(91,818)	(24,815)	270.01
Net financing costs	(68,672)	(16,807)	308.59
Share of joint venture's loss	(50,203)	(20,688)	142.67
Profit before taxation	428,975	79,949	436.56
Income tax expense	(84,800)	(23,900)	254.81
Profit for the period	344,175	56,049	514.06
Total comprehensive income for the period	344,175	56,049	
Profit attributable to:			
Equity holders of the parent company	344,175	56,049	
Profit for the period	344,175	56,049	
Total comprehensive income attributable to:			
Equity holders of the parent company	344,175	56,049	
Total comprehensive income for the period	344,175	56,049	
Basic earnings per share (Rupees)	9.56	1.56	

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Financial Position

	Group		Company	
As at	30 th June 2022 Rs.000's (Unaudited)	31 st March 2022 Rs.000's (Audited)	30 th June 2022 Rs.000's (Unaudited)	31 st March 2022 Rs.000's (Audited)
Assets				
Non-current assets				
Property, plant and equipment	1,753,062	1,757,724	659,596	666,353
Right of use assets	66,909	74,979	66,729	74,692
Investment property	761,805	766,995	8,386	9,582
Intangible assets	10,053	10,735	9,959	10,634
Investments in subsidiaries	-	-	931,518	931,518
Investment in joint venture	113,344	163,547	113,344	163,547
Deferred tax asset	9,395	9,395	-	-
Total non-current assets	2,714,568	2,783,375	1,789,532	1,856,326
Current assets				
Inventories	3,034,297	2,080,664	2,777,876	1,851,311
Trade and other receivables	3,108,476	3,231,376	2,752,634	2,946,267
Related party receivables	50,123	15,120	177,346	133,150
Interest bearing short term loan to related parties	116,206	111,302	116,206	111,302
Cash and cash equivalents	101,934	181,752	59,112	132,940
	6,411,036	5,620,214	5,883,174	5,174,970
Total assets	9,125,604	8,403,589	7,672,706	7,031,296
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	738,118	738,118	209,305	209,305
Revenue reserves	2,441,392	2,056,321	2,736,149	2,391,974
Equity attributable to equity holders of the Company	3,695,291	3,310,220	3,467,410	3,123,235
Non-controlling interests	327,614	328,522	-	-
Total equity	4,022,905	3,638,742	3,467,410	3,123,235
Liabilities				
Non-current liabilities				
Interest bearing long term borrowings	203,646	239,995	78,454	78,454
Lease payable after one year	47,981	52,154	45,840	52,154
Retirement benefit obligation	51,309	50,233	21,400	22,100
Deferred income	621	706	-	-
Deferred tax liability	335,607	336,731	131,271	131,272
Total non-current liabilities	639,164	679,819	276,965	283,980
Current liabilities				
Deferred income	338	338	-	-
Current portion of long term borrowings	87,315	65,769	21,546	21,546
Lease payable within one year	24,026	24,232	24,026	24,026
Interest bearing short term borrowings	2,072,553	2,066,793	1,948,553	1,920,793
Income tax payable	116,774	107,672	117,304	108,000
Trade and other payables	1,855,875	1,235,965	1,629,282	1,056,268
Related party payables	125,527	388,613	68,816	331,888
Bank overdrafts	181,127	195,646	118,804	161,560
Total current liabilities	4,463,535	4,085,028	3,928,331	3,624,081
Total Liabilities	5,102,699	4,764,847	4,205,296	3,908,061
Total equity and liabilities	9,125,604	8,403,589	7,672,706	7,031,296
Net asset value per share (Rs.)	102.68	91.98	96.35	86.78

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

H. D. S Amarasuriya

Director

9th August 2022

Signed

A. M. de S. Jayaratne

Director



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

For the period ended 30th June 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 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 period</u>								
Net profit/(loss) for the period	-	-	-	-	65,008	65,008	2,405	67,413
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	65,008	65,008	2,405	67,413
Balance as at 30th June 2021	507,047	8,734	353,485	7,000	1,788,581	2,664,847	336,195	3,001,042
Balance as at 1st April 2021	507,047	8,734	738,118	7,000	2,049,321	3,310,220	328,522	3,638,742
<u>Total comprehensive income for the period</u>								
Net profit for the period	-	-	-	-	385,071	385,071	(908)	384,163
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	385,071	385,071	(908)	384,163
Balance as at 30th June 2022	507,047	8,734	738,118	7,000	2,434,392	3,695,291	327,614	4,022,905

Figures in brackets indicate deductions.



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

For the period ended 30th June 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 2021	507,047	14,909	59,576	7,000	1,800,934	2,389,466
<u>Total comprehensive income for the period</u>						
Net profit for the period	-	-	-	-	56,049	56,049
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	56,049	56,049
Balance as at 30th June 2021	507,047	14,909	59,576	7,000	1,856,983	2,445,515
Balance as at 1st April 2021	507,047	14,909	209,305	7,000	2,384,974	3,123,235
<u>Total comprehensive income for the period</u>						
Net profit for the period	-	-	-	-	344,175	344,175
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	344,175	344,175
Balance as at 30th June 2022	507,047	14,909	209,305	7,000	2,729,149	3,467,410

Figures in brackets indicate deductions.



C. W. Mackie PLC
Cash Flow Statement

	Group		Company	
<i>For the period ended 30th June</i>	2022 Rs. 000's	2021 Rs. 000's	2022 Rs. 000's	2021 Rs. 000's
Cash flows from operating activities				
Profit before taxation	468,963	91,313	428,975	79,949
<i>Adjustments for :</i>				
Depreciation and amortisation	37,708	34,080	29,000	25,344
Profit on disposal of property, plant and equipment	(12,100)	-	(12,100)	-
Write-off of property, plant and equipment	-	-	-	-
Provision for retirement benefit obligation	5,342	5,040	3,567	3,384
Amortisation of deferred income	(85)	(18)	-	-
Finance income	(6,190)	(4,733)	(10,420)	(8,008)
Finance costs	107,838	30,255	91,602	24,815
Unrealised (profit)/loss on inventory	2,726	(576)	-	-
Share of joint venture's loss	50,203	20,688	50,203	20,688
Provision for slow moving inventories	(5,527)	6,419	(5,952)	7,123
Provision for impairment of trade receivables	10,873	5,601	10,648	5,376
Operating profit before working capital changes	659,751	188,069	585,523	158,671
Changes in working capital				
Change in inventories	(950,832)	310,360	(920,613)	270,923
Change in trade and other receivables	112,027	(29,593)	182,985	(1,283)
Change in related party receivables	(35,003)	990	(44,196)	33,189
Change in interest bearing short-term loan to related parties	(4,904)	(3,590)	(4,904)	(3,590)
Change in trade and other payables	619,910	(378,845)	573,014	(168,557)
Change in related party payables	(263,086)	(57,349)	(263,072)	(221,699)
Cash generated from operations	137,863	30,042	108,737	67,654
Interest paid	(105,285)	(27,218)	(89,054)	(21,790)
Payments to gratuity fund	(4,266)	-	(4,266)	-
Income tax/ESC paid	(75,675)	(35,323)	(76,372)	(35,258)
Net cash flows from operating activities	(47,363)	(32,499)	(60,955)	10,606
Cash flows from/(used in) investing activities				
Purchase of property, plant and equipment	(19,101)	(33,923)	(12,408)	(4,015)
Proceeds from disposal of property, plant and equipment	12,100	-	12,100	-
Net cash flows used in investing activities	(7,001)	(33,923)	(308)	(4,015)
Cash flows from/(used in) financing activities				
Obtained/(repayment) of short term borrowings	5,760	(14,767)	27,760	(5,767)
Obtained/(repayment) of long term borrowings	(14,803)	57,317	-	(24,990)
Lease rental paid	(8,082)	(10,110)	(7,989)	(10,049)
Interest received	6,190	4,733	10,420	8,009
Net cash flows used in financing activities	(10,935)	37,173	30,191	(32,797)
Net changes in cash and cash equivalents	(65,299)	(29,249)	(31,072)	(26,206)
Cash and cash equivalents at the beginning of the period	(13,894)	(129,020)	(28,620)	(113,545)
Cash and cash equivalents at the end of the period (Note A)	(79,193)	(158,269)	(59,692)	(139,751)
Note A				
Cash and cash equivalents	101,934	192,824	59,112	171,214
Bank overdrafts	(181,127)	(351,093)	(118,804)	(310,965)
	(79,193)	(158,269)	(59,692)	(139,751)

Figures in brackets indicate deductions.



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

1. Segmental Information – Group

	Revenue		Segmental Profit	
For the period ended 30 th June 2022	2022 Rs.000's	2021 Rs.000's	2022 Rs.000's	2021 Rs.000's
Commodity trading	1,507,116	1,185,426	241,946	70,151
Rubber based products manufacturing	363,852	252,112	81,164	33,481
Industrial products	741,134	352,896	337,921	95,226
Consumer goods	1,774,625	1,018,233	341,118	188,136
	4,386,727	2,808,667	1,002,149	386,994
Other operating income			58,363	48,180
Operating overheads			(445,625)	(297,651)
Share of joint venture's profit/(loss)			(50,203)	(20,688)
Finance income			12,117	4,733
Finance costs			(107,838)	(30,255)
Income tax expense			(84,800)	(23,900)
Profit for the period			384,163	67,413

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 interim financial statements for the period ended 30th June 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 2022.

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 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 2022.

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.



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

5. Share Information

5.1 Twenty Largest Shareholders as at 30th June 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	311,514	0.87
8	Sezeka Limited	282,873	0.79
9	Corporate Holdings (Private) Limited Account No. 1	251,982	0.70
10	Bansei Securities Capital (Pvt) Ltd/K. A. R. Chandra	220,498	0.61
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	Ravi Exports (Private) Limited	100,000	0.28
16	Sir F. I. Rahimtoola	90,000	0.25
17	Mr. H. A. R. Pieris	85,000	0.24
18	Mr. G. P. D. M. Pathiraja	62,347	0.17
19	Mr. Z. G. Carimjee	60,200	0.17
20	Deutsche Bank AG Singapore A/C 2	60,018	0.17

5.2 Public Holding

	As at 30th June 2022
Percentage of public holding	11.44%
Number of public shareholders	2,579

5.3 The float adjusted market capitalisation of the Company as at 30th June 2022 is Rs. 288,196,356/45.

5.4 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.

5.5 Directors' Holding in Shares

Name of Director	No. of Shares As at 30th June 2022	No. of Shares As at 30th June 2021
W. T. Ellawala - Chairman/CEO (up to 28 July 2022)	500	500
H. D. S. Amarasuriya - Chairman/CEO (from 28 July 2022)	Nil	Nil
Ms. C. R. Ranasinghe	100	100
A. M. de S. Jayaratne	Nil	Nil
Anushman Rajaratnam	Nil	Nil
S. D. R. Arudpragasam	Nil	Nil
Dr. T. Senthilvel	1,782,575	1,782,575
K. T. A. Mangala Perera	Nil	Nil
Sanjeev Rajaratnam	Nil	N/A
A. Hettiarachchy	Nil	N/A
E. A. A. K. Edirisinghe	19	N/A

5.6 Share Price

	3 months to 30th June 2022	3 months to 30th June 2021
	Rs.	Rs.
Highest Price	82.00	70.80
Lowest Price	50.00	40.00
Last Traded Price	70.00	66.20



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

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

5.7 Stated Capital of the Company represents 35,988,556 ordinary shares.

Signed
H. D. S Amarasuriya
Chairman/Chief Executive Officer

Signed
C. R. Ranasinghe
Director/Company Secretary

Colombo, 9th August 2022

REGISTERED OFFICE

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website : www.cwmackie.com

DIRECTORS

H. D. S. Amarasuriya - Chairman/CEO (from 28 July 2022), Ms. C. R. Ranasinghe, A. M. de S. Jayaratne
Anushman Rajaratnam, S. D. R. Arudpragasam, Dr. T. Senthilverl,
K. T. A. Mangala Perera, Sanjeev Rajaratnam, A. Hettiarachchy, E. A. A. K. Edirisinghe