

DIRECTOR'S REPORT

The Board of Directors of Johnson & Phillips (Pakistan) Limited present to you the Un-audited financial statements for the half year ended December 31st 2016.

Industrial activity is still in the process of recovery; energy crisis, rising prices of inputs all had an effect on our sales and profits. Net sales have not increased when compared to half year ended December 31st 2015.

The Management however continues to focus on Restructuring, as without this operations would not be sustainable.

Despite the high cost of input, management has kept a tight control, and managed to curtail the administrative and distribution expenses for the period under review when compared with the corresponding period last year.

Hopefully we can take the shareholders in to confidence about the proposed plan by the end of this financial year.

The Board would like to thank its valued customers, suppliers and shareholders for their continued trust and support.

Karachi
Dated: 24-02-2017

For and on Behalf of Board of Directors
Shehryar Saeed
(Chief Executive)

AUDITORS' REPORT TO THE MEMBERS ON
REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Johnson & Phillips (Pakistan) Limited** ('the Company') as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with notes forming part thereof for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

1. The Company has not deposited unclaimed dividend amounting to Rs. 4.268 million in a separate bank account designated for this purpose nor does the Company have sufficient fund available in its bank accounts to pay the unclaimed dividend in the event same is demanded by the shareholder.
2. Confirmations from legal advisors remained un-responded during audit for the year ended 30 June 2016 and relevant facts relating to the matters discussed in note e 11.2 and 11.4 to this condensed interim financial information are still unconfirmed.

Qualified Conclusion

Based on our review, with the exception of the matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without further qualifying our conclusion, we draw attention to note 2 to the interim financial information which indicates that the Company has reported loss after taxation of Rs. 21.798 million and the accumulated losses of the Company stand at Rs. 297.434 million and its equity is negative by Rs. 190.134 million as at the close of period. These conditions along with other matters as set forth in note 2 to the interim financial information indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. This interim financial information do not include any adjustments relating to the realization of the Company's assets and liquidation of any liabilities that may be necessary should the Company be unable to continue as a going concern.

Karachi

Nazir Chaudhri & Co.

Chartered Accountants

Engagement Partner : Abdul Rafay, FCA

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM BALANCE SHEET - UN-AUDITED
AS AT DECEMBER 31, 2016

	<i>Note</i>	Un-audited December 31 2016	Audited June 30 2016
(Rupees in thousand)			
ASSETS			
Non-Current assets			
Property, plant and equipment	6	179,603	184,009
Intangible assets		-	-
Long term investments		-	-
Long term deposits		940	940
		180,543	184,949
Current assets			
Stock-in-trade		37,545	42,650
Trade debts		8,418	6,372
Loans and advances	7	17,018	16,289
Deposits, prepayments and other receivable		5,446	6,776
Advance tax - net of provision		2,474	2,315
Cash and bank balances		72	1,082
		70,973	75,484
		251,516	260,433
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
8,000,000 (June 30, 2016: 8,000,000) ordinary shares of Rs. 10 each		80,000	80,000
Issued, subscribed and paid-up capital		54,500	54,500
5,449,972 (June 30, 2016: 5,449,972) ordinary shares of Rs. 10 each			
Share premium reserve		29,727	29,727
General reserve		23,073	23,073
Accumulated loss		(297,434)	(279,054)
		(190,134)	(171,754)
Surplus on revaluation of fixed assets	8	170,544	173,962
NON-CURRENT LIABILITIES			
Long term borrowings	9	81,582	81,582
Deferred liabilities		11,721	12,862
		93,303	94,444
CURRENT LIABILITIES			
Trade and other payables	10	167,166	155,513
Current and overdue portion of long term borrowings	9	4,000	4,000
Mark-up accrued		2,369	-
Unclaimed dividend		4,268	4,268
		177,803	163,781
Contingencies and Commitments	11		
		251,516	260,433

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UN-AUDITED
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2016

	Six months period ended		Three months period ended	
	December 31	December 31	December 31	December 31
	2016	2015	2016	2015
	-----Rupees in thousand-----			
Revenue from sales and services-net	16,674	16,340	6,206	11,523
Cost of sales and services	(24,786)	(31,190)	(8,669)	(20,689)
Gross loss	(8,112)	(14,850)	(2,463)	(9,166)
Operating expenses				
Distribution cost	(912)	(1,632)	(450)	(1,190)
Administrative expenses	(11,132)	(12,919)	(6,692)	(8,795)
Other income	311	25	(301)	11
	(11,733)	(14,526)	(7,443)	(9,973)
	(19,845)	(29,376)	(9,906)	(19,139)
Finance cost	(2,394)	(2,367)	(1,199)	(1,189)
Loss before taxation	(22,239)	(31,743)	(11,105)	(20,328)
Taxation	441	316	569	365
Loss after taxation	(21,798)	(31,427)	(10,536)	(19,963)
Loss per share-basic and diluted	(4.00)	(5.77)	(1.93)	(3.66)

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

*CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2016*

	Six months period ended December 31		Three months period ended December 31	
	2016	2015	2016	2015
	-----Rupees in thousand-----			
Loss after taxation	(21,798)	(31,427)	(10,536)	(19,963)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(21,798)	(31,427)	(10,536)	(19,963)

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT - UN-AUDITED

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2016

	December 31 2016	December 31 2015
<i>Note</i>	Rupees in thousand	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(22,239)	(31,743)
Adjustments for:		
Depreciation	4,406	4,418
Provision for staff gratuity	33	28
Finance cost	2,394	2,367
	6,833	6,813
Operating loss before working capital changes	(15,406)	(24,930)
Decrease / (increase) in current assets		
Stock-in-trade	5,105	9,657
Trade debts	(2,046)	(6,989)
Loans and advances	(729)	4
Deposits, prepayments and other receivable	1,330	(319)
	3,660	2,353
Decrease in current liabilities		
Trade and other payables	11,653	17,787
	(93)	(4,790)
Income tax (paid) / refunded	(326)	172
Gratuity paid	(566)	-
Finance cost paid	(25)	(390)
	(917)	(218)
Net cash used in operating activities	(1,010)	(5,008)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term borrowings received	-	3,443
Net cash from financing activities	-	3,443
Net decrease in cash and cash equivalents	(1,010)	(1,565)
Cash and cash equivalents at beginning of the period	1,082	1,731
Cash and cash equivalents at end of the period	72	166

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

*CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UN-AUDITED
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2016*

	Issued, subscribed and paid-up capital	Reserves			Total
		Capital Share Premium	General	Revenue Accumulated loss	
-----Rupees in thousand-----					
Balance as at July 01, 2015	54,500	29,727	23,073	(230,381)	(123,081)
Total comprehensive loss for the period					
Loss after taxation for the half year ended December 31, 2015	-	-	-	(31,427)	(31,427)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	3,293	3,293
Balance as at December 31, 2015	<u>54,500</u>	<u>29,727</u>	<u>23,073</u>	<u>(258,515)</u>	<u>(151,215)</u>
Balance as at July 01, 2016	54,500	29,727	23,073	(279,054)	(171,754)
Total comprehensive loss for the period					
Loss after taxation for the half year ended December 31, 2016	-	-	-	(21,798)	(21,798)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	3,418	3,418
Balance as at December 31, 2016	<u><u>54,500</u></u>	<u><u>29,727</u></u>	<u><u>23,073</u></u>	<u><u>(297,434)</u></u>	<u><u>(190,134)</u></u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2016

1 STATUS AND NATURE OF BUSINESS

Johnson & Phillips (Pakistan) Limited ("the Company") was incorporated in Pakistan as a public limited company on April 15, 1961 and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at C-10, South Avenue, S.I.T.E., Karachi. The Company is principally engaged in manufacturing , installation and selling of electrical equipments. Etheridge Company Limited, held 2,719,536 (June 30, 2016: 2,719,536) ordinary shares of Rs. 10 each of the Company as at period end, which constitute 49.90% of total shares issued.

2 GOING CONCERN

The Company has incurred gross loss of Rs. 8.112 million during the half year ended December 31, 2016 (December 31, 2015: Rs.14.85 million) and loss after taxation amounting to Rs.21.798 million (December 31, 2015: Rs. 31.427 million) which has further increased accumulated losses to Rs.297.434 million (June 30, 2015: Rs. 279.054 million) and has resulted in negative equity of Rs.190.134 million (June 30, 2015: Rs.171.754 million).

The sales of the Company is continuously decreasing because of low demand from the private sector. Direct FDI has decreased resulting in local industry stagnating with exports also on decline because of energy costs and liquidity crunch. In spite of the above stated circumstances the management of the company still consider that the going concern assumption used for preparation of these financial statement is appropriate in view of the following facts.

- i** The Company already has its obligations rescheduled in respect of long term loans and financial arrangements, including repayment of principal and accumulated mark-up thereon with various lenders.
- ii** Efforts are underway to obtain orders so that sales volume as well as profitability can be achieved and the management expects favorable improvements in forthcoming year. This will be achieved with the re-certification of our product line now under way, so sales to the public sector will commence driving volume, which will boost sales and profitability.
- iii** The board has provided in the past continued support to the company and has indicated commitment in order to maintain the going concern status .This is evident from the fact that a Director continues to provide financial support to the Company.

The management of the Company is confident that the above factors shall enable the Company to continue as going concern in foreseeable future; hence, these financial statements have been prepared on going concern assumption.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

The condensed interim financial information for the six months period ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements as at and for the year ended 30 June 2016.

This condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange Limited vide section 245 of the Companies Ordinance, 1984. The figures for the six months period ended 31 December 2016 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except leasehold land, building and plant and machinery which are stated at revalued amount and the Company's liability under its defined benefit plan (gratuity) which is determined on the present value of the defined benefit obligations determined by an independent actuary.

3.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended 30 June 2016. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2016.

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2016.

Un-audited December 31 2016	Audited June 30 2016
--	-------------------------------------

Rupees in thousand

6 PROPERTY, PLANT AND EQUIPMENT

Owned

Opening written down value	184,009	192,820
Depreciation	(4,406)	(8,811)
Closing written down value	179,603	184,009

7 LOANS AND ADVANCES

Loans to subsidiary companies - unsecured

Considered doubtful

	Un-audited December 31 2016	Audited June 30 2016
Johnson & Phillips Industries (Pakistan) Limited (JPI)	32,261	32,244
Johnson & Phillips Transformers (Private) Limited (JPT)	13,280	13,194
Johnson & Phillips EMO Pakistan (Pvt.) Limited (EMO)	2,964	2,948
	48,505	48,386
Less Provision against doubtful loans	(48,505)	(48,386)
	-	-

Advances - Unsecured, Considered good

To suppliers	794	829
To employees	418	460
Against purchase of land	2,717	2,717
Others	72	71
	4,001	4,077
Sales tax refundable	16,559	15,754

Less: Provision for doubtful advances against:

Suppliers	(765)	(765)
purchase of land	(2,717)	(2,717)
Others	(60)	(60)
	(3,542)	(3,542)

8 SURPLUS ON REVALUATION OF FIXED ASSETS

Opening balance	173,962	180,796
Transferred to accumulated loss in respect of incremental depreciation on revalued assets for the period/year	(3,418)	(6,834)
	170,544	173,962

Un-audited	Audited
December 31	June 30
2016	2016
Rupees in thousand	

9 LONG TERM BORROWINGS

From related parties

From director	26,449	26,449
From other related parties	55,133	55,133
	81,582	81,582

From others

	4,000	4,000
	85,582	85,582

Less: current and overdue portion	(4,000)	(4,000)
	81,582	81,582

10 TRADE AND OTHER PAYABLES

Creditors	10.1	126,461	120,066
Accrued liabilities		10,148	5,796
Advances from customers		7,795	9,134
Payable to Elmetec (Pvt) Ltd - related party		20,631	18,459
Payable to ex-employees		802	802
Provident fund		86	13
Unclaimed gratuity payable		894	894
Others		349	349
		167,166	155,513

10.1 These include Rs. 118.055 million (30 June 2016: 113.054 million) payable to Elmetec (Private) Limited - a related party.

11 CONTINGENCIES AND COMMITMENTS

Contingencies

11.1 Guarantees

The banks have issued guarantees, on behalf of the Company as detailed below:

Guarantees against performance bond	5,840	6,100
-------------------------------------	--------------	-------

Labour

11.2 Some legal cases are pending against the Company filed by ex-workers in respect of their claims. The aggregate amounts involved in these cases are Rs. 0.987 million. (2015: 0.987 million).

Others

11.3 Pursuant to a recovery suit filed by the National Bank of Pakistan against Johnson & Phillips Transformers (Pvt.) Limited (Defendant No.1) and Johnson & Phillips (Pakistan) Limited (Defendant No.2), the Banking Court No. III, Lahore passed a compromise decree.

The Bank agreed that prior to executing the Decree against the Defendant No.2 as guarantor, the Bank will execute against all assets of the Defendant No. 1. Some payments has been made to the Bank while the remaining amount of Rs. 25,894 thousand is still payable. The execution proceedings in this case are now pending before the Banking Court No. III.

11.4 The Company has filed a suit for the recovery of insurance claim of Rs 3.734 million (2015: Rs 3.734 million) in Honorable High Court of Sindh Karachi against the EFU General Insurance Limited and M/s Hanilay & Co. (Private) Limited.

12 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, contribution of staff benefit funds, return on loans, amounts due from executives and remuneration of directors and executives alongwith other transactions with related parties are given below:

12.1 TRANSACTIONS WITH RELATED PARTIES

Subsidiaries

Payments made on behalf of subsidiary companies

Payment of loan on behalf of a subsidiary company

Provision for doubtful debts against loan to subsidiary companies

Key management personnel

Remuneration and benefits to key management personnel

Provident Fund

Contribution paid to provident fund trust

Directors

Markup accrued on long term loan

Markup paid on long term loan

Other related parties

Purchases

Payment against purchases

Advance received

Markup accrued on long term loan

	Un-audited December 31 2016	Un-audited December 31 2015
	Rupees in thousand	
	119	24
	-	5,000
	119	5,024
	1,563	1,788
	274	225
	1,035	1,016
	274	316
	6,156	7,940
	1,155	1,297
	2,172	14,474
	1,334	1,334

All transactions with related parties have been carried out by the Company at commercial terms, approved policy and a rate agreed under a contract / arrangement / agreement.

13 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on 24th, February 2017 by the Board of Directors of the Company.

14 GENERAL

Figures have been rounded off to the nearest thousand rupee.

CHIEF EXECUTIVE

DIRECTOR

JOHNSON & PHILLIPS (PAKISTAN) LIMITED*Condensed Interim Consolidated Balance Sheet - Un-Audited**As At December 31, 2016*

	Un-audited December 31 2016	Audited June 30 2016
	(Rupees in thousand)	
<i>Assets</i>		
Non-Current Assets		
Property, plant and equipments	179,603	184,009
Intangible assets	-	
Long term deposits	1,566	1,566
	181,169	185,575
Current Assets		
Assets held for sales	23,870	23,870
Store, spares and loose tools	2,396	2,396
Stock-in-trade	50,250	55,355
Trade debts	8,418	6,372
Loans and advances	26,240	17,956
Deposits, prepayments and other receivables	6,099	7,479
Advance tax - net of provision	5,129	4,970
Cash and bank balances	235	1,245
	122,637	119,643
Total Assets	303,806	305,218
<i>Equity And Liabilities</i>		
Share Capital And Reserves		
Authorised capital	80,000	80,000
8,000,000 (June 30, 2016: 8,000,000) ordinary shares of Rs. 10 each		
Issued, subscribed and paid-up capital	54,500	54,500
Share premium reserve	29,727	29,727
General reserve	23,073	23,073
Accumulated loss	(303,392)	(285,012)
	(196,092)	(177,712)
Non-controlling interest	-	-
Surplus on revaluation of property, plant and equipments	170,544	173,962
Non-Current Liabilities		
Long term borrowings	81,582	81,582
Deferred liabilities	12,317	13,458
	93,899	95,040
Current Liabilities		
Trade and other payables	182,878	171,269
Short term borrowings	41,380	33,831
Current and overdue portion of long term borrowings	4,000	4,000
Mark-up accrued	2,369	-
Unclaimed dividend	4,268	4,268
Taxation	560	560
	235,455	213,928
Contingencies and Commitments		
Total Equity And Liabilities	303,806	305,218

*The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.*_____
Chief Executive_____
Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Profit And Loss Account - Un-Audited

For The Six Months Period Ended December 31, 2016

	Half year ended December 31		Quarter ended December 31	
	2016	2015	2016	2015
	------(Rupees in thousand)-----			
Revenue from sales and services-net	16,674	16,340	6,206	11,523
Cost of sales and services	(24,786)	(31,190)	(8,669)	(20,689)
Gross Profit	(8,112)	(14,850)	(2,463)	(9,166)
Operating expenses				
Distribution cost	(912)	(1,632)	(450)	(1,190)
Administrative expenses	(11,132)	(12,919)	(6,692)	(8,795)
Other operating income	311	25	(301)	11
Operating loss	(19,845)	(29,376)	(9,906)	(19,139)
Finance cost	(2,394)	(2,367)	(1,199)	(1,189)
Loss before taxation	(22,239)	(31,743)	(11,105)	(20,328)
Taxation	441	316	569	365
Loss after taxation	(21,798)	(31,427)	(10,536)	(19,963)
Loss attributable to:				
- Owners of the Holding company	-	-	(10,536)	(19,963)
- Non-controlling interest	-	-	-	-
Loss for the period	-	-	(10,536)	(19,963)
Loss per share - basic and diluted	(4.00)	(5.77)	(1.93)	(3.66)

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Statement Of Comprehensive Income - Un-Audited
For The Six Months Period Ended December 31, 2016

	<u>Half year ended December 31</u>		<u>Quarter ended December 31</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	------(Rupees in thousand)-----			
Loss after taxation	(21,798)	(31,427)	(10,536)	(19,963)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(21,798)	(31,427)	(10,536)	(19,963)
Total comprehensive loss attributable to:				
- Owners of the Holding company	-	-	(10,536)	(19,963)
- Non-controlling interest	-	-	-	-
	-	-	(10,536)	(19,963)

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Cash Flow Statement - Un-Audited

For The Six Months Period Ended December 31, 2016

	December 31 2016	December 31 2015
<i>Note</i>	(Rupees in thousand)	
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Loss before taxation	(22,239)	(31,743)
Adjustments for:		
Depreciation	4,406	4,418
Provision for staff gratuity	33	28
Finance cost	2,394	2,367
	6,833	6,813
Operating (Loss) / Profit before working capital changes	(15,406)	(24,930)
Decrease in current assets		
Stock-in-trade	5,105	9,657
Trade debts	(2,046)	(6,989)
Loans and advances	(8,284)	4
Deposits, prepayments and other receivable	1,380	(319)
	(3,845)	2,353
Decrease / (increase) in current liabilities		
Trade and other payables	11,609	17,787
	(7,642)	(4,790)
Taxes paid	(326)	172
Gratuity paid	(566)	-
Finance cost paid	(25)	(390)
	(917)	(218)
Net cash used in operating activities	(8,559)	(5,008)
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Fixed capital expenditure incurred	-	-
Net cash generated from/(used in) investing activities	-	-
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>		
Proceeds from long term borrowing	-	3,443
Short term borrowings obtained	7,549	163
Net cash generated from/ (used in) financing activities	7,549	3,606
Net decrease in cash and cash equivalents	(1,010)	(1,402)
Cash and cash equivalents at beginning of the period	1,245	1,731
Cash and cash equivalents at end of the period	7 235	329

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED*Condensed Interim Consolidated Statement Of Changes In Equity - Un-Audited**For The Half Year Ended December 31, 2016*

	Issued, subscribed and paid-up capital	Reserves			Total
		Capital Share Premium	General	Unappropriated loss	
------(Rupees in thousand)-----					
Balance as at July 01, 2015	54,500	29,727	23,073	(243,795)	(136,495)
Total comprehensive loss for the period					
Loss after taxation for the period	-	-	-	(31,427)	(31,427)
Transfer from surplus on revaluation of property, plant and equipments	-	-	-	3,293	3,293
Balance as at December 31, 2015	54,500	29,727	23,073	(271,929)	(164,629)
Balance as at July 01, 2016	54,500	29,727	23,073	(285,012)	(177,712)
Total comprehensive loss for the period					
Loss after taxation for the period	-	-	-	(21,798)	(21,798)
Transfer from surplus on revaluation of property, plant and equipments	-	-	-	3,418	3,418
Balance as at December 31, 2016	54,500	29,727	23,073	(303,392)	(196,092)

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Notes To The Financial Information - Un-Audited
For The Six Months Period Ended December 31, 2016

1 STATUS AND NATURE OF BUSINESS

1.1 Johnson & Phillips (Pakistan) Limited ("the Holding Company") was incorporated in Pakistan as a public limited company on April 15, 1961 and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. The registered office of the Holding Company is situated at C-10, South Avenue, S.I.T.E., Karachi. The Holding Company is principally engaged in manufacturing, installing and selling of electrical equipments. Etheridge Company Limited, held 2,719,536 (June 30, 2016: 2,719,536) ordinary shares of Rs. 10 each of the Holding Company as at December 31, 2016, which constitute 49.90% of total shares issued.

Subsidiaries of Johnson & Phillips (Pakistan) Limited are public and private limited companies and are engaged in the business of manufacturing and sale of electrical and mechanical equipments/appliances and participation in turnkey engineering industrial projects.

The following Subsidiary Companies have been consolidated in the condensed interim consolidated financial information of the Holding Company:

Subsidiary Companies	Company Status	Group Holding
Johnson & Phillips Industries (Pakistan) Limited	Public Limited	100%
Johnson & Phillips Transformers (Private) Limited	Private Limited	70%
Johnson & Phillips EMO Pakistan (Private) Limited	Private Limited	51%

1.2 The subsidiaries of the Group, Johnson & Phillips Industries (Pakistan) Limited and Johnson & Phillips Transformer (Private) Limited ceased production in July 1997 and February 1998 respectively. The accumulated losses of the Group as at December 31, 2016 stand at Rs. 303.392 million (June 30, 2016: Rs. 285.012 million) resulting in a negative equity of Rs. 196.092 million (June 30, 2016: Rs. 177.712 million) and as at that date the Group's current liabilities exceeded its current assets by Rs. 110.356 million (June 30, 2016: Rs. 94.285 million). Consequently, the ability of the Group to continue as a going concern is dependent on the following significant factors:

In spite of the above stated circumstances the management of the Holding Company still considers that the going concern assumption used for the preparation of these unaudited consolidated interim financial statements is appropriate in view of the following major facts:

- i) The Holding Company has already got its obligations rescheduled in respect of long term loans and financial arrangements, including repayment of principal and accumulated markup thereon with various lenders.
- ii) Efforts are underway to obtain orders so that sales volume as well as profitability can be maintained and the management expects favorable improvements during the year ending June 30, 2016 and thereafter. The management of the Holding Company has prepared a business plan, through independent consultant, which presents a clear growth strategy in sales and services revenue from Rs.35.345 million (year ended June 30, 2016) to more than Rs. 500 million in fifth year of plan. This would be made possible by injection of additional cash for working capital entirely from its own resources.
- iii) The Board of Holding company has provided in past continued support and expresses its commitment in order to maintain the going concern status of the Holding Company. This support is evident from the fact that a Director had in the past provided loan and financial support to the Holding Company.

The management of the Holding Company is confident that the above factors shall enable the Holding Company to continue as going concern for foreseeable future; hence, these consolidated financial statements have been prepared on going concern assumption.

2 BASIS OF CONSOLIDATION

This interim consolidated financial information has been prepared from the information available in the un-audited separate financial information of the Holding Company for the half year ended December 31, 2016 and the un-audited financial information of the Subsidiary Companies for the half year ended December 31, 2016.

The financial information of the Subsidiary Companies were prepared for the same reporting period as the Holding Company, using consistent accounting policies and changes were made when necessary to align them with the policies adopted by the Holding Company.

The assets and liabilities of the Subsidiary Companies have been consolidated on a line by line basis. The carrying value of investment held by the Holding Company is eliminated against the Subsidiary Companies' shareholders' equity in the consolidated financial information. All material intra-group balances and transactions were eliminated in full.

Non-controlling interest is that portion of equity in a subsidiary that is not attributable, directly or indirectly, to the Holding Company. Non-controlling interest are presented as separate item in the interim consolidated financial information.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Preparation

This condensed interim consolidated financial information of the Company for the half year ended December 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim consolidated financial information does not include all of the information and disclosures required for annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 30 June 2016. Comparative consolidated balance sheet is extracted from annual consolidated financial statements as at June 30, 2016 whereas comparative consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity were extracted from un-audited condensed interim consolidated financial information for the half year ended December 31, 2016.

This condensed interim consolidated financial information is unaudited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the Listing regulations of Karachi Stock Exchange.

3.2 Accounting Convention

The accounting policies, significant judgements made in the application of accounting policies, keys sources of estimations, the methods of computation adopted in preparation of this condensed interim consolidated financial information and financial risk management policy were the same as those applied in the preparation of the preceding annual consolidated financial statements of the Company for the year ended June 30, 2016.

4 PROPERTY, PLANT AND EQUIPMENT-TANGIBLE

Owned

Owned

Opening written down value	184,009	192,820
Additions	-	-
Depreciation	<u>(4,406)</u>	<u>(8,811)</u>
Closing written down value	<u>179,603</u>	<u>184,009</u>

5 CONTINGENCIES AND COMMITMENTS

There were no change in status of contingencies and commitments as disclosed in the last audited annual consolidated financial statements for the year ended June 30, 2016.

6 TRANSACTION WITH RELATED PARTIES

The related parties comprise associated companies, directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, contribution of staff benefit funds, return on loans, amounts due from executives and remuneration of directors and executives alongwith other transactions with related parties are given below:

	Un-audited December 31 2016	Un-audited December 31 2015
	(Rupees in thousand)	
Payments made on behalf of subsidiary companies	119	-
Payment of loan on behalf of a subsidiary company	5,000	-
Remuneration and benefits to key management personnel	1,563	-
Payment of contribution provident fund trust	274	-

All transactions with related parties have been carried out by the Holding Company at arm's length prices using the comparable uncontrolled price method.

7 CASH AND CASH EQUIVALENT

Cash and bank balances	235	1,746
Temporary overdraft	<u>(390)</u>	<u>(390)</u>
	<u>155</u>	<u>1,356</u>

8 DATE OF AUTHORIZATION

This condensed interim consolidated financial information was authorized for issue on 24th, February 2017 by the Board of Directors of the Holding Company.

9 GENERAL

Figures have been rounded off to the nearest thousand rupee.

Chief Executive

Director