

DIRECTORS' REPORT

The directors of Johnson & Phillips (Pakistan) Limited company present the 1st quarter report together with unaudited financial statements of the company for the period ended September 30, 2014

This Quarter has been difficult for the Company because of declining sales trend as compare to previous 1st quarter 2013. The Company however, is putting its best efforts to working on strategic development plan as approved on the BOD meeting on 13th Sep, 2014 and resolved on the BOD meeting 1st Oct, 2014 that EOGM for approval of Strategic Business Plan from Shareholders will be fixed on 12th, December 2014.

The management is continuing its efforts for increasing sales and the Strategic Business Plan for the restructuring and reorganization of the Company. Hopefully, before the end of the year the shareholders will be taken in confidence about the proposed plan.

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

For and on behalf of Board of Directors

Karachi
Dated: October 30, 2014

Shehryar Saeed
(Chief Executive)

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2014

	Un-Audited Sep 30, 2014	Audited June 30, 2014	Audited June 30, 2013 (Restated)	
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	199,439	201,630	210,048	
Long term investments	-	-	-	
Long term deposits	940	940	940	
	200,379	202,570	210,988	
CURRENT ASSETS				
Stock-in-trade	68,875	65,091	106,455	3,784
Trade debtors	9,880	49,806	42,209	- 39,926
Loans and advances	17,665	15,859	23,419	
Deposits, prepayments and others receivable	8,401	8,630	9,490	- 229
Advance income tax-net of provision	1,815	1,865	1,938	- 1,865
Cash and bank balances	3,852	1,066	9,622	2,786
	110,488	142,317	193,133	- 31,829
TOTAL ASSETS	310,867	344,887	404,121	- 34,020
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorised				
8,000,000 (June 30,2013: 8,000,000) ordinary shares of Rs. 10	80,000	80,000	80,000	
Issued, subscribed and paid-up capital	54,500	54,500	54,500	
Share premium reserve	29,727	29,727	29,727	0
General reserves	23,073	23,073	23,073	
Unappropriated loss	(185,358)	(182,609)	(157,829)	- 2,749
SHARE HOLDERS' EQUITY	(78,058)	(75,309)	(50,529)	- 2,749
Surplus on revaluation of perperty, plant and equipment	195,600	197,449	204,844	- 1,849
NON-CURRENT LIABILITIES				
Long term borrowings	74,118	73,435	72,732	683
Deferred liabilities - staff gratuity	4,710	4,710	6,579	
CURRENT LIABILITIES				
Trade and other payables	106,229	136,334	162,227	- 30,105
Current and over due portion of long term borrowings	4,000	4,000	4,000	
Mark up accrued	-	-	-	
Unclaimed dividend	4,268	4,268	4,268	
	114,497	144,602	170,495	- 30,105
Contingencies and commitments	-	-	-	
TOTAL EQUITY AND LIABILITIES	310,867	344,887	404,121	- 34,020

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	Note	First Quarter Ended September	
		2014	2013
------(Rupees in thousand)-----			
Sales and services (net)	8	7,975	55,484
Cost of sales and services	9	(7,142)	(48,716)
Gross profit		833	6,768
Dirtribution cost	11	(288)	(491)
Administrative expenses	10	(3,761)	(4,916)
Other operating income	12	105	30
Operating profit/(loss)		(3,111)	1,391
Finance cost	13	(1,407)	(1,359)
Profit/(loss) before taxation		(4,518)	32
Taxation		(80)	(963)
Loss after taxation		(4,598)	(931)
Earnings per share - basic and diluted		(0.84)	(0.17)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	<u>First Quarter Ended September</u>	
	<u>2014</u>	<u>2013</u>
	----- <u>(Rupees in thousand)</u> -----	
Loss after taxation	(4,598)	(931)
Other comprehensive income	-	-
Total comprehensive loss	<u>(4,598)</u>	<u>(931)</u>

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	Issued, subscribed and paid-up capital	Capital Share Premium	Reserved General	Revenue Un appropriated loss	Total
----- (Rupees in thousand) -----					
Balance as at July 01, 2013 - restated	54,500	29,727	23,073	(105,757)	1,543
Effect of change in accounting policy note 2.1.3 a)	-	-	-	(52,072)	1,408
Balance as at June 30, 2013 - restated	54,500	29,727	23,073	(157,829)	2,951
Total comprehensive for the year ended June 30, 2013					
Net loss for the year ended June 30, 2014	-	-	-	(33,156)	(33,156)
Other comprehensive loss for the year ended June 30, 2014				981	1,113
				(32,175)	(32,043)
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	7,395	7,395
Incremental depreciation - restatement of errors					-
Balance as at June 30, 2014	54,500	29,727	23,073	(182,609)	(75,309)
-					
Total comprehensive for the year ended June 30, 2014				(4,598)	(9,034)
Net loss for the year for the Quarter ended Sep 30, 2014					-
Other comprehensive loss for the Quarter Sep 30, 2014	-	-	-		-
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	1,849	1,849
Balance as at Sep 30, 2014	54,500	29,727	23,073	(185,358)	(82,494)

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST ENDED SEPTEMBER 30, 2014

	September 30	
	2014	2013
	(Rupees in thousand)	
CASH FLOWS FROM OPERATIONS		
Loss before taxation	(4,518)	32
Adjustment for:		
Depreciation	2,198	1,622
Provision for staff gratuity	-	222
Gain on disposal of property, plant and equipments	-	-
Finance cost	1,407	1,359
Operating (loss)/profit before working capital changes	(913)	3,235
(Increase) / decrease in current assets		
Stock -in-trade	(3,784)	30,649
Trade debtors	39,926	(41,676)
Loans and advances	(1,806)	(7,448)
Deposits, prepayments and other receivable	229	(1,268)
	34,565	(19,743)
Decrease/(increase) in current liabilities		
Trade and other payables	(30,105)	10,128
CASH FLOWS FROM OPERATING ACTIVITIES	3,547	-6,380
Gratuity paid		
	-	(349)
Taxes paid		
	(30)	(86)
Financial cost paid		
	(724)	(608)
Net cash (used in)/ generated from operating activities	2,793	(7,423)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipments	(7)	-
Proceeds from disposal of property, plant and equipment	-	-
Long term deposits	-	-
Net cash generated from (used in) investing activities	(7)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	-
Repayment of short term borrowing	-	-
Net cash generated from (used in) financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	2,786	(7,423)
Cash and cash equivalents at beginning of. the period	1,066	9,622
Cash and cash equivalents at end of the period	3,852	2,199

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE FIRST ENDED SEPTEMBER 30, 2014

- 1 The Company was incorporated in Pakistan as a public limited Company on April 15, 1961 and its shares are quoted on Karachi Stock Exchange Limited. The registered office of the Company is situated at C-10 South Avenue, SITE, Karachi. The Company is principally engaged in manufacturing, installing and selling of electrical equipments. Ethridge Company Limited, held 2,719,536 (June 30, 2014: 2,719,536) ordinary shares Rs. 10 each of the Company as at period end, which constitute 49.90% of total shares issued.
- 2 These financial statements have been prepared using the same accounting policies as are applied in the preparation of the annual audited financial statements for the year ended June 30, 2014.
- 3 These financial statements have been prepared in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan.
- 4 Provision for taxation are estimated. Final liability will be determined on the basis of annual results.
- 5 These financial statements were authorized for issue, by the Board of Directors on October 31, 2014.
- 6 Corresponding figures have been re-arranged, where necessary, for the purpose of comparison.
- 7 Figures have been rounded-off to the nearest thousand of Rupees.

	First Quarter Ended September	
	2014	2013
	------(Rupees in thousand)-----	
8 SALES AND SERVICES (NET)		
Gross sales	7,975	55,484
Commission and discount on sales		-
	7,975	55,485
9 COST OF SALES AND SERVICES		
Raw materials and components consumed		
Opening stock	42,442	45,865
Purchases and sub contract cost	6,305	12,759
	48,747	58,624
Closing stock	(41,709)	(44,261)
	7,038	14,363
Salaries, wages and other benefits	2,250	3,399
Insurance	-	29
Fuel and power	345	360
Repair and maintenance	200	24
Printing and stationery	9	13
Traveling and conveyance	57	149
Depreciation	1,758	1,298
Other manufacturing expenses	2	36
	4,621	5,308
	11,659	19,671
Work in process		
Opening stock	32,611	67,225
Closing stock	(32,611)	(41,072)
	-	26,153
Cost of goods manufactured	11,659	45,824
Finished goods		
Opening stock	2,170	7,117
Closing stock	(6,687)	(4,225)
	(4,517)	2,892
	7,142	48,716

10 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	1,167	1,483	316	
Traveling and conveyance	279	409	130	
Legal and professional charges	21	348	327	Increase in Consulatnacy Charges
Rent, rates and taxes	270	315	45	Increase in property tax
Repair and maintenance	193	202	9	Repair and maintenance of Veh, computers ,defence others
Printing and stationery	25	14	(11)	
Postage, telegram, telephone and telex	171	265	94	Increase in net charges due to sales tax and telephone exp of Defence o
Light and power	426	461	35	KESC Rate increase
Entertainment	294	401	107	Director Meeting & Auditor, guest KESc Etc
Subscriptions and periodicals	211	124	(87)	
Advertisement	28	-	(28)	
Auditors' remuneration	-	93	93	
Insurance	1	148	147	
Provision for doubtful loans and advances	-	71	71	
Depreciation	440	324	(116)	
Others	235	258	23	Water, loading unloading, Representation Expense etc
	<u>3,761</u>	<u>4,916</u>		

11 DISTRIBUTION COST

Salaries, wages and benefits	205	290	85	
Late delivery charges and penalties	19	28	9	
Advertising and sales promotion	4	27	23	Addvertising multipul add for sales & Production
Traveling and conveyance	10	59	49	Travelling Director Expense for meeting busniess permotion
Subscriptions and periodicals	19	12	(7)	
Repair and maintenance	14	7	(7)	
Entertainment	4	56	52	
Printing and stationery	1	1	-	
Others	12	11	-	
	<u>288</u>	<u>491</u>		

12 OTHER INCOME

Markup on saving accounts	5	-	(5)	
Other receipts/Income	100	30	(70)	Other income in cash
	<u>105</u>	<u>30</u>		

13 FINANCIAL COST

Mark-up on unsecured long term borrowings	1,397	1,349	(48)	
Bank charges and commission	10	10	-	
	<u>1,407</u>	<u>1,359</u>		

Chief Executive

Director