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COMPANY INFORMATION

Board of Directors

Mr. Bilal Ahmed Qureshi	Chairman
Mr. Shehryar Saeed	Director/CEO
Ms. Mariam Shafi	Director
Mr. Muhammad Tariq Anjum	Director
Mr. Farooq A. Khan	Director
Mr. Nabeel Sadiq	Director
Mr. Imran Rafiq (NIT Nominee)	Director

Board of Audit Committee

Mr. Nabeel Sadiq	Chairman
Mr. Farooq A. Khan	Member
Ms. Mariam Shafi	Member

Board of HR Committee

Ms. Mariam Shafi	Chairman
Mr. Farooq A. Khan	Member
Mr. Nabeel Sadiq	Member
Mr. Shehryar Saeed	Member

Company Secretary

&

Chief Financial Officer

Mr. Kashif Amin

Legal Advisor

EBRAHIM HOSAIN & CO.
Advocate & Corporate Counsel
156 - 1, Scotch Corner, Upper Mall, Lahore

Auditors

M/s. Nazir Chaudhri & Co.
Chartered Accountants
4-Karachi Chambers, Hasrat Mohani Road,
P.O.Box.No.5061, Karachi - 74000

Share Registrar

C & K Management Associates(Pvt) Ltd.
404, Trade Tower, Abdullah Haroon Road,
Near Metropole Hotel, Karachi - 75530

Bankers

Silk Bank Ltd.
Soneri Bank Ltd.
Habib Bank Ltd.

Registered Office

C-10, South Avenue, SITE, Karachi - 75700
Tel: 092-21-32560030-7, Fax: 092-21-32564603
Website: www.johnsonphillips.pk
E-mail: Johnsonphillips@cyber.net.pk

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 31, 2015.

Industrial activity is still in the process of recovery; slow economic recovery problems, energy crises, rising prices of inputs all had an effect on our declining sales and profits. Net sales show decreasing trend when compared to half year ended 2014. However, the management continues to focus on growth.

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 near the same levels with the corresponding period last year.

The management is continuing its efforts for increasing sales and focusing priority on completion of the Strategic Business Plan for the restructuring and reorganization of the Company.

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: 25-02-2016

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

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM BALANCE SHEET - UN-AUDITED
AS AT DECEMBER 31, 2015

	<i>Note</i>	Un-audited December 31 2015	Audited June 30 2015
(Rupees in thousand)			
ASSETS			
Non-Current assets			
Property, plant and equipment	5	188,402	192,820
Intangible assets		-	-
Long term investments		-	-
Long term deposits		940	940
		189,342	193,760
Current assets			
Stock-in-trade		35,667	45,324
Trade debts		15,998	9,009
Loans and advances		16,824	16,828
Deposits, prepayments and other receivable		7,163	6,844
Advance tax - net of provision		1,739	2,303
Cash and bank balances		166	1,731
		77,557	82,039
		266,899	275,799
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		80,000	80,000
8,000,000 (June 30, 2015: 8,000,000) ordinary shares of Rs. 10 each		54,500	54,500
Issued, subscribed and paid-up capital		29,727	29,727
5,449,972 (June 30, 2015: 5,449,972) ordinary shares of Rs. 10 each		23,073	23,073
Share premium reserve		(258,515)	(230,381)
General reserve		(151,215)	(123,081)
Accumulated loss		173,339	176,632
Surplus on revaluation of fixed assets	6	173,339	176,632
NON-CURRENT LIABILITIES			
Long term borrowings	7	79,027	77,331
Deferred liabilities		14,510	15,190
		93,537	92,521
CURRENT LIABILITIES			
Trade and other payables		139,246	121,459
Current and overdue portion of long term borrowings	5	5,747	4,000
Mark-up accrued		1,977	-
Unclaimed dividend		4,268	4,268
		151,238	129,727
Contingencies and Commitments			
	8	266,899	275,799

The annexed notes from 1 to 11 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, 2015*

	Six months period ended		Three months period ended	
	December 31	December 31	December 31	December 31
	2015	2014	2015	2014
-----Rupees in thousand-----				
Revenue from sales and services-net	16,340	18,211	11,523	7,975
Cost of sales and services	(31,190)	(26,768)	(20,689)	(7,142)
Gross (loss) / profit	(14,850)	(8,557)	(9,166)	833
Operating expenses				
Distribution cost	(1,632)	(1,493)	(1,190)	(288)
Administrative expenses	(12,919)	(14,646)	(8,795)	(3,761)
Other income	25	347	11	105
	(14,526)	(15,792)	(9,973)	(3,944)
	(29,376)	(24,349)	(19,139)	(3,111)
Finance cost	(2,367)	(2,805)	(1,189)	(1,407)
Loss before taxation	(31,743)	(27,154)	(20,328)	(4,518)
Taxation	316	(253)	365	(80)
Loss after taxation	(31,427)	(27,407)	(19,963)	(4,598)
Earning per share-basic and diluted	(5.77)	(5.03)	(3.66)	(0.84)

The annexed notes from 1 to 11 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, 2015

	Six months period ended December 31		Three months period ended December 31	
	2015	2014	2015	2014
	-----Rupees in thousand-----			
Loss after taxation	(31,427)	(27,407)	(19,963)	(4,598)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(31,427)	(27,407)	(19,963)	(4,598)

The annexed notes from 1 to 11 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, 2015

<i>Note</i>	December 31 2015	December 31 2014
	Rupees in thousand	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(31,743)	(27,154)
Adjustments for:		
Depreciation	4,418	4,394
Provision for staff gratuity	28	-
Finance cost	2,367	2,805
	6,813	7,199
Operating (loss) / profit before working capital changes	(24,930)	(19,955)
Decrease / (increase) in current assets		
Stock-in-trade	9,657	7,346
Trade debts	(6,989)	42,539
Loans and advances	4	(1,432)
Deposits, prepayments and other receivable	(319)	(297)
	2,353	48,156
Decrease in current liabilities		
Trade and other payables	17,787	(25,787)
	(4,790)	2,414
Income tax refunded / (paid)	172	(150)
Gratuity paid	-	(348)
Finance cost paid	(390)	(2,805)
	(218)	(3,303)
Net cash used in operating activities	(5,008)	(889)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	-	(17)
Net cash used in investing activities	-	(17)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term borrowings received	3,443	1,423
Net cash from financing activities	3,443	1,423
Net (decrease) / increase in cash and cash equivalents	(1,565)	517
Cash and cash equivalents at beginning of the period	1,731	1,066
Cash and cash equivalents at end of the period	166	1,583

The annexed notes from 1 to 11 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, 2015*

	Issued, subscribed and paid-up capital	Reserves			Total
		Capital Share Premium	General	Revenue Accumulated loss	
-----Rupees in thousand-----					
Balance as at July 01, 2014	54,500	29,727	23,073	(182,609)	(75,309)
Total comprehensive loss for the period					
Loss after taxation for the half year ended December 31, 2014'	-	-	-	(27,407)	(27,407)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	3,698	3,698
Balance as at December 31, 2014	<u>54,500</u>	<u>29,727</u>	<u>23,073</u>	<u>(206,318)</u>	<u>(99,018)</u>
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><u>54,500</u></u>	<u><u>29,727</u></u>	<u><u>23,073</u></u>	<u><u>(258,515)</u></u>	<u><u>(151,215)</u></u>

The annexed notes from 1 to 11 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, 2015

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 Karachi Stock Exchange (Guarantee) 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, 2015: 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 operating loss during the half year ended December 31, 2015. The Company incurred loss after taxation amounting to Rs.31.427 million (December 31, 2014: Rs. 27.407 million) which has further increased accumulated losses to Rs.258.515 million (June 30, 2015: Rs. 230.381 million) and has resulted in negative equity of Rs.151.215 million (June 30, 2015: Rs.123.081 million).

The sales of the company have decreased 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. The management has prepared a business plan, through independent consultant, which presents a clear growth strategy in sales and services revenue from Rs.39.230 million (year ended June 30, 2015) to more than Rs. 500 million in fifth year of plan. This would be further possible by injection of additional cash for working capital entirely from its own resources.
- 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 STATEMENT OF COMPLIANCE

The condensed interim financial information for the six months period ended 31 December 2015 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.

The condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance , 1984 and the listing regulations of the Karachi Stock Exchange and Lahore Stock Exchange.

The condensed interim financial information do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2015.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at 30 June 2015 has been extracted from the annual audited financial statements of the Company for the year ended 30 June 2015, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the half year ended 31 December 2014 have been extracted from the condensed interim financial information for the six months period ended 31 December 2014 which were subjected to a review but not audited. The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 31 December 2015 included in this condensed interim financial report was not subject to a review.

4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

4.1 Accounting policies

This condensed interim financial information has been prepared using the same accounting policies which were applied in preparation of annual financial statements of the Company for the year ended 30 June 2015.

4.2 Accounting policies and estimates

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and 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 estimation uncertainty are the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended 30 June 2015.

Un-audited December 31 2015	Audited June 30 2015
Rupees in thousand	

5 PROPERTY, PLANT AND EQUIPMENT

Owned

Opening written down value	192,820	201,630
Additions	-	25
Depreciation	(4,418)	(8,835)
Closing written down value	188,402	192,820

6 SURPLUS ON REVALUATION OF FIXED ASSETS

Opening balance	176,632	195,425
Transferred to accumulated loss in respect of incremental depreciation on revalued assets for the period/year	(3,293)	(18,793)
	173,339	176,632

Un-audited	Audited
December 31	June 30
2015	2015
Rupees in thousand	

7 LONG TERM BORROWINGS

Loan from others	4,000	4,000
Loan-1	17,833	17,627
Loan -2 (from Director)	28,722	24,636
Loan-3	36,196	35,068
	86,751	81,331
Less: Current and overdue portion	(5,747)	(4,000)
Mark-up accrued	(1,977)	-
Less: current and overdue portion	(7,724)	(4,000)
	79,027	77,331

8 CONTINGENCIES AND COMMITMENTS

a) Guarantees

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

Guarantees against performance bond	5,520	5,520
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b) Labour

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. (30 June 2015: 0.987 million).

c) Others

1. 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.

2. The Company has filed a suit for the recovery of insurance claim of Rs 3.734 million (30 June 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.

8.1 Commitments

There is no commitment as on December 31, 2015 (30 June 2015 : Nil)

9 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:

	Un-audited December 31 2015	Un-audited December 31 2014
	Rupees in thousand	
Payments made on behalf of subsidiary companies	<u>24</u>	<u>51</u>
Payment of loan on behalf of a subsidiary company	<u>5,000</u>	<u>5,000</u>
Remuneration and benefits to key management personnel	<u>1,788</u>	<u>1,934</u>
Payment of contribution provident fund trust	<u>225</u>	<u>135</u>

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

10 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on 25 February 2016 by the Board of Directors of the Company.

11 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, 2015

	Un-audited December 31 2015	Audited June 30 2015
	(Rupees in thousand)	
<i>Assets</i>		
Non-Current Assets		
Property, plant and equipments	188,402	192,820
Intangible assets	-	
Long term deposits	1,566	1,566
	189,968	194,386
Current Assets		
Assets held for sales	23,870	23,870
Store, spares and loose tools	2,396	2,396
Stock-in-trade	48,372	58,029
Trade debts	15,998	9,009
Loans and advances	18,491	18,495
Deposits, prepayments and other receivables	7,866	7,547
Advance tax - net of provision	4,394	4,958
Cash and bank balances	329	1,894
	121,716	126,198
Total Assets	311,684	320,584
<i>Equity And Liabilities</i>		
Share Capital And Reserves		
Authorised capital	80,000	80,000
8,000,000 (June 30, 2014: 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	(271,929)	(243,795)
	(164,629)	(136,495)
Non-controlling interest	-	-
Surplus on revaluation of property, plant and equipments	173,339	176,632
Non-Current Liabilities		
Long term borrowings	79,027	77,331
Deferred liabilities	15,106	15,786
	94,133	93,117
Current Liabilities		
Trade and other payables	154,958	137,171
Short term borrowings	41,331	41,331
Current and overdue portion of long term borrowings	5,747	4,000
Mark-up accrued	1,977	
Unclaimed dividend	4,268	4,268
Taxation	560	560
	208,841	187,330
Contingencies and Commitments		
Total Equity And Liabilities	311,684	320,584

The annexed notes 1 to 11 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, 2015

	Half year ended December 31		Quarter ended December 31	
	2015	2014	2015	2014
	------(Rupees in thousand)-----			
Revenue from sales and services-net	16,340	18,211	11,523	7,975
Cost of sales and services	(31,190)	(26,768)	(20,689)	(7,142)
Gross Profit	(14,850)	(8,557)	(9,166)	833
Operating expenses				
Distribution cost	(1,632)	(1,493)	(1,190)	(288)
Administrative expenses	(12,919)	(14,698)	(8,795)	(3,761)
Other operating income	25	347	11	105
Operating loss	(29,376)	(24,401)	(19,139)	(3,111)
Finance cost	(2,367)	(2,805)	(1,189)	(1,407)
Loss before taxation	(31,743)	(27,206)	(20,328)	(4,518)
Taxation	316	(253)	365	(80)
Loss after taxation	(31,427)	(27,459)	(19,963)	(4,598)
Loss attributable to:				
- Owners of the Holding company	-	(27,445)	(19,963)	(4,591)
- Non-controlling interest	-	(14)	-	(7)
Loss for the period	-	(27,459)	(19,963)	(4,598)
Loss per share - basic and diluted	(6)	(5.04)	(3.66)	(0.84)

The annexed notes 1 to 11 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, 2015

	Half year ended December 31		Quarter ended December 31	
	2015	2014	2015	2014
	------(Rupees in thousand)-----			
Loss after taxation	(31,427)	(27,459)	(19,963)	(4,598)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(31,427)	(27,459)	(19,963)	(4,598)
Total comprehensive loss attributable to:				
- Owners of the Holding company	-	(27,445)	(19,963)	(4,591)
- Non-controlling interest	-	(14)	-	(7)
	-	(27,459)	(19,963)	(4,598)

The annexed notes 1 to 11 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, 2015

	December 31 2015	December 31 2014
<i>Note</i>	(Rupees in thousand)	
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Loss before taxation	(31,743)	(27,206)
Adjustments for:		
Depreciation	4,418	4,394
Provision for staff gratuity	28	-
Finance cost	2,367	-
	6,813	4,394
Operating (Loss) / Profit before working capital changes	(24,930)	(22,812)
Decrease in current assets		
Stock-in-trade	9,657	7,346
Trade debts	(6,989)	42,539
Loans and advances	4	(1,432)
Deposits, prepayments and other receivable	(319)	(297)
	2,353	48,156
Decrease / (increase) in current liabilities		
Trade and other payables	17,787	(25,786)
	(4,790)	(442)
Taxes paid	172	(150)
Gratuity paid	-	(348)
Finance cost paid	(390)	-
	(218)	(498)
Net cash used in operating activities	(5,008)	(940)
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Fixed capital expenditure incurred	-	(17)
Net cash generated from/(used in) investing activities	-	(17)
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>		
Proceeds from long term borrowing	3,443	1,423
Short term borrowings obtained	163	51
Net cash generated from/ (used in) financing activities	3,606	1,474
Net decrease in cash and cash equivalents	(1,402)	517
Cash and cash equivalents at beginning of the period	1,731	1,229
Cash and cash equivalents at end of the period	8 329	1,746

The annexed notes 1 to 11 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, 2015*

	Issued, subscribed and paid-up capital	Reserves		Total	
		Capital Share Premium	General Unappropriated loss		
------(Rupees in thousand)-----					
Balance as at July 01, 2014	54,500	29,727	23,073	(206,024)	(98,724)
Total comprehensive loss for the period					
Loss after taxation for the period	-	-	-	(27,459)	(27,459)
Transfer from surplus on revaluation of property, plant and equipments	-	-	-	3,698	3,698
Balance as at December 31, 2014	54,500	29,727	23,073	(229,785)	(122,485)
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)

The annexed notes 1 to 11 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, 2015

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, 2014: 2,719,536) ordinary shares of Rs. 10 each of the Holding Company as at December 31, 2015, 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, 2015 stand at Rs. 271.930 million (June 30, 2015: Rs. 243.795 million) resulting in a negative equity of Rs. 112.486 million (June 30, 2015: Rs. 136.495 million) and as at that date the Group's current liabilities exceeded its current assets by Rs. 87.125 million (June 30, 2015: Rs. 61.132 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, 2015 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.39.230 million (year ended June 30, 2014) 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, 2015 and the un-audited financial information of the Subsidiary Companies for the half year ended December 31, 2015.

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, 2015 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 2015. Comparative consolidated balance sheet is extracted from annual consolidated financial statements as at June 30, 2015 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, 2015.

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, 2015.

4 PROPERTY, PLANT AND EQUIPMENT-TANGIBLE

Owned

Owned

Opening written down value	192,820	201,630
Additions	-	25
Depreciation	(4,418)	(8,835)
Closing written down value	<u>188,402</u>	<u>192,820</u>

5 LONG TERM BORROWINGS

In preceding period the Holding Company has entered into agreement with lenders to rescheduling of their outstanding long-term liabilities. According to said agreement the Holding Company shall pay outstanding loan along with mark-up commencing from July 1, 2016.

6 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, 2015.

7 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 2015 (Rupees in thousand)	Un-audited December 31 2014
Payments made on behalf of subsidiary companies	-	51
Repayment of loan from a subsidiary company	-	-
Payment of loan on behalf of a subsidiary company	-	5,000
Remuneration and benefits to key management personnel	-	1,934
Payment of contribution provident fund trust	-	135
Markup charged on loan to subsidiary company	-	-

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

8 CASH AND CASH EQUIVALENT

Cash and bank balances	329	1,746
Temporary overdraft	(390)	(390)
	<u>(61)</u>	<u>1,356</u>

9 DATE OF AUTHORIZATION

This condensed interim consolidated financial information was authorized for issue on 25th, February 2016 by the Board of Directors of the Holding Company.

10 GENERAL

Figures have been rounded off to the nearest thousand rupee.

Chief Executive

Director