

DIRECTORS REPORT

The Board of Directors of Johnson & Phillips (Pakistan) Limited present to you the 1st Quarter report together with Un-Audited Financial Statements of the Company for the period ended 30th, September 2015.

First Quarter sales, when compared to last year quarter ended 2014, have declined further. The Company's Product line is now aging and has to be re designed to compete with new technology. The management is aware of these challenges and is considering option to upgrade present technology.

At the same time the Company is putting its efforts and plans to focus on increasing sales in a sluggish demand. Hopefully, the efforts will lead to improved results towards the end of this year.

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

For and on behalf of Board of Directors

Karachi
Dated: 31st, October 2015

Shehryar Saeed
(Chief Executive)

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2015

	Un-Audited Sep 30, 2015	Audited June 30, 2015	Audited June 30, 2014 (Restated)
(Rupees in thousand)			
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	190,610	192,820	201,630
Long term investments	-	-	-
Long term deposits	940	940	940
	191,551	193,760	202,570
CURRENT ASSETS			
Stock-in-trade	46,499	45,324	65,091
Trade debtors	(380)	9,009	49,806
Loans and advances	18,159	16,828	15,859
Deposits, prepayments and others receivable	7,108	6,844	8,630
Advance income tax-net of provision	2,067	2,303	1,865
Cash and bank balances	(408)	1,731	1,066
	73,045	82,039	142,317
TOTAL ASSETS	264,596	275,799	344,887
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorised		-	-
8,000,000 (June 2015: 8,000,000) ordinary shares of Rs. 10 each	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
General reserves	23,073	23,073	23,073
Unappropriated loss	(241,681)	(230,381)	(180,585)
SHARE HOLDERS' EQUITY	(134,381)	(123,081)	(73,285)
Surplus on revaluation of property, plant and equipment	176,632	176,632	184,634
NON-CURRENT LIABILITIES			
Long term borrowings	77,321	77,331	73,435
Deferred liabilities - staff gratuity	15,190	15,190	15,501
CURRENT LIABILITIES			
Trade and other payables	121,565	121,459	136,334
Short term borrowings	-	-	-
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
	129,834	129,727	144,602
Contingencies and commitments	-	-	-
TOTAL EQUITY AND LIABILITIES	264,596	275,799	344,887

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, 2015

	Note	First Quarter Ended September	
		2015	2014
------(Rupees in thousand)-----			
Sales and services (net)	8	4,828	7,975
Cost of sales and services	9	(10,371)	(7,142)
Gross profit		(5,543)	833
Dirtribution cost	11	(442)	(288)
Administrative expenses	10	(4,124)	(3,761)
Other operating income	12	36	105
		(4,530)	(3,944)
Operating (loss)/profit		(10,073)	(3,111)
Finance cost	13	(1,178)	(1,407)
(Loss)/profit before taxation		(11,251)	(4,518)
Taxation		(49)	(80)
Loss after taxation		(11,300)	(4,598)
Earnings per share - basic and diluted		(2.07)	(0.84)

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, 2015

	<u>First Quarter Ended September</u>	
	<u>2015</u>	<u>2014</u>
	------(Rupees in thousand)-----	
Loss after taxation	(11,300)	(4,598)
Other comprehensive income	-	-
Total comprehensive loss	<u>(11,300)</u>	<u>(4,598)</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, 2015

	Issued, subscribed and paid-up capital	Capital reserve Share Premium	General reserve	Revenue reserve Un appropriated loss	Total
------(Rupees in thousand)-----					
Balance as at July 01, 2014	54,500	29,727	23,073	(180,585)	(73,285)
Loss for three months	-	-	-	(4,598)	(9,034)
Transfer from surplus on revaluation of fixed assets	-	-	-	1,849	1,849
Balance as at September 30, 2014	54,500	29,727	23,073	(183,334)	(80,470)
Balance as at July 01, 2015	54,500	29,727	23,073	(230,381)	(123,081)
Loss for three months	-	-	-	(11,300)	(11,300)
Transfer from surplus on revaluation of fixed assets	-	-	-	-	-
Balance as at September 30, 2015	54,500	29,727	23,073	(241,681)	(134,381)

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	September 30	
	2015	2014
	(Rupees in thousand)	
CASH FLOWS FROM OPERATIONS		
Loss before taxation	(11,251)	(4,518)
Adjustment for:		
Depreciation	2,209	2,198
Provision for staff gratuity	-	-
Gain on disposal of property, plant and equipments	-	-
Finance cost	1,178	1,407
Operating (loss)/profit before working capital changes	(7,864)	(913)
(Increase) / decrease in current assets		
Stock -in-trade	(1,175)	(3,784)
Trade debtors	9,389	39,926
Loans and advances	(1,331)	(1,806)
Deposits, prepayments and other receivable	(264)	229
	6,620	34,565
(Decrease)/increase in current liabilities		
Trade and other payables	106	(30,105)
	(1,138)	3,547
Gratuity paid	-	-
Taxes paid	(187)	(30)
Financial cost paid	373	(724)
Net cash (used in)/ generated from operating activities	(952)	2,793
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipments	-	(7)
Investment activities, proceeds from disposal of assets	-	-
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	(3,308)	-
Net cash generated from (used in) financing activities	(3,308)	-
Net (decrease)/increase in cash and cash equivalents	(4,260)	2,786
Cash and cash equivalents at beginning of the period	3,852	1,066
Cash and cash equivalents at end of the period	(408)	3,852

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 FIRST QUARTER ENDED SEPTEMBER 30, 2015

- 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 (Guarantee) 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, 2015: 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 financial statements for the year ended June 30, 2015.
- 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 31st, 2015.
- 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	
	2015	2014
	------(Rupees in thousand)-----	
8 SALES AND SERVICES (NET)		
Gross sales	4,833	7,975
Commission and discount on sales	(5)	-
	4,828	7,975
9 COST OF SALES AND SERVICES		
Raw materials and components consumed		
Opening stock	38,201	42,442
Purchases and sub contract cost	6,103	6,305
	44,304	48,747
Closing stock	(38,144)	(41,709)
	6,160	7,038
Salaries, wages and other benefits	2,153	2,250
Insurance	-	-
Fuel and power	313	345
Repair and maintenance	38	200
Printing and stationery	7	9
Traveling and conveyance	56	57
Depreciation	1,767	1,758
Other manufacturing expenses	64	2
	4,399	4,621
	10,559	11,659
Work in process		
Opening stock	17,446	32,611
Closing stock	(16,457)	(32,611)
	989	-
Cost of goods manufactured	11,548	11,659
Finished goods		
Opening stock	321	2,170
Closing stock	(1,498)	(6,687)
	(1,177)	(4,517)
	10,371	7,142

First Quarter Ended September
2015 2014
------(Rupees in thousand)-----

10 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	1,398	1,167
Traveling and conveyance	257	279
Legal and professional charges	-	21
Rent, rates and taxes	506	270
Repair and maintenance	128	193
Printing and stationery	49	25
Postage, telegram, telephone and telex	199	171
Light and power	495	426
Entertainment	106	294
Subscriptions and periodicals	282	211
Advertisement	6	28
Auditors' remuneration	-	-
Annual General Meeting	-	-
Insurance	-	1
Provision for doubtful loans and advances	-	-
Depreciation	442	440
Others	255	235
	<u>4,124</u>	<u>3,761</u>

11 DISTRIBUTION COST

Salaries, wages and benefits	258	205
Late delivery charges and penalties	68	19
Advertising and sales promotion	29	4
Traveling and conveyance	6	10
Subscriptions and periodicals	16	19
Repair and maintenance	4	14
Insurance	-	-
Entertainment	20	4
Printing and stationery	10	1
Others	32	12
	<u>442</u>	<u>288</u>

12 OTHER INCOME

Gain on disposal of fixed assets	-	-
Markup on saving accounts	0	5
Other receipts/Income	36	100
	<u>36</u>	<u>105</u>

13 FINANCIAL COST

Mark-up on unsecured long term borrowings	1,168	1,397
Bank charges and commission	10	10
	<u>1,178</u>	<u>1,407</u>

Chief Executive

Director