

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, 2015.

This quarter has been difficult for the Company, because of declining sales trend . 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 has had an unfavorable impact on bottom line. However the management keeps a positive outlook for the future. Not withstanding any unforeseen political circumstances the Company is striving to increase sales and grow the Company.

The management is continuing its efforts for increasing sales and focusing its priority on restructuring 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 its valued customers, suppliers and shareholders for their continued trust and support.

For and on behalf of Board of Directors

Karachi
Dated: April 30th, 2015

Shehryar Saeed
(Chief Executive)

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

	Un-Audited March 31, 2015	Audited June 30, 2014
	(Rupees in thousand)	
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	197,260	201,630
Long term investments	-	-
Long term deposits	940	940
	198,201	202,570
CURRENT ASSETS		
Stock-in-trade	65,091	65,091
Trade debtors	3,724	49,806
Loans and advances	10,657	15,859
Deposits, prepayments and others receivable	9,358	8,630
Advance income tax-net of provision	17,642	1,865
Cash and bank balances	(1,599)	1,066
	104,871	142,317
TOTAL ASSETS	303,072	344,887
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
		-
Authorised		
8,000,000 (June 2014: 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	(197,606)	(182,609)
SHARE HOLDERS' EQUITY	(90,306)	(75,309)
Surplus on revaluation of perperty, plant and equipment	197,449	197,449
NON-CURRENT LIABILITIES		
Long term borrowings	76,042	73,435
Deferred liabilities - staff gratuity	4,243	4,710
CURRENT LIABILITIES		
Trade and other payables	107,376	136,334
Short term borrowings	-	-
Current and over due portion of long term borrowings	4,000	4,000
Mark up accrued	-	-
Unclaimed dividend	4,268	4,268
	115,644	144,602
Contingencies and commitments	-	-
TOTAL EQUITY AND LIABILITIES	303,072	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 NINE MONTHS ENDED AND QUARTER ENDED MARCH 31, 2015

	Note	Nine Months Ended March 31		Quarter Ended March 31	
		2015	2014	2015	2014
----- (Rupees in thousand) -----					
Sales and services (net)	8	29,528	91,689	11,317	9,820
Cost of sales and services	9	(25,371)	(81,238)	(10,735)	(9,616)
Gross profit		4,157	10,451	582	204
Dirtribution cost	11	(1,793)	(1,280)	(300)	(459)
Administrative expenses	10	(13,187)	(14,786)	(3,593)	(5,042)
Other operating income	12	400	184	54	76
		(14,580)	(15,882)	(3,839)	(5,425)
Operating (loss)/profit		(10,423)	(5,431)	(3,257)	(5,221)
Finance cost	13	(4,208)	(4,143)	(1,403)	(1,371)
(Loss)/profit before taxation		(14,631)	(9,574)	(4,660)	(6,592)
Taxation		(366)	(2,626)	(113)	(670)
Loss after taxation		(14,997)	(12,200)	(4,773)	(7,262)
Earnings per share - basic and diluted		(2.75)	(2.24)	(0.88)	(1.33)

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, 2015

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
	----- (Rupees in thousand) -----			
Loss after taxation	(14,997)	(12,200)	(4,773)	(7,262)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(14,997)	(12,200)	(4,773)	(7,262)

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, 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, 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	<u>54,500</u>	<u>29,727</u>	<u>23,073</u>	<u>(119,528)</u>	<u>(12,228)</u>
Balance as at July 01, 2014	54,500	29,727	23,073	(182,609)	(75,309)
Loss for Nine months	-	-	-	(14,997)	(14,997)
Transfer from surplus on revaluation of fixed assets	-	-	-	-	-
Balance as at March 31, 2015	<u>54,500</u>	<u>29,727</u>	<u>23,073</u>	<u>(197,606)</u>	<u>(90,306)</u>

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

	March 31	
	2015	2014
	(Rupees in thousand)	
CASH FLOWS FROM OPERATIONS		
Loss before taxation	(14,631)	(9,574)
Adjustment for:		
Depreciation	4,394	4,865
Provision for staff gratuity	-	666
Gain on disposal of property, plant and equipments	-	(20)
Finance cost	4,208	4,143
Operating (loss)/profit before working capital changes	(6,029)	80
(Increase) / decrease in current assets		
Stock -in-trade	-	42,407
Trade debtors	46,082	(12,752)
Loans and advances	5,202	(13,037)
Deposits, prepayments and other receivable	(728)	(2,888)
	50,557	13,730
(Decrease)/increase in current liabilities		
Trade and other payables	(28,958)	(19,824)
	15,569	(6,014)
Gratuity paid	(466)	(449)
Taxes paid	(366)	(699)
Financial cost paid	(4,208)	(1,910)
Net cash (used in)/ generated from operating activities	10,529	(9,072)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipments	-	(34)
investment activities, proceeds from disposal of assets	-	20
Long term deposits	-	-
Net cash generated from (used in) investing activities	-	(14)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	-
Repayment of short term borrowing	(10,529)	-
Net cash generated from (used in) financing activities	(10,529)	-
Net (decrease)/increase in cash and cash equivalents	0	(9,086)
Cash and cash equivalents at beginning of. the period	(1,599)	9,622
Cash and cash equivalents at end of the period	(1,599)	536

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, 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, 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 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 April 30th, 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.

	Nine Months Ended March 31		Quarter Ended March 31	
	2015	2014	2015	2014
	------(Rupees in thousand)-----			
8 SALES AND SERVICES (NET)				
Gross sales	29,528	91,720	11,317	9,851
Commission and discount on sales	-	(31)	-	-
	29,528	91,689	11,317	9,851
9 COST OF SALES AND SERVICES				
Raw materials and components consumed				
Opening stock	30,310	45,865	39,945	44,351
Purchases and sub contract cost	19,119	25,325	8,754	6,913
	49,429	71,190	48,699	51,264
Closing stock	(50,037)	(43,900)	(50,037)	(43,900)
	(607)	27,290	-	7,364
Salaries, wages and other benefits	7,228	8,223	2,777	2,445
Rent, rates and taxes	-	-	-	-
Insurance	5	64	5	18
Fuel and power	930	820	275	205
Repair and maintenance	282	42	35	5
Inspection and testing	25	-	-	-
Printing and stationery	14	36	3	9
Traveling and conveyance	150	217	53	24
Depreciation	3,515	3,892	(0)	1,297
Other manufacturing expenses	116	212	61	93
	12,266	13,506	3,208	4,096
	11,658	40,796	1,871	11,460
Work in process				
Opening stock	32,611	67,225	29,160	29,854
Closing stock	(20,566)	(30,121)	(20,566)	(30,121)
	12,045	37,104	8,594	(267)
Cost of goods manufactured	23,703	77,900	10,465	11,193
Finished goods				
Opening stock	2,170	7,117	772	2,202
Closing stock	(502)	(3,779)	(502)	(3,779)
	1,668	3,338	270	(1,577)
	25,371	81,238	10,735	9,616

	Nine Months Ended March 31		Quarter Ended March 31	
	2015	2014	2015	2014

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

10 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	4,361	4,132	1,445	1,267
Traveling and conveyance	919	1,453	226	564
Legal and professional charges	181	826	71	99
Rent, rates and taxes	1,582	585	622	135
Repair and maintenance	673	685	158	375
Printing and stationery	344	251	36	21
Postage, telegram, telephone and telex	603	680	179	208
Light and power	1,099	1,159	238	286
Entertainment	844	974	243	317
Donation	-	-	-	-
Subscriptions and periodicals	531	539	80	264
Advertisement	76	67	-	4
Auditors' remuneration	246	278	-	93
Annual General Meeting	46	22	-	-
Insurance	133	473	104	158
Provision for doubtful loans and advances	-	83	-	-
Depreciation	879	973	-	324
Others	671	1,606	192	927
	13,187	14,786	3,593	5,042

11 DISTRIBUTION COST

Salaries, wages and benefits	620	723	133	265
Late delivery charges and penalties	666	207	-	112
Advertising and sales promotion	56	56	26	6
Traveling and conveyance	134	69	109	7
Subscriptions and periodicals	40	64	(3)	26
Repair and maintenance	44	21	18	12
Insurance	-	-	-	-
Entertainment	27	76	3	1
Printing and stationery	22	8	7	3
Others	185	56	6	27
	1,793	1,280	300	459

12 OTHER INCOME

Gain on disposal of fixed assets	-	20	-	-
Liabilities written back	-	-	-	-
Markup on saving accounts	17	-	0	-
Other receipts/Income	383	164	53	56
	400	184	54	56

13 FINANCIAL COST

Mark-up on unsecured long term borrowings	4,187	4,102	1,394	1,354
Bank charges and commission	20	41	9	17
	4,208	4,143	1,403	1,371

Chief Executive

Director