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COMPANY INFORMATION

Board of Directors	Mehdi Mohsin	- Chairman
	Mujeeb Rashid	- Chief Executive & Managing Director
	S. M. Mohsin	- Advisor
	Moaz Mohiuddin	
	Syed Faisal Imam	
	Umme Kulsum Imam	
	Jamal Nasim – NIT Nominee	

Audit Committee	S. M. Mohsin	- Chairman
	Syed Faisal Imam	- Member
	Moaz Mohiuddin	- Member

Company Secretary/CFO Atif Fayyaz

Auditors A.F. Ferguson & Company
Chartered Accountants

Legal Advisors Minto & Mirza
78-Mozang Road, Lahore
Phone: (042) 36315469-70 Fax: (042) 36361531

Bankers Habib Bank Limited
Allied Bank Limited
Askari Commercial Bank Limited
MCB Bank Limited
Citibank N.A.
The Royal Bank of Scotland
National Bank of Pakistan

Share Registrar Corplink (Private) Limited
Wings Arcade, 1-K (Commercial) Model Town, Lahore
Phone : (042) 35839182, 35887262,
Fax:(042) 35869037

Corporate Office 39-A, D-1, Gulberg III Lahore
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Website: www.mitchells.com.pk

Factory, Regional Sales Office (Central) & Farms Renala Khurd, District Okara, Pakistan
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Fax: (044) 2621416
E-Mail: rnk@mitchells.com.pk
rsoc@mitchells.com.pk

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E-Mail: rson@mitchells.com.pk

Regional Sales Office (South) Mehran VIP II, Ground Floor,
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E-Mail: rsos@mitchells.com.pk

DIRECTORS' REVIEW

The directors are pleased to submit the un-audited financial statements of the company for the half year ended March 31, 2010.

Overall business operations remained firmly stable during the half year period under review. Continuing energy crises and resulting high frequency of disruptions in electric supply adversely affected operations.

More than 60% increase in the cost of sugar compared to the corresponding period as well as cocoa products necessitated repeated increases in the prices of our products invoking consumer resistances in certain product categories.

The company's net sales recorded a growth of 12.72 % rising from Rs. 590.20 million to Rs. 665.25 million. This rise was supported by groceries and confectionery sales showing an upward trend of 25.38 % and 4.56 %, respectively. Exports increased by 42.50 % which is a positive development.

Operating-profit increased by 69.17 % from Rs. 32.46 million to Rs. 54.91 million. As a result of sound working capital management financial charges decreased by 22% to Rs.20.76 million, as compared to Rs. 26.57 million during corresponding period. Thus Profit before tax increased from Rs. 5.88 million to Rs. 34.15 million during the period under review.

In the end, the Board of Directors would like to express their gratitude to all employees who have worked hard to achieve our common objectives.

For and on behalf of
the Board of Directors

Mujeeb Rashid
Managing Director &
Chief Executive Officer

Lahore: May 21, 2010

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of Mitchell's Fruit Farms Limited as at March 31, 2010 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 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 for the quarters ended March 31, 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2010.

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.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended March 31, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore: May 21, 2010

A. F. Ferguson & Co.
Chartered Accountants

Name of engagement partner: Imran Farooq Mian

CONDENSED INTERIM BALANCE SHEET

As at March 31, 2010 (Un-audited)

	Note	March 31 2010 Rupees	September 30 2009 Rupees
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital 10,000,000 (September 30, 2009: 10,000,000) ordinary shares of Rs 10 each		100,000,000	100,000,000
Issued, subscribed and paid up capital			
5,040,000 (September 30, 2009: 5,040,000) ordinary shares of Rs 10 each		50,400,000	50,400,000
Reserves		9,635,878	9,635,878
Unappropriated profit		222,310,106	209,806,010
		282,345,984	269,841,888
NON-CURRENT LIABILITIES			
Deferred liabilities		61,222,806	50,478,690
CURRENT LIABILITIES			
Short term running finances		244,884,467	307,671,564
Creditors, accrued and other liabilities		87,877,679	87,816,200
Accrued finance cost on short term running finances		4,408,681	12,099,523
		337,170,827	407,587,287
CONTINGENCIES AND COMMITMENTS	5		
		680,739,617	727,907,865

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

Chairman

	Note	March 31 2010 Rupees	September 30 2009 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	311,574,086	316,490,986
Intangible Assets		1,193,152	1,325,725
Capital work in progress		103,425	5,196,841
Long term loans and deposits		911,755	1,110,482
Biological assets		5,321,000	5,397,600
		319,103,418	329,521,634
 CURRENT ASSETS			
Stores, spares and loose tools		12,434,076	12,781,281
Stock in trade		250,277,147	260,382,527
Trade debts		41,309,913	58,674,183
Advances, deposits, prepayments and other receivables		50,896,332	53,330,558
Cash and bank balances		6,718,731	13,217,682
		361,636,199	398,386,231
		680,739,617	727,907,865

Managing Director &
Chief Executive Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
For the Quarter and Half Year Ended March 31, 2010 (Un-audited)

	January to March		October to March	
	2010	2009	2010	2009
	Rupees	Rupees	Rupees	Rupees
Sales	344,256,859	345,787,227	665,248,332	590,198,205
Cost of sales	263,646,547	290,008,803	524,619,299	493,670,634
Gross profit	80,610,312	55,778,424	140,629,033	96,527,571
Administration expenses	(15,913,495)	(12,236,041)	(28,236,480)	(20,791,293)
Distribution and marketing expenses	(32,613,984)	(31,488,186)	(57,662,434)	(50,519,585)
Other operating expenses	(3,025,859)	(727,140)	(3,025,859)	(727,140)
Other operating income	2,649,678	7,118,936	3,209,429	7,970,172
Profit from operations	31,706,652	18,445,993	54,913,689	32,459,725
Finance cost	(10,139,424)	(14,557,257)	(20,764,306)	(26,574,886)
Profit before tax	21,567,228	3,888,736	34,149,383	5,884,839
Taxation	(11,565,287)	(500,000)	(11,565,287)	(500,000)
Profit for the period	10,001,941	3,388,736	22,584,096	5,384,839
Earnings per share - Basic and diluted	1.98	0.67	4.48	1.07

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

Chairman

Managing Director &
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the Half Year Ended March 31, 2010 (Un-audited)

	January to March		October to March	
	2010	2009	2010	2009
	Rupees	Rupees	Rupees	Rupees
Profit for the half year ended March 31, 2010	10,001,941	3,388,736	22,584,096	5,384,839
Other comprehensive Income for the period	-	-	-	-
Total comprehensive income for the period	<u><u>10,001,941</u></u>	<u><u>3,388,736</u></u>	<u><u>22,584,096</u></u>	<u><u>5,384,839</u></u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

Chairman

Managing Director &
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the Half Year Ended March 31, 2010 (Un-audited)

	Share capital	Share premium	General reserve	Accumulated profit	Rupees Total
Balance as at September 30, 2008	50,400,000	9,335,878	300,000	200,794,368	260,830,246
Final dividend for the year ended September 30, 2008 Re. 1 per share	-	-	-	(5,040,000)	(5,040,000)
Total Comprehensive Income for the period	-	-	-	5,384,839	5,384,839
Balance as at March 31, 2009	50,400,000	9,335,878	300,000	201,139,207	261,175,085
Total Comprehensive Income for the period	-	-	-	8,666,803	8,666,803
Balance as at September 30, 2009	50,400,000	9,335,878	300,000	209,806,010	269,841,888
Final dividend for the year ended September 30, 2009 Rs. 2 per share	-	-	-	(10,080,000)	(10,080,000)
Total Comprehensive Income for the period	-	-	-	22,584,096	22,584,096
Balance as at March 31, 2010	50,400,000	9,335,878	300,000	222,310,106	282,345,984

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

Chairman

Managing Director &
Chief Executive Officer

CONDENSED INTERIM CASH FLOW STATEMENT
For the Half Year Ended March 31, 2010 (Un-audited)

	Note	<u>October to March</u>	
		2010 Rupees	2009 Rupees
Cash flows from operating activities			
Cash generated from operations	8	119,367,158	41,162,303
Finance cost paid		(28,455,148)	(23,620,088)
Tax paid		(18,999,918)	(13,982,489)
Retirement and other benefits paid		(2,148,840)	(891,015)
Net cash generated from operating activities		<u>69,763,252</u>	<u>2,668,711</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,478,740)	(17,227,787)
Sale proceeds of property, plant and equipment		925,774	1,560,086
Increase in long term loans and security deposits		198,727	(344,916)
Proceeds from sale of livestock		959,133	630,000
Net cash used in investing activities		(3,395,106)	(15,382,617)
Cash flows from financing activities			
Repayment of long term loans		-	(7,368,421)
Dividend paid		(10,080,000)	(5,040,000)
Net cash used in financing activities		(10,080,000)	(12,408,421)
Net increase in cash and cash equivalents		56,288,146	(25,122,327)
Cash and cash equivalents at beginning of the period		(294,453,882)	(277,801,174)
Cash and cash equivalents at end of the period	9	<u>(238,165,736)</u>	<u>(302,923,501)</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

Chairman

Managing Director &
Chief Executive Officer

**NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL INFORMATION**

For the Quarter and Half Year Ended March 31, 2010 (Un-audited)

1. This condensed interim financial information is un-audited and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges.
2. The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended September 30, 2009.
3. This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and have been reviewed by the auditors as required by the Code of Corporate Governance.
4. Income Tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

5. Contingencies and commitments

5.1 Contingencies

- (i) The company has issued guarantee in favour of Sui Nothern Gas Pipelines Limited on account of payment of dues against gas consumption amounting to Rs. 17.2 million (September 30, 2009: Rs 19.022 million).

5.2 Commitments

- (i) Letters of credit other than capital expenditure are Rs 3.791 million (September 30, 2009: Rs 6.884 million).

	Note	March 31 2010 Rupees	September 30 2009 Rupees
6. Property, plant and equipment			
Opening book value		316,490,986	304,357,015
Add: Additions during the period	6.1	10,450,830	49,609,648
		<u>326,941,816</u>	<u>353,966,663</u>
Less: Disposals during the period (at book value)	6.2	1,034,508	7,596,644
Depreciation charged during the period		14,333,222	29,879,033
		<u>15,367,730</u>	<u>37,475,677</u>
		<u>311,574,086</u>	<u>316,490,986</u>

		March 31 2010 Rupees	September 30 2009 Rupees
6.1	Following is the detail of additions during the period		
	Building on freehold land	-	4,575,817
	Plant and machinery	6,904,464	33,522,539
	Vehicles	3,048,314	9,510,784
	Furniture, fixture and office equipment	103,923	43,700
	Electrical installations	226,529	1,586,833
	Computer hardware	167,600	369,975
		<u>10,450,830</u>	<u>49,609,648</u>
6.2	Following is the detail of disposals during the period		
	Plant and machinery	492,798	2,066,789
	Vehicles	496,456	5,433,859
	Furniture, fixture and office equipment	-	200
	Electrical installations	18,622	58,996
	Computer hardware	26,632	36,800
		<u>1,034,508</u>	<u>7,596,644</u>
		October to March 2010 Rupees	2009 Rupees
7.	Transactions with related parties		
	Relationship with the Company		
	Nature of transactions		
i)	Associated undertakings		
	Purchase of goods	76,525,998	6,148,180
	Insurance premium paid	-	4,730,659
	Insurance claim received	-	58,570
	Donations	281,140	281,140
		March 31 2010 Rupees	September 30 2009 Rupees
	Period end balances		
	Receivable from related parties	20,165	316,968
	Payable to related parties	18,644,077	24,144,359

	October to March	
	2010	2009
	Rupees	Rupees
8. Cash generated from operations		
Profit before tax	34,149,383	5,884,839
Adjustment for:		
- Depreciation on property, plant and equipment	14,333,222	14,350,805
- Amortization on intangibles	132,573	165,716
- CWIP Expensed out	121,326	-
- Loss/(profit) on disposal of property, plant and equipment	108,734	(583,678)
- Provision for doubtful debts	4,128,207	-
- Retirement and other benefits accrued	6,388,248	3,983,562
- Profit on sale of live stock	(347,083)	-
- Profit on revaluation of livestock	(535,450)	(1,340,266)
- Exchange loss	105,042	(1,919,249)
- Finance cost	20,764,306	26,574,886
Profit before working capital changes	79,348,508	47,116,615
Effect on cash flow due to working capital changes:		
- (Increase)/ decrease in stores, spares and loose tools	347,205	(1,400,272)
- Decrease/ (Increase) in stock-in-trade	10,105,380	4,593,341
- (Increase)/ decrease in trade debts	13,131,021	(9,426,285)
- (Increase) in advances, deposits prepayments and other receivables	16,373,565	(11,471,800)
- Increase/ (decrease) in creditors, accrued and other liabilities	61,479	11,750,704
	40,018,650	(5,954,312)
	119,367,158	41,162,303
	March 31 2010	March 31 2009
	Rupees	Rupees
9. Cash and cash equivalents		
Cash and bank balances	6,718,731	15,338,294
Short term running finances	(244,884,467)	(318,261,795)
	(238,165,736)	(302,923,501)

10. Date of authorisation

These condensed interim financial information were authorised for issue on May 21, 2010 by the board of directors of the company.

11. Corresponding figures

Corresponding figures have been rearranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

Chairman

Managing Director &
Chief Executive Officer

