

DIRECTORS' REPORT

The Directors of your Company present the 3rd Quarter Report together with unaudited of the Company for the period ended March 31,2013.

The Company has made a loss after tax for the 3rd quarter. This is mainly due to increase in input costs. In the next quarter there is a likely hood of increased pressure because of economic instability, political activity due to the elections, law and order ending energy crises.

However, the management continues to make efforts to improve the sales, operational optimum results for the Company, and is doing every thing possible to find new business profitability.

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

For and on behalf of Board of Directors

Karachi
Dated: April 30, 2013

Shehryar Saeed
(Chief Executive)

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JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2013

	Un-Audited	Audited
	March 31, 2013	June 30, 2012
	(Rupees in thousand)	
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	179,121	184,117
Long term investments	-	-
Long term deposits	940	940
	180,061	185,057
CURRENT ASSETS		
Stock-in-trade	136,235	120,715
Trade debtors	8,929	34,714
Loans and advances	23,382	19,819
Deposits, prepayments and others receivable	10,686	15,194
Advance income tax-net of provision	2,440	1,710
Cash and bank balances	2,798	7,232
	184,470	199,384
TOTAL ASSETS	364,531	384,441
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
		-
Authorised		
8,000,000 (2012: 8,000,000) ordinary shares of Rs. 10 each	80,000	80,000
Issued, subscribed and paid-up capital	54,500	54,500
Share premium reserve	29,727	29,727
General reserves	23,073	23,073
Unappropriated loss	(120,769)	(107,165)
SHARE HOLDERS' EQUITY	(13,469)	135
Surplus on revaluation of property, plant and equipment	126,887	127,947
NON-CURRENT LIABILITIES		
Long term borrowings	65,992	71,969
Deferred liabilities - staff gratuity	7,593	6,765
CURRENT LIABILITIES		
Trade and other payables	158,001	168,443
Short term borrowings	-	914
Current and over due portion of long term borrowings	12,977	4,000
Mark up accrued	2,282	-
Unclaimed dividend	4,268	4,268
	177,528	177,625
Contingencies and commitments	-	-
TOTAL EQUITY AND LIABILITIES	364,531	384,441

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 NINE MONTHS ENDED MARCH 31, 2013

	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, 2011	54,500	29,727	23,073	(104,689)	2,611
Loss for Nine months	-	-	-	(6,993)	(6,993)
Transfer from surplus on revaluation of fixed assets	-	-	-	1,451	1,451
Balance as at March 31, 2012	54,500	29,727	23,073	(110,231)	(2,931)
Balance as at July 01, 2012	54,500	29,727	23,073	(107,165)	135
Loss for Nine months	-	-	-	(15,052)	(15,052)
Transfer from surplus on revaluation of fixed assets	-	-	-	1,448	1,448
Balance as at March 31, 2013	54,500	29,727	23,073	(120,769)	(13,469)

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

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Balance as at March 31, 2013	54,500	29,727	23,073	(120,769)	(13,469)

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

	March 31	
	2013	2012
	(Rupees in thousand)	
CASH FLOWS FROM OPERATIONS		
Loss before taxation	(14,494)	(5,732)
Adjustment for:		
Depreciation	5,098	5,471
Provision for staff gratuity	828	435
Gain on disposal of property, plant and equipments	(1,168)	-
Finance cost	4,221	5,303
Operating (loss)/profit before working capital changes	(5,515)	5,476
(Increase) / decrease in current assets		
Stock -in-trade	(15,520)	(4,765)
Trade debtors	25,785	(2,561)
Loans and advances	(3,563)	3,344
Deposits, prepayments and other receivable	4,508	1,562
	11,210	(2,421)
(Decrease)/increase in current liabilities		
Trade and other payables	(10,296)	2,311
	(4,601)	5,366
Gratuity paid	(146)	(349)
Taxes paid	(900)	(2,286)
Financial cost paid	(1,939)	(1,256)
Net cash (used in)/ generated from operating activities	(7,586)	1,475
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipments	(102)	-
Proceeds from disposal of property, plant and equipment	1,168	-
Long term deposits	-	(5)
Net cash generated from (used in) investing activities	1,066	(5)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	3,000	-
Repayment of short term borrowing	(914)	(211)
Net cash generated from (used in) financing activities	2,086	(211)
Net (decrease)/increase in cash and cash equivalents	(4,434)	1,260
Cash and cash equivalents at beginning of the period	7,232	2,958
Cash and cash equivalents at end of the period	2,798	4,218

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 NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2013

- 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, Hong Kong, held 2,719,536 (June 30, 2012: 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, 2012.
- 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 April 30, 2013.
- 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.

	Nine Months Ended March 31		Quarter Ended March 31	
	2013	2012	2013	2012
------(Rupees in thousand)-----				
8 SALES AND SERVICES (NET)				
Gross sales	45,008	126,100	8,087	51,876
Commission and discount on sales	(506)	(279)	(78)	(268)
	44,502	125,821	8,009	51,608
9 COST OF SALES AND SERVICES				
Raw materials and components consumed				
Opening stock	48,826	46,539	43,588	46,539
Purchases and sub contract cost	35,781	93,904	6,537	22,794
	84,607	140,443	50,125	69,333
Closing stock	(40,744)	(46,305)	(40,744)	(45,968)
	43,863	94,138	9,381	23,366
Salaries, wages and other benefits	11,060	10,921	3,763	3,812
Insurance	144	128	42	53
Fuel and power	1,643	1,752	424	557
Repair and maintenance	47	75	12	2
Inspection and testing	569	-	569	-
Printing and stationery	29	60	9	58
Traveling and conveyance	355	603	87	89
Depreciation	4,078	4,377	1,360	1,460
Other manufacturing expenses	68	83	4	11
	17,993	17,999	6,270	6,041
	61,856	112,137	15,651	29,406
Work in process				
Opening stock	81,807	76,168	98,201	76,168
Closing stock	(108,520)	(78,168)	(108,520)	(56,436)
	(26,713)	(2,000)	(10,319)	19,732
Cost of goods manufactured	35,143	110,137	5,332	49,138
Finished goods				
Opening stock	4,398	13,285	3,163	13,285
Closing stock	(1,287)	(16,285)	(1,287)	(18,171)
	3,111	(3,000)	1,876	(4,886)
	38,254	107,137	7,208	44,252

Nine Months Ended March 31		Quarter Ended March 31	
2013	2012	2013	2012

------(Rupees in thousand)-----

10 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	4,696	4,849	1,508	1,569
Traveling and conveyance	1,668	1,410	666	518
Legal and professional charges	637	343	49	142
Rent, rates and taxes	947	1,443	297	445
Repair and maintenance	565	670	192	176
Printing and stationery	287	275	50	20
Postage, telegram, telephone and telex	729	828	181	198
Light and power	1,171	1,086	298	358
Entertainment	852	493	170	63
Donation	14	-	7	-
Subscriptions and periodicals	362	579	96	285
Advertisement	185	100	31	27
Auditors' remuneration	186	278	-	38
Annual General Meeting	-	21	-	-
Insurance	483	643	172	228
Provision for doubtful loans and advances	111	9	-	-
Depreciation	1,020	1,094	340	365
Others	327	1,083	59	341
	14,240	15,204	4,116	4,773

11 DISTRIBUTION COST

Salaries, wages and benefits	962	915	308	188
Late delivery charges and penalties	2,415	2,948	7	299
Advertising and sales promotion	34	41	17	6
Traveling and conveyance	36	50	6	21
Subscriptions and periodicals	51	123	5	63
Repair and maintenance	60	60	28	23
Entertainment	8	-	3	-
Printing and stationery	8	-	2	-
Others	15	102	9	102
	3,589	4,238	385	701

12 OTHER INCOME

Gain on disposal of fixed assets	1,168	-	-	-
Liabilities written back	-	111	-	-
Markup on saving accounts	5	-	1	-
Other receipts/Income	135	217	49	81
	1,308	328	15	81

13 FINANCIAL COST

Mark-up on unsecured long term borrowings	4,180	5,271	1,400	1,742
Bank charges and commission	41	32	9	15
	4,221	5,303	1,409	1,757

Chief Executive

Director