

DIRECTORS REPORT

The Board of Directors of Johnson & Phillips (Pakistan) Limited present to you the un-audited financial statements for the period ended March 31, 2014.

This quarter has been difficult for the Company, because of declining sales trend but The Company however is putting its best effort to increase its order book despite constraint of working capital. The prices of essential raw materials have also increased which have had an unfavorable impact on bottom line. However the management has a very positive outlook for the future. Not withstanding any unforeseen political circumstances the Company should continue to grow and clear its accumulated debts

The management is continuing its efforts for increasing sales and focusing its priority on completion of 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: April 29, 2014

Shehryar Saeed
(Chief Executive)

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2014

	Un-Audited	Audited
	March 31, 2014	June 30, 2013
	(Rupees in thousand)	
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	205,217	210,048
Long term investments	-	-
Long term deposits	940	940
	206,157	210,988
CURRENT ASSETS		
Stock-in-trade	64,048	106,455
Trade debtors	54,961	42,209
Loans and advances	36,456	23,419
Deposits, prepayments and others receivable	12,378	9,490
Advance income tax-net of provision	1,828	1,938
Cash and bank balances	535	9,622
	170,206	193,133
TOTAL ASSETS	376,363	404,121
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
		-
Authorised		
8,000,000 (June 2013: 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	(119,528)	(112,371)
SHARE HOLDERS' EQUITY	(12,228)	(5,071)
Surplus on revaluation of property, plant and equipment	154,985	158,312
NON-CURRENT LIABILITIES		
Long term borrowings	62,718	72,732
Deferred liabilities - staff gratuity	7,970	7,653
CURRENT LIABILITIES		
Trade and other payables	142,403	162,227
Short term borrowings	-	-
Current and over due portion of long term borrowings	13,371	4,000
Mark up accrued	2,876	-
Unclaimed dividend	4,268	4,268
	162,918	170,495
Contingencies and commitments	-	-
TOTAL EQUITY AND LIABILITIES	376,363	404,121

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 NINE MONTHS ENDED AND QUARTER ENDED MARCH 31, 2014

	Note	Nine Months Ended March 31		Quarter Ended March 31	
		2014	2013	2014	2013
----- (Rupees in thousand) -----					
Sales and services (net)	8	91,689	44,502	9,820	8,009
Cost of sales and services	9	(81,238)	(38,254)	(9,616)	(7,208)
Gross profit		10,451	6,248	204	801
Dirtribution cost	11	(1,280)	(3,589)	(459)	(385)
Administrative expenses	10	(14,786)	(14,240)	(5,042)	(4,116)
Other operating income	12	184	1,308	76	15
		(15,882)	(16,521)	(5,425)	(4,486)
Operating (loss)/profit		(5,431)	(10,273)	(5,221)	(3,685)
Finance cost	13	(4,143)	(4,221)	(1,371)	(1,409)
(Loss)/profit before taxation		(9,574)	(14,494)	(6,592)	(5,094)
Taxation		(2,626)	(558)	(670)	-
Loss after taxation		(12,200)	(15,052)	(7,262)	(5,094)
Earnings per share - basic and diluted		(2.24)	(2.76)	(1.33)	(0.93)

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 NINE MONTHS ENDED AND QUARTER ENDED MARCH 31, 2014

	Nine months ended March 31		Quarter ended March 31	
	2014	2013	2014	2013
	----- (Rupees in thousand) -----			
Loss after taxation	(12,200)	(15,052)	(7,262)	(5,094)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(12,200)	(15,052)	(7,262)	(5,094)

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, 2014

	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, 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)
Balance as at July 01, 2013	54,500	29,727	23,073	(112,371)	(5,071)
Loss for Nine months	-	-	-	(12,200)	(12,200)
Transfer from surplus on revaluation of fixed assets	-	-	-	5,043	5,043
Balance as at March 31, 2014	54,500	29,727	23,073	(119,528)	(12,228)

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2014

	March 31	
	2014	2013
	(Rupees in thousand)	
CASH FLOWS FROM OPERATIONS		
Loss before taxation	(9,574)	(14,494)
Adjustment for:		
Depreciation	4,865	5,098
Provision for staff gratuity	666	828
Gain on disposal of property, plant and equipments	(20)	(1,168)
Finance cost	4,143	4,221
Operating (loss)/profit before working capital changes	80	(5,516)
(Increase) / decrease in current assets		
Stock -in-trade	42,407	(15,520)
Trade debtors	(12,752)	25,785
Loans and advances	(13,037)	(3,563)
Deposits, prepayments and other receivable	(2,888)	4,508
	13,730	11,210
(Decrease)/increase in current liabilities		
Trade and other payables	(19,824)	(10,296)
	(6,014)	(4,601)
Gratuity paid	(449)	(146)
Taxes paid	(699)	(900)
Financial cost paid	(1,910)	(1,939)
Net cash (used in)/ generated from operating activities	(9,072)	(7,586)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipments	(34)	(102)
investment activities, proceeds from disposal of assets	20	1,168
Long term deposits	-	-
Net cash generated from (used in) investing activities	(14)	1,066
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	3,000
Repayment of short term borrowing	-	(914)
Net cash generated from (used in) financing activities	-	2,086
Net (decrease)/increase in cash and cash equivalents	(9,086)	(4,434)
Cash and cash equivalents at beginning of. the period	9,622	7,232
Cash and cash equivalents at end of the period	535	2,798

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, 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 (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, 2013: 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, 2013.
- 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 29, 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.

	Nine Months Ended March 31		Quarter Ended March 31	
	2014	2013	2014	2013
------(Rupees in thousand)-----				
8 SALES AND SERVICES (NET)				
Gross sales	91,720	45,008	9,851	8,087
Commission and discount on sales	(31)	(506)	-	(78)
	91,689	44,502	9,851	8,009
9 COST OF SALES AND SERVICES				
Raw materials and components consumed				
Opening stock	45,865	48,826	44,351	43,588
Purchases and sub contract cost	25,325	35,781	6,913	6,537
	71,190	84,607	51,264	50,125
Closing stock	(43,900)	(40,744)	(43,900)	(40,744)
	27,290	43,863	7,364	9,381
Salaries, wages and other benefits	8,223	11,060	2,445	3,763
Insurance	64	144	18	42
Fuel and power	820	1,643	205	424
Repair and maintenance	42	47	5	12
Inspection and testing	-	569	-	569
Printing and stationery	36	29	9	9
Traveling and conveyance	217	355	24	87
Depreciation	3,892	4,078	1,297	1,360
Other manufacturing expenses	212	68	93	4
	13,506	17,993	4,096	6,270
	40,796	61,856	11,460	15,651
Work in process				
Opening stock	67,225	81,807	29,854	98,201
Closing stock	(30,121)	(108,520)	(30,121)	(108,520)
	37,104	(26,713)	(267)	(10,319)
Cost of goods manufactured	77,900	35,143	11,193	5,332
Finished goods				
Opening stock	7,117	4,398	2,202	3,163
Closing stock	(3,779)	(1,287)	(3,779)	(1,287)
	3,338	3,111	(1,577)	1,876
	81,238	38,254	9,616	7,208

Nine Months Ended March 31		Quarter Ended March 31	
2014	2013	2014	2013

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

10 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	4,132	4,696	1,267	1,508
Traveling and conveyance	1,453	1,668	564	666
Legal and professional charges	826	637	99	49
Rent, rates and taxes	585	947	135	297
Repair and maintenance	685	565	375	192
Printing and stationery	251	287	21	50
Postage, telegram, telephone and telex	680	729	208	181
Light and power	1,159	1,171	286	298
Entertainment	974	852	317	170
Donation	-	14	-	7
Subscriptions and periodicals	539	362	264	96
Advertisement	67	185	4	31
Auditors' remuneration	278	186	93	-
Annual General Meeting	22	-	-	-
Insurance	473	483	158	172
Provision for doubtful loans and advances	83	111	-	-
Depreciation	973	1,020	324	340
Others	1,606	327	927	59
	14,786	14,240	5,042	4,116

11 DISTRIBUTION COST

Salaries, wages and benefits	723	962	265	308
Late delivery charges and penalties	207	2,415	112	7
Advertising and sales promotion	56	34	6	17
Traveling and conveyance	69	36	7	6
Subscriptions and periodicals	64	51	26	5
Repair and maintenance	21	60	12	28
Insurance	-	-	-	-
Entertainment	76	8	1	3
Printing and stationery	8	8	3	2
Others	56	15	27	9
	1,280	3,589	459	385

12 OTHER INCOME

Gain on disposal of fixed assets	20	1,168	-	-
Liabilities written back	-	-	-	-
Markup on saving accounts	-	5	-	1
Other receipts/Income	164	135	56	49
	184	1,308	56	15

13 FINANCIAL COST

Mark-up on unsecured long term borrowings	4,102	4,180	1,354	1,400
Bank charges and commission	41	41	17	9
	4,143	4,221	1,371	1,409

Chief Executive

Director