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COMPANY INFORMATION

Board of Directors

Mr. Salman Ganny	Chairman
Mr. Shehryar Saeed	Director/CEO
Ms. Mariam Shafi	Director
Mr. Muhammad Tariq Anjum	Director
Mr. Muhammad Azhar Ul Islam	Director
Mr. Abid Saeed Khan	Director
Mr. Syed Jamshed Zaidi	Director

Board of Audit Committee

Mr. Abid Saeed Khan	Chairman
Mr. Muhammad Tariq Anjum	Member
Ms. Mariam Shafi	Member

Board of HR Committee

Ms. Mariam Shafi	Chairman
Mr. Salman Ganny	Member
Mr. Syed Jamshed Zaidi	Member
Mr. Shehryar Saeed	Member

Company Secretary & Chief Financial Officer (CFO)

Mr. Tariq Ahmed

Internal Auditor

Mr. Tariq Ilyas

Legal Advisor

LMA EBRAHIM HOSAIN
Barristers, Advocate & Corporate Legal Consultants,
156 - 1, Scotch Corner, Upper Mall, Lahore

Auditors

M/s. Nazir Chaudhri & Co.
Chartered Accountants
4-Karachi Chambers, Hasrat Mohani Road,
P.O.Box.No.5061, Karachi - 74000

Share Registrar

C & K Management Associates(Pvt) Ltd.
404, Trade Tower, Abdullah Haroon Road,
Near Metropole Hotel, Karachi - 75530

Bankers

Silk Bank Ltd.
Soneri Bank Ltd.
Habib Bank Ltd.

Registered Office

C-10, South Avenue, SITE, Karachi - 75700
Tel: 092-21-32560030-7, Fax: 092-21-32564603
Website: www.johnsonphillips.pk
E-mail: Johnsonphillips@cyber.net.pk

Directors' Review

The Board of Directors would like to present the condensed, un-audited financial statements of the Company for the half year ended December 31, 2017.

Business Review

The Sales & services-net for the six months period ended December 31, 2017 was Rs.2.0M as compared to Rs.16.6M for the corresponding period of last year. The cost of sales & services for the period was 6.4M as compared to Rs. 24.7M.

The Gross loss of the Company was Rs.(4.4M) against a loss of Rs. (8.1M) in the corresponding period of last year. The Company's Distribution cost, Administrative expenses and finance cost during the six months period ended December 31, 2017 was Rs.11.9M as against Rs.14.4M in the corresponding period of previous year. The Company is in the process of reorganizing its activities.

A loss after tax of Rs.14.3M was reported for the six month period ended December 31, 2017 compared to a loss after tax of Rs.21.7M in the corresponding period. Management of your Company is making concerted efforts and continues to endeavor to achieve improved performance in the future.

Auditors' Review

The Auditors emphasized on the unclaimed dividend, confirmations from legal advisors and going concern issue in their Auditors' Review Report.

Future Plan

The Company continues to focus on restructuring plan, which will facilitate growth of the business, reduce the loss of business, improve operational viability, profitability of the Company and ensure return to the shareholders. Hopefully, we can achieve the growth plan by the end of this financial year.

Financial Highlights

The comparative financial highlights of your Company for the six months period ended December 31, 2017 and December 31, 2016 are as follows:

	2017	2016
Rupees in '000.....	
(Loss) for the year before taxation	(14,925)	(22,239)
Out of which the Directors have accounted		
For taxation – current	588	441
Accumulated (Losses) brought forward	(341,866)	(279,054)
Accumulated losses carried over to Balance Sheet	(352,785)	(297,434)
Earnings per share – basic & diluted	(2.63)	(4.00)

Acknowledgement

The Board of Directors would like to express its sincere appreciation to the Company's valued clients, business partners and other stakeholders. The Board would also like to thank the Securities and Exchange Commission of Pakistan, the Pakistan Stock Exchange and the Central Depository Company for their continued guidance and professional support.

For and on behalf of the Board.

Shehryar Saeed
Managing Director / Chief Executive Officer
Karachi, February 28th 2018

Mariam Shafi
Director

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کو 31 دسمبر، 2017 کو ختم ہونے والے نصف سال کے لئے کمپنی کے، غیر آڈٹ شدہ مالیاتی بیانات پیش کرنا چاہیں گے۔

کاروباری جائزہ

چھ ماہ کے عرصے کے دوران فروخت اور خدمات (خالص) 31 دسمبر، 2017 کے اختتام پر 2.0 ملین تھی گزشتہ سال کی اسی مدت کے لئے 16.60 ملین روپے تھی اس سال قیمت فروخت اور خدمات 6.4 ملین روپے اور 24.7 ملین روپے گزشتہ سال کی اسی مدت میں تھی۔ اسی چھ ماہ کی مدت کے دوران کمپنی کا مجموعی نقصان 4.4 ملین روپے تھا۔ گزشتہ سال (8.1 ملین) روپے تھا۔ 31 دسمبر، 2017 کو ختم ہونے والی چھ ماہ کی مدت کے دوران کمپنی کی تقسیم کی لاگت، انتظامی اخراجات اور مالیاتی اخراجات 11.9 ملین روپے اور پچھلے سال کی متعلقہ مدت میں

14.4 ملین روپے کی تھی۔ کمپنی اپنی سرگرمیاں دوبارہ منظم کرنے کے عمل میں ہے۔ 31 دسمبر، 2017 کو 6 ماہ کے دوران چھ ماہ کی مدت کے دوران 14.3 ملین روپے کے ٹیکس کے بعد نقصان پہنچے۔ پچھلے سال کی متعلقہ مدت میں ٹیکس کے بعد نقصان 21.7 ملین روپے تھا آپ کی کمپنی کا انتظامیہ مشترک کوششیں کر رہا ہے اور مستقبل میں بہتر کارکردگی کو حاصل کرنے کے لئے کوشش کرنا جاری ہے۔

آڈیٹروں کا جائزہ

آڈیٹر نے انٹرائٹرز کی جائزہ رپورٹ میں غیر منقولہ منافع بخش، قانونی مشیروں کی تصدیق اور تشویش کا مسئلہ پر زور دیا۔

مستقبل کا منصوبہ

کمپنی دوبارہ تعمیراتی منصوبے پر توجہ مرکوز کرتی ہے، جو کاروبار کی ترقی کو فروغ دینے، کاروبار کے نقصان کو کم کرنے، آپریشنل قابل عمل کو بہتر بنانے، کمپنی کی منافع بخش اور حصول داروں کو واپسی کو یقینی بنایا جائے گا۔ امید ہے کہ، ہم اس مالی سال کے اختتام تک ترقی کی منصوبہ بندی حاصل کر سکتے ہیں۔

مالی اہمیت

چھ ماہ کے عرصے کے دوران آپ کی کمپنی کے مقابلے میں مالیاتی نمائشیں 31 دسمبر، 2017 اور 31 دسمبر 2016 کو ختم ہوئیں

2016	2017	
.....	000 روپے میں.....	
(22,239)	(14,925)	ٹیکس دینے سے قبل سال کے لئے (نقصان)
441	588	جن میں سے ڈائریکٹروں نے حساب کیا ہے ٹیکس کے لئے - موجودہ
(279,054)	(341,866)	جمع (نقصانات) آگے بڑھے
(297,434)	(352,785)	بیلنس شیٹ تک جمع کئے جانے والے نقصانات
(4.00)	(2.63)	فی حصہ آمدنی بنیادی اور پتلی

اعتراف

بورڈ آف ڈائریکٹرز اس کمپنی کے قیمتی گاہکوں، کاروباری شراکت داروں اور دیگر حصول داروں کو اپنی مخلص تعریف کا اظہار کرنا چاہیں گے۔ بورڈ کو پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹاک ایکسچینج اور سینٹرل ڈپازٹری کمپنی کو بھی ان کی مسلسل رہنمائی اور پیشہ ورانہ حمایت کا شکریہ ادا کرنا ہوگا۔ بورڈ کے طرف سے ذریعہ اور کے لئے۔

مریم شفیع
ڈائریکٹر

شہریار سعید
ڈائریکٹر / چیف ایگزیکٹو آفیسر
کراچی، 28 فروری 2018

AUDITORS' REPORT TO THE MEMBERS ON **REVIEW OF INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Johnson & Phillips (Pakistan) Limited** ('the Company') as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with notes forming part thereof for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2016 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

1. The Company has not deposited unclaimed dividend amounting to Rs. 4.268 million in a separate bank account designated for this purpose nor does the Company have sufficient fund available in its bank accounts to pay the unclaimed dividend in the event same is demanded by the shareholder.
2. Confirmations from legal advisors remained un-responded during audit for the year ended 30 June 2017 and relevant facts relating to the matters discussed in note 11.1.2 and 11.1.4 to this condensed interim financial information are still unconfirmed.

Qualified Conclusion

Based on our review, with the exception of the matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without further qualifying our conclusion, we draw attention to note 2 to the interim financial information which indicates that the Company has reported loss after taxation of Rs. 14.337 million and the accumulated losses of the Company stand at Rs. 352.785 million and its equity is negative by Rs. 245.485 million as at the close of period. These conditions along with other matters as set forth in note 2 to the interim financial information indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. This interim financial information do not include any adjustments relating to the realization of the Company's assets and liquidation of any liabilities that may be necessary should the Company be unable to continue as a going concern.

Date: February 28, 2018
Karachi

Nazir Chaudhri & Co.
Chartered Accountants
Engagement Partner : Abdul Rafay

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM BALANCE SHEET - UN-AUDITED
AS AT DECEMBER 31, 2017

	Un-audited	Audited	
<i>Note</i>	December 31	June 30	
	2017	2017	
	(Rupees in thousand)		
ASSETS			
Non-Current assets			
Property, plant and equipment	6	170,951	175,318
Intangible assets		-	-
Long term investments		-	-
Long term deposits		940	940
		171,891	176,258
Current assets			
Stock-in-trade		13,788	13,788
Trade debts		1,312	2,156
Loans and advances	7	20,717	16,474
Deposits, prepayments and other receivable		936	382
Advance tax - net of provision		2,886	2,651
Cash and bank balances		147	4,434
		39,786	39,885
		211,677	216,143
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		80,000	80,000
8,000,000 (June 30, 2017: 8,000,000) ordinary shares of Rs. 10 each		80,000	80,000
Issued, subscribed and paid-up capital		54,500	54,500
5,449,972 (June 30, 2017: 5,449,972) ordinary shares of Rs. 10 each		54,500	54,500
Share premium reserve		29,727	29,727
General reserve		23,073	23,073
Accumulated loss		(352,785)	(341,866)
		(245,485)	(234,566)
Surplus on revaluation of fixed assets	8	163,710	167,128
NON-CURRENT LIABILITIES			
Long term borrowings	9	101,966	96,121
Deferred liabilities		9,022	9,651
		110,988	105,772
CURRENT LIABILITIES			
Trade and other payables	10	169,014	166,690
Current and overdue portion of long term borrowings	9	4,000	4,000
Short term borrowing		2,851	2,851
Mark up accrued		2,331	-
Unclaimed dividend		4,268	4,268
		182,464	177,809
Contingencies and Commitments	11		
		211,677	216,143

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

Chief Executive

Director

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UN-AUDITED

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	Six months period ended		Three months period ended	
	December 31	December 31	December 31	December 31
	2017	2016	2017	2016
-----Rupees in thousand-----				
Revenue from sales and services-net	2,029	16,674	529	6,206
Cost of sales and services	(6,431)	(24,786)	(1,186)	(8,669)
Gross loss	(4,402)	(8,112)	(657)	(2,463)
Operating expenses				
Distribution cost	(328)	(912)	(186)	(450)
Administrative expenses	(9,315)	(11,132)	(5,223)	(6,692)
Other income	1,459	311	(1,459)	(301)
	(8,184)	(11,733)	(6,868)	(7,443)
	(12,586)	(19,845)	(7,525)	(9,906)
Finance cost	(2,339)	(2,394)	(1,228)	(1,199)
Loss before taxation	(14,925)	(22,239)	(8,753)	(11,105)
Taxation	588	441	573	569
Loss after taxation	(14,337)	(21,798)	(8,180)	(10,536)
Loss per share-basic and diluted	(2.63)	(4.00)	(1.50)	(1.93)

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

Chief Executive

Director

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	Six months period ended December 31		Three months period ended December 31	
	2017	2016	2017	2016
	-----Rupees in thousand-----			
Loss after taxation	(14,337)	(21,798)	(8,180)	(10,536)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(14,337)	(21,798)	(8,180)	(10,536)

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

Chief Executive

Director

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT - UN-AUDITED

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	December 31 2017	December 31 2016
	Rupees in thousand	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(14,925)	(22,239)
Adjustments for:		
Depreciation	4,407	4,406
Provision for staff gratuity	-	33
Finance cost	2,339	2,394
	<u>6,746</u>	<u>6,833</u>
Operating loss before working capital changes	(8,179)	(15,406)
Decrease / (increase) in current assets		
Stock-in-trade	-	5,105
Trade debts	844	(2,046)
Loans and advances	(4,243)	(728)
Deposits, prepayments and other receivable	(554)	1,330
	<u>(3,953)</u>	<u>3,661</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	2,324	11,624
	<u>(9,808)</u>	<u>(121)</u>
Income tax (paid) / refunded	(255)	(326)
Gratuity paid	(20)	(566)
Finance cost paid	(8)	(2,394)
	<u>(283)</u>	<u>(3,286)</u>
Net cash used in operating activities	(10,091)	(3,407)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	(41)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term borrowings received	5,845	2,397
Net cash from financing activities	5,845	2,397
Net decrease in cash and cash equivalents	(4,287)	(1,010)
Cash and cash equivalents at beginning of the period	4,434	1,082
Cash and cash equivalents at end of the period	147	72

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

Chief Executive

Director

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UN-AUDITED***FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017*

	Issued, subscribed and paid-up capital	Reserves			Total
		Capital Share Premium	General	Revenue Accumulated loss	
-----Rupees in thousand-----					
Balance as at July 01, 2016	54,500	29,727	23,073	(279,054)	(171,754)
Total comprehensive loss for the period					
Loss after taxation for the half year ended December 31, 2016	-	-	-	(21,798)	(21,798)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	3,418	3,418
Balance as at December 31, 2016	<u>54,500</u>	<u>29,727</u>	<u>23,073</u>	<u>(297,434)</u>	<u>(190,134)</u>
Balance as at July 01, 2017	54,500	29,727	23,073	(341,866)	(234,566)
Total comprehensive loss for the period					
Loss after taxation for the half year ended December 31, 2017	-	-	-	(14,337)	(14,337)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	3,418	3,418
Balance as at December 31, 2017	<u><u>54,500</u></u>	<u><u>29,727</u></u>	<u><u>23,073</u></u>	<u><u>(352,785)</u></u>	<u><u>(245,485)</u></u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

Chief Executive

Director

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

1 STATUS AND NATURE OF BUSINESS

Johnson & Phillips (Pakistan) Limited ("the Company") was incorporated in Pakistan as a public limited company on April 15, 1961 and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at C-10, South Avenue, S.I.T.E., Karachi. The Company is principally engaged in manufacturing, installation and selling of electrical equipments. Etheridge Company Limited, held 2,719,536 (June 30, 2017: 2,719,536) ordinary shares of Rs. 10 each of the Company as at period end, which constitute 49.90% of total shares issued.

2 GOING CONCERN

The Company has incurred gross loss of Rs.4.402 million during the half year ended December 31, 2017 (December 31, 2016: Rs.8.112 million) and loss after taxation amounting to Rs.14.337 million (December 31, 2016: Rs. 21.798 million) which has further increased accumulated losses to Rs.352.785 million (June 30, 2017: Rs. 341.866 million) and has resulted in negative equity of Rs.245.485 million (June 30, 2017: Rs.234.566 million).

The sales of the Company is continuously decreasing because of low demand from the private sector. In spite of the above stated circumstances the management of the company still consider that the going concern assumption used for preparation of these financial statement is appropriate in view of the following facts.

- i** The Company already has its obligations rescheduled in respect of long term loans and financial arrangements, including repayment of principal and accumulated mark-up thereon with various lenders.
- ii** Efforts are underway to obtain orders so that sales volume as well as profitability can be achieved and the management expects favorable improvements in forthcoming year. This will be achieved with the re-certification of our product line now under way, so sales to the public sector will commence driving volume, which will boost sales and profitability.
- iii** The board has provided in the past continued support to the company and has indicated commitment in order to maintain the going concern status. This is evident from the fact that a Director continues to provide financial support to the Company.

The management of the Company is confident that the above factors shall enable the Company to continue as going concern in foreseeable future; hence, this condensed interim financial information have been prepared on going concern assumption.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

This condensed interim financial information of the Company for the period ended December 31, 2017 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its circular number 23/2017 date October 04, 2017 and as clarified by the Institute of Chartered Accountants of Pakistan through its circular number 17/2017 dated October 06, 2017, this condensed interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

This condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange Limited and under section 237 of the Companies Act, 2017. The figures for the six months period ended 31 December 2017 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

This condensed interim financial information does not include all information and disclosures required in the financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2017.

3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except leasehold land, building and plant and machinery which are stated at revalued amount and the Company's liability under its defined benefit plan (gratuity) which is determined on the present value of the defined benefit obligations determined by an independent actuary.

3.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended 30 June 2017. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2017.

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2017.

Un-audited	Audited
December 31	June 30
2017	2017
Rupees in thousand	

6 PROPERTY, PLANT AND EQUIPMENT

Owned

Opening written down value	175,318	243,307
Addition	41	-
Depreciation	(4,407)	(67,989)
Closing written down value	<u>170,951</u>	<u>175,318</u>

7 LOANS AND ADVANCES

Loans to subsidiary companies - unsecured Considered doubtful

Johnson & Phillips Industries (Pakistan) Limited (JPI)	24,756	24,756
Johnson & Phillips Transformers (Private) Limited (JPT)	20,785	20,785
Johnson & Phillips EMO Pakistan (Pvt.) Limited (EMO)	2,964	2,964
	48,505	48,505
Less Provision against doubtful loans	(48,505)	(48,505)
	-	-

Advances - Unsecured, Considered good

To suppliers	794	794
To employees	339	356
Against purchase of land	2,717	2,717
Others	71	71
	3,921	3,938

Sales tax refundable	11.1.5 20,637	16,377
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Less: Provision for doubtful advances against:	(3,841)	(3,841)
	<u>20,717</u>	<u>16,474</u>

8 SURPLUS ON REVALUATION OF FIXED ASSETS

Opening balance	167,128	173,962
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Transferred to accumulated loss in respect of incremental depreciation on revalued assets for the period/year	(3,418)	(6,834)
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	<u>163,710</u>	<u>167,128</u>
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Un-audited December 31 2017	Audited June 30 2017
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Rupees in thousand

9 LONG TERM BORROWINGS

From related parties

Other related parties

Principal	65,061	59,216
Accumulated markup	36,905	36,905
	101,966	96,121

From others

4,000	4,000
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105,966	100,121
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Less: current and overdue portion

(4,000)	(4,000)
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101,966	96,121
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10 TRADE AND OTHER PAYABLES

Creditors		5,672	6,392
Accrued liabilities		13,474	11,018
Advances from customers		5,438	5,389
Payable to Elmetec (Pvt) Ltd - related party	10.1	140,917	140,286
Payable to ex-employees		802	802
Provident fund		315	281
Unclaimed gratuity payable		894	894
Others	10.2	1,459	1,619
Tax deducted at source		43	9
		169,014	166,690

10.1 Payable to Elmetec (Pvt) Ltd - related party

Against supply of material	118,025	117,270
Advance received	22,892	23,016
	140,917	140,286

10.2 This includes Rs.1.211 million (30 June 2017 : Rs. 1.371 million) payable to Chief Executive of the Company.

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 Guarantees

The banks have issued guarantees, on behalf of the Company as detailed below:

Guarantees against performance bond	1,794	2,679
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Labour

11.1.2 Some legal cases are pending against the Company filed by ex-workers in respect of their claims. The aggregate amounts involved in these cases are Rs. 0.987 million. (2017: 0.987 million).

Others

11.1.3 Pursuant to a recovery suit filed by the National Bank of Pakistan against Johnson & Phillips Transformers (Pvt.) Limited (Defendant No.1) and Johnson & Phillips (Pakistan) Limited (Defendant No.2), the Banking Court No. III, Lahore passed a compromise decree.

The Bank agreed that prior to executing the Decree against the Defendant No.2 as guarantor, the Bank will execute against all assets of the Defendant No. 1. Some payments has been made to the Bank while the remaining amount of Rs. 25,894 thousand is still payable. The execution proceedings in this case are now pending before the Banking Court No. III.

11.1.4 The Company has filed a suit for the recovery of insurance claim of Rs 3.734 million (2017: Rs 3.734 million) in Honorable High Court of Sindh Karachi against the EFU General Insurance Limited and M/s Hanilay & Co. (Private) Limited.

11.1.5 During the period an order was passed by additional commissioner IR raising demand of Rs.5.988 million for default in deduction / payment of withholding sales tax and recovered Rs.4.268 million from the Company's bank accounts. The Company has filed appeal before Deputy Commissioner IR against the said order and also requested to withdraw the notice of attachment of bank accounts. The recovered amount is shown under sales tax refundable as the Company's tax consultants are confident of favourable outcome of the appeal.

11.2 Commitments

There is no commitment as at December 31, 2017 (June 30, 2017 : Nil)

12 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, contribution of staff benefit funds, return on loans, amounts due from executives and remuneration of directors and executives alongwith other transactions with related parties are given below:

	Un-audited December 31 2017	Un-audited December 31 2016
	Rupees in thousand	
Subsidiaries		
Loan provided to subsidiary companies	-	119
Payment made on behalf of subsidiary companies	-	49

	Un-audited December 31 2017	Un-audited December 31 2016
	Rupees in thousand	
Provident Fund		
Contribution paid to Provident Fund	<u>175</u>	<u>274</u>
Directors		
Remuneration	<u>1,200</u>	<u>185</u>
Markup accrued long term borrowings	<u>-</u>	<u>849</u>
Loan received	<u>-</u>	<u>335</u>
Funds received during the period	<u>-</u>	<u>1,962</u>
Funds repaid during the period	<u>-</u>	<u>1,180</u>
Other related parties		
Long term Loan received	<u>5,845</u>	<u>4,951</u>
Purchases	<u>1,260</u>	<u>6,156</u>
Funds (repaid) / received - net	<u>(124)</u>	<u>2,172</u>
Markup accrued on long term borrowings	<u>2,331</u>	<u>1,334</u>

13 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on February 28, 2018 by the Board of Directors of the Company.

14 GENERAL

Figures have been rounded off to the nearest thousand rupee.

Chief Executive

Director

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED*Condensed Interim Consolidated Balance Sheet - Un-Audited**As At December 31, 2017*

	Un-audited December 31 2017	Audited June 30 2017
	(Rupees in thousand)	
<i>Assets</i>		
Non-Current Assets		
Property, plant and equipments	170,952	175,318
Long term deposits	1,566	1,566
	172,518	176,884
Current Assets		
Stock-in-trade	13,788	13,788
Trade debts	1,312	2,156
Loans and advances	20,934	16,641
Deposits, prepayments and other receivables	1,589	1,085
Advance tax - net of provision	5,541	5,306
Cash and bank balances	310	13,810
	43,474	52,786
Total Assets	215,992	229,670
<i>Equity And Liabilities</i>		
Share Capital And Reserves		
Authorised capital		
8,000,000 (June 30, 2017: 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 reserve	23,073	23,073
Accumulated loss	(369,459)	(349,328)
	(262,159)	(242,028)
Non-controlling interest	-	-
Surplus on revaluation of property, plant and equipments	163,710	167,128
Non-Current Liabilities		
Long term borrowings	101,966	96,121
Deferred liabilities	9,618	10,247
	111,584	106,368
Current Liabilities		
Trade and other payables	184,771	182,447
Short term borrowings	6,927	6,927
Current and overdue portion of long term borrowings	4,000	4,000
Mark up accrued	2,331	-
Unclaimed dividend	4,268	4,268
Taxation	560	560
	202,857	198,202
Contingencies and Commitments		
Total Equity And Liabilities	215,992	229,670

*The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.***Chief Executive****Director****Chief Financial Officer**

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Profit And Loss Account - Un-Audited

For The Six Months Period Ended December 31, 2017

	Half year ended December 31		Quarter ended December 31	
	2017	2016	2017	2016
	------(Rupees in thousand)-----			
Revenue from sales and services-net	2,029	16,674	529	6,206
Cost of sales and services	(6,431)	(24,786)	(1,186)	(8,669)
Gross Profit	(4,402)	(8,112)	(657)	(2,463)
Operating expenses				
Distribution cost	(327)	(912)	(186)	(450)
Administrative expenses	(18,528)	(11,132)	(5,223)	(6,692)
Other operating income	1,459	311	(1,459)	(301)
Operating loss	(21,798)	(19,845)	(7,525)	(9,906)
Finance cost	(2,339)	(2,394)	(1,228)	(1,199)
Loss before taxation	(24,137)	(22,239)	(8,753)	(11,105)
Taxation	588	441	573	569
Loss after taxation	(23,549)	(21,798)	(8,180)	(10,526)
Loss attributable to:				
- Owners of the Holding company	-	-	(8,180)	(10,536)
- Non-controlling interest	-	-	-	-
Loss for the period	-	-	(8,180)	(10,536)
Loss per share - basic and diluted	(4.32)	(4.00)	(1.50)	(1.93)

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Statement Of Comprehensive Income - Un-Audited

For The Six Months Period Ended December 31, 2017

	Half year ended December 31		Quarter ended December 31	
	2017	2016	2017	2016
	------(Rupees in thousand)-----			
Loss after taxation	(23,549)	(21,798)	(8,180)	(10,536)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(23,549)	(21,798)	(8,180)	(10,536)
Total comprehensive loss attributable to:				
- Owners of the Holding company	-	-	(8,180)	(10,536)
- Non-controlling interest	-	-	-	-
	-	-	(8,180)	(10,526)

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Cash Flow Statement - Un-Audited

For The Six Months Period Ended December 31, 2017

	December 31 2017 (Rupees in thousand)	December 31 2016
	<i>Note</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(24,137)	(22,239)
Adjustments for:		
Depreciation	4,407	4,406
Provision for staff gratuity	-	33
Finance cost	2,339	2,394
	6,746	6,833
Operating loss before working capital changes	(17,391)	(15,406)
Decrease in current assets		
Stock-in-trade	-	5,105
Trade debts	844	(2,046)
Loans and advances	(4,293)	(8,284)
Deposits, prepayments and other receivable	(504)	1,380
	(3,953)	(3,844)
Decrease / (increase) in current liabilities		
Trade and other payables	2,324	11,609
	(19,020)	(7,642)
Taxes paid	(256)	(326)
Gratuity paid	(20)	(566)
Finance cost paid	(8)	(25)
	(284)	(917)
Net cash used in operating activities	(19,304)	(8,559)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	(41)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowing	5,845	-
Short term borrowings obtained	-	7,549
Net cash generated from financing activities	5,845	7,549
Net decrease in cash and cash equivalents	(13,500)	(1,010)
Cash and cash equivalents at beginning of the period	13,810	1,245
Cash and cash equivalents at end of the period	7 310	235

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED*Condensed Interim Consolidated Statement Of Changes In Equity - Un-Audited**For The Half Year Ended December 31, 2017*

	Issued, subscribed and paid-up capital	Reserves			Total
		Capital Share Premium	General	Unappropriate d loss	
------(Rupees in thousand)-----					
Balance as at July 01, 2016	54,500	29,727	23,073	(285,012)	(177,712)
Total comprehensive loss for the period					
Loss after taxation for the period	-	-	-	(21,798)	(21,798)
Transfer from surplus on revaluation of property, plant and equipments	-	-	-	3,418	3,418
Balance as at December 31, 2016	54,500	29,727	23,073	(303,392)	(196,092)
Balance as at July 01, 2017	54,500	29,727	23,073	(349,328)	(242,028)
Total comprehensive loss for the period					
Loss after taxation for the period	-	-	-	(23,549)	(23,549)
Transfer from surplus on revaluation of property, plant and equipments	-	-	-	3,418	3,418
Balance as at December 31, 2017	54,500	29,727	23,073	(369,459)	(262,159)

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

*Condensed Interim Consolidated Notes To The Financial Information - Un-Audited
For The Six Months Period Ended December 31, 2017*

1 STATUS AND NATURE OF BUSINESS

- 1.1** Johnson & Phillips (Pakistan) Limited ("the Holding 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 Holding Company is situated at C-10, South Avenue, S.I.T.E., Karachi. The Holding Company is principally engaged in manufacturing, installing and selling of electrical equipments. Etheridge Company Limited, held 2,719,536 (June 30, 2017: 2,719,536) ordinary shares of Rs. 10 each of the Holding Company as at December 31, 2017, which constitute 49.90% of total shares issued.

Subsidiaries of Johnson & Phillips (Pakistan) Limited are public and private limited companies and are engaged in the business of manufacturing and sale of electrical and mechanical equipments/appliances and participation in turnkey engineering industrial projects.

The following Subsidiary Companies have been consolidated in the condensed interim consolidated financial information of the Holding Company:

Subsidiary Companies	Company Status	Group Holding
Johnson & Phillips Industries (Pakistan) Limited	Public Limited	100%
Johnson & Phillips Transformers (Private) Limited	Private Limited	70%
Johnson & Phillips EMO Pakistan (Private) Limited	Private Limited	51%

- 1.2** The subsidiaries of the Group, Johnson & Phillips Industries (Pakistan) Limited and Johnson & Phillips Transformer (Private) Limited ceased production in July 1997 and February 1998 respectively. The accumulated losses of the Group as at December 31, 2017 stand at Rs. 369.459 million (June 30, 2017: Rs. 349.328 million) resulting in a negative equity of Rs. 262.159 million (June 30, 2017: Rs. 242.028 million) and as at that date the Group's current liabilities exceeded its current assets by Rs. 159.383 million (June 30, 2017: Rs. 145.416 million). Consequently, the ability of the Group to continue as a going concern is dependent on the following significant factors:

In spite of the above stated circumstances the management of the Holding Company still considers that the going concern assumption used for the preparation of these unaudited consolidated interim financial statements is appropriate in view of the following major facts:

- i) The Holding Company has already got its obligations rescheduled in respect of long term loans and financial arrangements, including repayment of principal and accumulated markup thereon with various lenders.
- ii) Efforts are underway to obtain orders so that sales volume as well as profitability can be maintained and the management expects favorable improvements during the year ending June 30, 2018 and thereafter. The Strategic Business Revival Plan put forward by Management of the Holding Company is approved by the Board of Directors.
- iii) The Board of Holding company has provided in past continued support and expresses its commitment in order to maintain the going concern status of the Holding Company. This support is evident from the fact that a Director had in the past provided loan and financial support to the Holding Company.

The management of the Holding Company is confident that the above factors shall enable the Holding Company to continue as going concern for foreseeable future; hence, these consolidated financial statements have been prepared on going concern assumption.

2 BASIS OF CONSOLIDATION

This interim consolidated financial information has been prepared from the information available in the un-audited separate financial information of the Holding Company for the half year ended December 31, 2017 and the un-audited financial information of the Subsidiary Companies for the half year ended December 31, 2017.

The financial information of the Subsidiary Companies were prepared for the same reporting period as the Holding Company, using consistent accounting policies and changes were made when necessary to align them with the policies adopted by the Holding Company.

The assets and liabilities of the Subsidiary Companies have been consolidated on a line by line basis. The carrying value of investment held by the Holding Company is eliminated against the Subsidiary Companies' shareholders' equity in the consolidated financial information. All material intra-group balances and transactions were eliminated in full.

Non-controlling interest is that portion of equity in a subsidiary that is not attributable, directly or indirectly, to the Holding Company. Non-controlling interest are presented as separate item in the interim consolidated financial information.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Preparation

This condensed interim consolidated financial information of the Company for the half year ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

This condensed interim consolidated financial information does not include all of the information and disclosures required for annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 30 June 2017. Comparative consolidated balance sheet is extracted from annual consolidated financial statements as at June 30, 2017 whereas comparative consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity were extracted from un-audited condensed interim consolidated financial information for the half year ended December 31, 2017.

This condensed interim consolidated financial information is unaudited and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the Listing regulations of Pakistan Stock Exchange.

3.2 Accounting Convention

The accounting policies, significant judgements made in the application of accounting policies, keys sources of estimations, the methods of computation adopted in preparation of this condensed interim consolidated financial information and financial risk management policy were the same as those applied in the preparation of the preceding annual consolidated financial statements of the Company for the year ended June 30, 2017.

4 PROPERTY, PLANT AND EQUIPMENT-TANGIBLE

Un-audited
December 31
2017
(Rupees in thousand)

Audited
June 30,
2017

Owned

Opening written down value	175,318	243,307
Additions	41	-
Depreciation	(4,407)	(67,989)
Closing written down value	<u>170,952</u>	<u>175,318</u>

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

5.1.1 a) Guarantees

Un-audited
December 31
2017
(Rupees in thousand)

Audited
June 30
2017

The banks have issued guarantees, on behalf of the Company as detailed below:

Guarantees against performance bond	<u>1,794</u>	<u>2,679</u>
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5.1.1 b) Labour, Others, Professional Fee Payable, Unsecured Loan & Tax Assessment of Subsidiaries Companies.

There were no change in status of Labour, Professional fee payable, Unsecured Loan and Tax Assessment of Subsidiaries Companies as disclosed in the last audited annual consolidated financial statements for the year ended June 30, 2017.

b1 Others

b1.1 Pursuant to a recovery suit filed by the National Bank of Pakistan against Johnson & Phillips Transformers (Pvt.) Limited (Defendant No.1) and Johnson & Phillips (Pakistan) Limited (Defendant No.2), the Banking Court No. III, Lahore passed a compromise decree.

The Bank agreed that prior to executing the Decree against the Defendant No.2 as guarantor, the Bank will execute against all assets of the Defendant No. 1. Some payments has been made to the Bank while the remaining amount of Rs. 25,894 thousand is still payable. The execution proceedings in this case are now pending before the Banking Court No. III.

b1.2 The Company has filed a suit for the recovery of insurance claim of Rs 3.734 million (2017: Rs 3.734 million) in Honorable High Court of Sindh Karachi against the EFU General Insurance Limited and M/s Hanilay & Co. (Private) Limited.

b1.3 During the period an order was passed by additional commissioner IR raising demand of Rs.5.988 million for default in deduction / payment of withholding sales tax and recovered Rs.4.268 million from the Company's bank accounts. The Company has filed appeal before Deputy Commissioner IR against the said order and also requested to withdraw the notice of attachment of bank accounts. The recovered amount is shown under sales tax refundable as the Company's tax consultants are confident of favourable outcome of the appeal.

5.2 Commitments

There is no commitment as at December 31, 2017 (June 30, 2017 : Nil)

6 TRANSACTION WITH RELATED PARTIES

The related parties comprise associated companies, directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, contribution of staff benefit funds, return on loans, amounts due from executives and remuneration of directors and executives alongwith other transactions with related parties are given below:

	Un-audited December 31 2017	Un-audited December 31 2016
	(Rupees in thousand)	
Payments made on behalf of subsidiary companies	-	119
Payment of loan on behalf of a subsidiary company	-	5,000
Remuneration and benefits to key management personnel	2,350	1,563
Payment of contribution provident fund trust	153	274

All transactions with related parties have been carried out by the Holding Company at arm's length prices using the comparable uncontrolled price method.

7 CASH AND CASH EQUIVALENT

Cash and bank balances	310	235
Temporary overdraft	(390)	(390)
	(80)	(155)

8 DATE OF AUTHORIZATION

This condensed interim consolidated financial information was authorized for issue on February 28, 2018 by the Board of Directors of the Holding Company.

9 GENERAL

Figures have been rounded off to the nearest thousand rupee.

Chief Executive

Director

Chief Financial Officer