

C. W. MACKIE PLC



INTERIM REPORT YEAR ENDED 31ST MARCH 2023

26th May 2023



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

	2023 Rs. 000's (Unaudited)	2022 Rs. 000's (Unaudited)	Variance %	2023 Rs. 000's (Unaudited)	2022 Rs. 000's (Audited)	Variance %
Revenue	5,208,445	3,885,310	34.05	19,207,748	13,163,499	45.92
Cost of sales	(4,318,596)	(3,184,549)	35.61	(15,347,619)	(11,204,985)	36.97
Gross profit	889,849	700,761	26.98	3,860,129	1,958,514	97.09
Other operating income	56,662	53,601	5.71	226,837	185,123	22.53
Distribution expenses	(208,931)	(225,997)	(7.55)	(888,492)	(607,152)	46.34
Administrative expenses	(354,622)	(231,680)	53.07	(1,051,509)	(728,017)	44.43
Results from operating activities	382,958	296,685	29.08	2,146,965	808,468	165.56
Finance income	1,429	213,156	(99.33)	13,454	232,495	(94.21)
Finance costs	(243,896)	(59,302)	311.28	(668,856)	(177,413)	277.01
Net financing (costs)/income	(242,467)	153,854	257.60	(655,402)	55,082	1289.87
Share of joint venture's profit/(loss)	53,163	(106,147)	(150.08)	(165,413)	(127,808)	29.42
Profit before taxation	193,654	344,392	(43.77)	1,326,150	735,742	80.25
Income tax expense	(96,606)	(138,440)	(30.22)	(386,048)	(240,335)	60.63
Profit for the year	97,048	205,952	(52.88)	940,102	495,407	89.76
Other comprehensive income, net of income tax						
Revaluation of land	-	534,711		-	534,711	
Actuarial gain/(loss) on defined benefit plans	1,858	76,784		1,858	76,784	
Share of other comprehensive expense of equity accounted investee	1,866	209		1,866	209	
Related taxes on other comprehensive income	(73,853)	(150,078)		(73,853)	(150,078)	
Other comprehensive income/(expense) for the year, net of tax	(70,129)	461,626		(70,129)	461,626	
Total comprehensive income for the year	26,919	667,578		869,973	957,033	
Profit attributable to:						
Equity holders of the parent company	101,945	221,740		916,009	507,931	
Non-controlling interests	(4,897)	(15,788)		24,093	(12,524)	
Profit for the year	97,048	205,952		940,102	495,407	
Total comprehensive income attributable to:						
Equity holders of the parent company	32,689	671,938		846,753	962,301	
Non-controlling interests	(5,770)	(4,360)		23,220	(5,268)	
Total comprehensive income for the year	26,919	667,578		869,973	957,033	
Basic earnings per share (Rupees)	2.83	6.16		25.45	14.11	
Dividend per share (Rupees)	-	-		10.00	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

	2023 Rs. 000's (Unaudited)	2022 Rs. 000's (Unaudited)	Variance %	2023 Rs. 000's (Unaudited)	2022 Rs. 000's (Audited)	Variance %
Revenue	4,759,525	3,647,755	30.48	17,478,659	12,086,938	44.61
Cost of sales	(3,954,999)	(2,990,376)	32.26	(14,048,327)	(10,263,536)	36.88
Gross profit	804,526	657,379	22.38	3,430,332	1,823,402	88.13
Other operating income	39,590	50,194	(21.13)	203,617	173,978	17.04
Distribution expenses	(197,569)	(219,764)	(10.10)	(845,941)	(579,670)	45.93
Administrative expenses	(340,184)	(207,958)	63.58	(967,848)	(642,344)	50.67
Results from operating activities	306,363	279,851	9.47	1,820,160	775,366	134.75
Finance income	5,044	229,253	(97.80)	44,001	252,643	(82.58)
Finance costs	(209,056)	(49,465)	322.63	(615,454)	(144,976)	324.52
Net financing (costs)/income	(204,012)	179,788	213.47	(571,453)	107,667	630.76
Share of joint venture's profit/(loss)	53,163	(106,147)	(150.08)	(165,413)	(127,808)	29.42
Profit before taxation	155,514	353,492	(56.01)	1,083,294	755,225	43.44
Income tax expense	(52,593)	(130,168)	(59.60)	(327,393)	(232,063)	41.08
Profit for the year	102,921	223,324	(53.91)	755,901	523,162	44.49
Other comprehensive income, net of income tax						
Revaluation of land	-	191,851		-	191,851	
Actuarial gain/(loss) on defined benefit plans	(387)	50,251		(387)	50,251	
Share of other comprehensive income of equity accounted investee	-	209		1,866	209	
Related taxes on other comprehensive income	-	(46,044)		(17,394)	(46,044)	
Other comprehensive income/(expense) for the year, net of tax	(387)	196,267		(15,915)	196,267	
Total comprehensive income for the year	102,534	419,591		739,986	719,429	
Profit attributable to:						
Equity holders of the parent company	102,921	223,324		755,901	523,162	
Profit for the year	102,921	223,324		755,901	523,162	
Total comprehensive income attributable to:						
Equity holders of the parent company	102,534	419,591		739,986	719,429	
Total comprehensive income for the year	102,534	419,591		739,986	719,429	
Basic earnings per share (Rupees)	2.86	6.21		21.00	14.54	
Dividend per share (Rupees)	-	-		10.00	7.00	

Figures in brackets indicate deductions.



C. W. Mackie PLC
Statement of Financial Position

	Group		Company	
As at	31 st March 2023 Rs.000's (Unaudited)	31 st March 2022 Rs.000's (Audited)	31 st March 2023 Rs.000's (Unaudited)	31 st March 2022 Rs.000's (Audited)
Assets				
Non-current assets				
Property, plant and equipment	1,816,921	1,757,724	679,502	666,353
Right of use assets	97,856	74,979	97,856	74,692
Investment property	659,293	766,995	4,783	9,582
Intangible assets	8,481	10,735	8,408	10,634
Investments in subsidiaries	-	-	921,518	931,518
Investment in joint venture	-	163,547	-	163,547
Deferred tax asset	9,395	9,395	-	-
Total non-current assets	2,591,946	2,783,375	1,712,067	1,856,326
Current assets				
Inventories	2,909,680	2,080,664	2,651,190	1,851,311
Trade and other receivables	3,403,744	3,231,376	3,121,937	2,946,267
Related party receivables	234,112	15,120	264,008	133,150
Interest bearing short term loan to related parties	-	111,302	-	111,302
Cash and cash equivalents	197,856	181,752	161,722	132,940
	6,745,392	5,620,214	6,198,857	5,174,970
Total assets	9,337,338	8,403,589	7,910,924	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	664,265	738,118	193,390	209,305
Revenue reserves	2,617,041	2,056,321	2,787,989	2,391,974
Equity attributable to equity holders of the Company	3,797,087	3,310,220	3,503,335	3,123,235
Non-controlling interests	351,742	328,522	-	-
Total equity	4,148,829	3,638,742	3,503,335	3,123,235
Liabilities				
Non-current liabilities				
Interest bearing long term borrowings	188,905	239,995	59,824	78,454
Lease payable after one year	63,815	52,154	63,815	52,154
Retirement benefit obligation	50,335	50,233	21,301	22,100
Deferred income	417	706	-	-
Deferred tax liability	425,914	336,731	138,972	131,272
Total non-current liabilities	729,386	679,819	283,912	283,980
Current liabilities				
Deferred income	288	338	-	-
Current portion of long term borrowings	52,548	65,769	20,088	21,546
Lease payable within one year	30,400	24,232	30,400	24,026
Interest bearing short term borrowings	2,152,140	2,066,793	2,022,140	1,920,793
Income tax payable	194,659	107,672	164,695	108,000
Trade and other payables	1,255,070	1,235,965	1,565,831	1,056,268
Related party payables	556,209	388,613	160,530	331,888
Bank overdrafts	217,809	195,646	159,993	161,560
Total current liabilities	4,459,123	4,085,028	4,123,677	3,624,081
Total Liabilities	5,188,509	4,764,847	4,407,589	3,908,061
Total equity and liabilities	9,337,338	8,403,589	7,910,924	7,031,296
Net asset value per share (Rs.)	105.51	91.98	97.35	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

L. Yatiwella

Chief Financial Officer

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

Signed

H. D. S. Amarasuriya

Director

26th May 2023

Signed

A. M. de S. Jayaratne

Director



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

For the year ended 31st March 2023

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	-	-	-	-	507,931	507,931	(12,524)	495,407
Other comprehensive income, net of tax	-	-	384,633	-	69,737	454,370	7,256	461,626
Total comprehensive income for the period	-	-	384,633	-	577,668	962,301	(5,268)	957,033
<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	738,118	7,000	2,049,321	3,310,220	328,522	3,638,742
Balance as at 1st April 2022	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	-	-	-	-	916,009	916,009	24,093	940,102
Other comprehensive income, net of tax	-	-	(73,853)	-	4,597	(69,256)	(873)	(70,129)
Total comprehensive income for the period	-	-	(73,853)	-	920,606	846,753	23,220	869,973
<u>Contributions by and distributions to equity holders</u>								
First and final dividend 2021/22	-	-	-	-	(359,886)	(359,886)	-	(359,886)
Total distributions to equity holders	-	-	-	-	(359,886)	(359,886)	-	(359,886)
Balance as at 31st March 2023	507,047	8,734	664,265	7,000	2,610,041	3,797,087	351,742	4,148,829

Figures in brackets indicate deductions.



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

For the year ended 31st March 2023

	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	63,498	7,000	2,063,272	2,655,726
<u>Total comprehensive income for the period</u>						
Net profit for the period	-	-	-	-	523,162	523,162
Other comprehensive income, net of tax	-	-	145,807	-	50,460	196,267
Total comprehensive income for the period	-	-	145,807	-	573,622	719,429
<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	2,384,974	3,123,235
Balance as at 1st April 2022	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	-	-	-	-	755,901	755,901
Other comprehensive income, net of tax	-	-	(15,915)	-	-	(15,915)
Total comprehensive income for the period	-	-	(15,915)	-	755,901	739,986
<u>Contributions by and distributions to equity holders</u>						
First and final dividend 2021/22	-	-	-	-	(359,886)	(359,886)
Total distributions to equity holders	-	-	-	-	(359,886)	(359,886)
Balance as at 31st March 2023	507,047	14,909	193,390	7,000	2,780,989	3,503,335

Figures in brackets indicate deductions.



C. W. Mackie PLC
Cash Flow Statement

	Group		Company	
	2023	2022	2023	2022
	Rs. 000's	Rs. 000's	Rs. 000's	Rs. 000's
For the year ended 31st March 2023				
Cash flows from operating activities				
Profit before taxation	1,326,150	735,742	1,083,294	755,225
<i>Adjustments for :</i>				
Depreciation and amortisation	145,352	143,714	113,281	109,502
Profit on disposal of property, plant and equipment	(12,663)	(210)	(12,535)	(127)
Write-off of property, plant and equipment	-	35	-	35
Provision for retirement benefit obligation	14,846	23,814	8,708	15,680
Amortisation of deferred income	(338)	(711)	-	-
Finance income	(13,454)	(14,558)	(44,001)	(22,544)
Finance costs	644,372	177,413	556,680	144,976
Unrealised (profit)/loss on inventory	(1,042)	12	-	-
Share of joint venture's loss	165,413	127,808	165,413	127,808
Provision for slow moving inventories	46,178	74,758	128,380	73,395
Provision for impairment of trade receivables	15,242	63,782	14,848	62,378
Provision for impairment of investment in subsidiary	-	-	10,000	-
Provision for impairment of related party receivables	30,896	-	30,896	-
Operating profit before working capital changes	2,360,952	1,331,599	2,054,964	1,266,328
Changes in working capital				
Change in inventories	(874,152)	(231,232)	(928,259)	(151,817)
Change in trade and other receivables	(185,363)	(502,889)	(194,864)	(584,201)
Change in related party receivables	(138,586)	87,697	(50,452)	108,060
Change in trade and other payables	19,105	(558,881)	509,563	(588,038)
Change in related party payables	167,596	(80,370)	(171,358)	19,201
Cash generated from operations	1,349,552	45,924	1,219,594	69,533
Interest paid	(637,217)	(166,667)	(548,538)	(134,285)
Payments to gratuity fund	(12,884)	(13,357)	(9,893)	(10,333)
Income tax paid	(283,793)	(151,349)	(280,392)	(151,349)
Net cash flows from/(to) operating activities	415,658	(285,449)	380,771	(226,434)
Cash flows from/(used in) investing activities				
Purchase of property, plant and equipment	(160,958)	(263,508)	(93,664)	(189,619)
Proceeds from disposal of property, plant and equipment	103,776	254	13,890	171
Net cash flows used in investing activities	(57,182)	(263,254)	(79,774)	(189,448)
Cash flows from/(used) in financing activities				
Short term borrowings obtained	85,347	771,729	101,347	759,729
Long term borrowings obtained/(repayment)	(64,311)	167,749	(20,088)	8,370
Lease rental paid	(39,139)	(38,287)	(36,022)	(37,916)
Interest received	13,454	14,558	44,001	22,544
Dividend paid	(359,886)	(251,920)	(359,886)	(251,920)
Net cash flows used in financing activities	(364,535)	663,829	(270,648)	500,807
Net changes in cash and cash equivalents	(6,059)	115,126	30,349	84,925
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)	(19,953)	(13,894)	1,729	(28,620)
Note A				
Cash and cash equivalents	197,856	181,752	161,722	132,940
Bank overdrafts	(217,809)	(195,646)	(159,993)	(161,560)
	(19,953)	(13,894)	1,729	(28,620)

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>	2023 Rs.000's	2022 Rs.000's	2023 Rs.000's	2022 Rs.000's
Commodity trading	7,198,094	5,518,225	958,443	383,060
Rubber based products manufacturing	1,682,526	986,202	349,722	74,409
Industrial products	2,805,156	2,096,881	1,140,446	649,479
Consumer goods	7,521,972	4,562,191	1,411,518	851,566
	19,207,748	13,163,499	3,860,129	1,958,514
Other operating income			226,837	185,123
Operating overheads			(1,940,001)	(1,335,169)
Share of joint venture's loss			(165,413)	(127,808)
Finance income			13,454	232,495
Finance costs			(668,856)	(177,413)
Income tax expense			(386,048)	(240,335)
Profit for the period			940,102	495,407

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 2023, 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.

5. Dividend

First and final dividend of Rs.10/- per share amounting to Rs.359,885,560 /- for the financial year ended 31st March 2022 authorised for distribution by the Directors was approved by the shareholders of the Company at the Annual General Meeting held on 28th July 2022 and was fully paid to the Shareholders on 19th August 2022.



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

6. Share Information

6.1 Twenty Largest Shareholders as at 31st March 2023

	Name of Shareholder	No. of Ordinary Shares (Voting)	%
1	Lankem Ceylon PLC	16,006,441	44.48
2	Seylan Bank PLC/Senthilveri Holdings (Private) Limited	8,400,209	23.34
3	Union Bank of Colombo PLC/Lankem Ceylon PLC	2,137,526	5.94
4	Sampath Bank PLC / Dr. T. Senthilveri	1,782,575	4.95
5	Pan Asia Banking Corporation PLC /Lankem Ceylon PLC	1,379,285	3.83
6	Acuity Partners (Private) Limited/Union Investment (Private) Limited	950,000	2.64
7	Corporate Holdings (Private) Limited Account No. 1	307,982	0.86
8	Colombo Fort Investments PLC	247,285	0.69
9	Colombo Investment Trust PLC	219,060	0.61
10	Mr. D. F. G. Dalpethado	193,175	0.54
11	Ravi Exports (Private) Limited	185,380	0.52
12	Access Engineering PLC	174,119	0.48
13	Mr. P. P. Anandarajah	155,100	0.43
14	Mr. M. A. Lukmanjee	155,000	0.43
15	Oakley Investments (Private) Limited	153,239	0.43
16	Sampath Bank PLC/ Mr. G. S. N. Peiris	132,272	0.37
17	Mr. H. A. R. Pieris	105,000	0.29
18	Mr. K. D. Y. Pathiraja	100,000	0.28
19	Sir F. I. Raheemtoola	90,000	0.25
20	Mr. D. N. P. Rathnayake	83,854	0.23

6.2 Public Holding

	As at 31st March 2023
Percentage of public holding	11.63%
Number of public shareholders	2,618

6.3 The float adjusted market capitalisation of the Company as at 31st March 2023 is Rs. 342,789,916/24.

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 2023	No. of Shares As at 31st March 2022
H. D. S. Amarasuriya (Chairman/CEO)	500	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. Senthilveri	1,782,575	1,782,575
K. T. A. Mangala Perera	Nil	Nil
Sanjeev Rajaratnam	Nil	Nil
A. Hettiarachchy	Nil	Nil
E. A. A. K. Edirisinghe	19	19
C. P. R. Perera	Nil	N/A

6.6 Share Price

	3 months to 31st March 2023	3 months to 31st March 2022
	Rs.	Rs.
Highest Price	92.00	69.20
Lowest Price	75.00	52.50
Last Traded Price	81.90	68.00



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

Signed
C. R. Ranasinghe
Director/Company Secretary

Colombo, 26th May 2023

REGISTERED OFFICE

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Telephone : 2423554 - 62 Fax: 2440228
E-mail : info@cwmackie.com
website : www.cwmackie.com

DIRECTORS

H. D. S. Amarasuriya, Ms. C. R. Ranasinghe, A. M. de S. Jayaratne
Anushman Rajaratnam, S. D. R. Arudpragasam, Dr. T. Senthilvel, K. T. A. Mangala Perera
Sanjeev Rajaratnam, A. Hettiarachchy, E. A. A. K. Edirisinghe, C. P. R. Perera