

## DIRECTORS' REPORT

The directors are pleased to submit the audited financial statements of the company for first quarter ended December 31, 2009.

Despite sporadic disturbances to distribution in different parts of the country due to the prevailing security situation Sales exhibited a stable and sustained growth trend in most of our business categories. Continued increases in the input prices in case of some of our raw materials especially Sugar compelled us to revise our prices and therefore growth in certain business categories was adversely affected. Load shedding continued to be a problem for the smooth operations of the company but all the same we were able to process most of the seasonal Fruits and Vegetables that we will need for the rest of the year.

Business volume growth for your company was over 15% whereas the company's net sales recorded a growth of 31.33 % rising from Rs. 244.41 million to Rs. 320.99 million. This rise was strongly supported by growth in the sales to Modern Trade and Exports.

Compared to the corresponding period last year operating profit increased from Rs. 13.16 million to Rs. 22.65 million. With reduced financial charges of Rs. 10.62 million, as compared to Rs. 12.02 million during the same quarter last year the profit before tax improved from Rs. 1.20 million to Rs. 12.58 million during the period under review.

The Board of Directors would like to express their gratitude to all our employees who have worked hard to achieve these results under trying circumstances.

For and on behalf of  
the Board of Directors

Lahore: January 28, 2010

**Mujeeb Rashid**  
Chief Executive & Managing Director

# BALANCE SHEET

As at December 31, 2009 (Un-audited)

	December 31 2009 Rupees	September 30 2009 Rupees
<b>NON CURRENT ASSETS</b>		
Property, Plant & Equipment	317,723,970	321,687,827
Intangible Assets	1,259,439	1,325,725
Long term loans and deposits	1,311,760	1,110,482
Biological Assets	5,287,650	5,397,600
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	325,582,819	329,521,634
<b>CURRENT ASSETS</b>		
Stores and spares	10,550,155	12,781,281
Stock in trade	238,749,054	260,382,527
Trade debts	35,677,537	58,674,183
Advances, deposits, prepayments and other receivables	44,506,790	53,330,558
Cash and bank balances	16,948,896	13,217,682
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	346,432,432	398,386,231
<b>CURRENT LIABILITIES</b>		
Short term running finances	251,969,315	307,671,564
Creditors, accrued and other liabilities	79,360,020	87,816,200
Mark up accrued on short term running finances	5,913,997	12,099,523
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	337,243,332	407,587,287
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	9,189,100	(9,201,056)
<b>TOTAL FUNDS EMPLOYED</b>	<hr/>	<hr/>
	334,771,919	320,320,578
<b>NON-CURRENT LIABILITIES</b>		
Deferred Liabilities	52,347,876	50,478,690
<b>NET FUNDS EMPLOYED</b>	<hr/>	<hr/>
	282,424,043	269,841,888
<b>REPRESENTED BY</b>		
Issued subscribed and paid up capital	50,400,000	50,400,000
Reserves	9,635,878	9,635,878
Unappropriated profit	222,388,165	209,806,010
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	282,424,043	269,841,888
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**S. M. Mohsin**  
Director

**Mujeeb Rashid**  
Chief Executive & Managing Director

## PROFIT AND LOSS ACCOUNT

For the First Quarter Ended December 31, 2009 (Un-audited)

	2009 Rupees	2008 Rupees
Sales	320,991,473	244,410,978
Cost of Sales	260,972,752	203,661,831
<b>Gross Profit</b>	60,018,721	40,749,147
Selling and distribution expenses	25,048,450	19,031,399
Administrative expenses	12,322,985	8,555,252
	37,371,435	27,586,650
<b>Operating profit</b>	22,647,286	13,162,497
Other income	559,751	851,236
	23,207,037	14,013,733
Financial charges	10,624,882	12,017,629
<b>Profit before taxation</b>	12,582,155	1,996,104
Provision for taxation	-	-
<b>Profit after taxation</b>	12,582,155	1,996,104
Earnings per share	2.50	0.40

**S. M. Mohsin**  
Director

**Mujeeb Rashid**  
Chief Executive & Managing Director

## CASH FLOW STATEMENT

For the First Quarter Ended December 31, 2009 (Un-audited)

	December 31 2009 Rupees	December 31 2008 Rupees
<b>Cash flow from operating activities</b>		
Profit before taxation	12,582,155	1,996,104
Add/(less) : Adjustment for non cash charges and other items		
Depreciation	7,578,357	6,625,527
Amortization	66,286	82,858
Provision for gratuity and leave salary	3,194,124	1,994,155
Financial charges	10,624,882	12,017,629
Profit before working capital changes	34,045,804	22,716,273
Effect on cash flow due to working capital changes		
(Increase) / decrease in stores and spares	2,231,125	(1,116,901)
(Increase) / decrease in stock in trade	21,633,473	(2,776,997)
(Increase) / decrease in trade debts	22,996,646	7,482,690
(Increase) / decrease in advances, deposits excluding income tax	10,081,299	(1,389,548)
Increase / (decrease) in creditors, accrued and other liabilities	(8,456,180)	(4,734,184)
	48,486,363	(2,534,939)
Cash generated from operations	82,532,168	20,181,334
Financial charges paid	(16,810,408)	(10,479,036)
Payment of Gratuity and leave salary	(1,324,938)	(376,244)
Taxes paid	(1,257,531)	(1,110,290)
Net cash inflow from operating activities	63,139,291	8,215,764
<b>Cash flow from investing activities</b>		
Fixed capital expenditure	(3,614,500)	(9,707,346)
Proceeds from sale of livestock	109,950	219,600
(Increase)/ decrease in long-term deposits	(201,278)	-
Net cash outflow from investing activities	(3,705,828)	(9,487,746)
<b>Cash flow from financing activities</b>		
Repayment of long term loan	-	(3,684,211)
	-	(3,684,211)
Net increase / (decrease) in cash and cash equivalents	59,433,463	(4,956,193)
Cash and cash equivalents at the beginning of the period	(294,453,882)	(277,801,174)
Cash and cash equivalents at the end of the period	(235,020,419)	(282,757,367)
Cash and cash equivalents at the end of the period		
Cash and bank balances	16,948,896	9,163,089
Short term running finances	(251,969,315)	(291,920,456)
	(235,020,419)	(282,757,367)

**S. M. Mohsin**  
Director

**Mujeeb Rashid**  
Chief Executive & Managing Director

## STATEMENT OF CHANGES IN EQUITY

For the First Quarter Ended December 31, 2009 (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
Net profit for the quarter	-	-	-	1,996,104	1,996,104
Final dividend for the year ended September 30, 2008 Re. 1 per share				(5,040,000)	(5,040,000)
Balance as at December 31, 2008	50,400,000	9,335,878	300,000	197,750,472	257,786,350
Net Profit for the nine months	-	-	-	12,055,538	12,055,538
Balance as at September 30, 2009	50,400,000	9,335,878	300,000	209,806,010	269,841,888
Net Profit for the quarter	-	-	-	12,582,155	12,582,155
<b>Balance as on December 31, 2009</b>	<b>50,400,000</b>	<b>9,335,878</b>	<b>300,000</b>	<b>222,388,165</b>	<b>282,424,043</b>

**S. M. Mohsin**  
Director

**Mujeeb Rashid**  
Chief Executive & Managing Director

## SELECTED NOTES TO THE ACCOUNTS

For the First Quarter Ended December 31, 2009 (Un-audited)

1. Mitchell's Fruit Farms Limited is a public company incorporated in Pakistan and listed on Lahore, Karachi and Islamabad Stock Exchanges. Its primary objective is to manufacture and sell various Farm and Confectionary products.
2. During the quarter, the impact of seasonal factors on sales remained minimal.
3. These accounts are unaudited and are being submitted to the shareholders, in accordance with the requirements of the Companies Ordinance, 1984.
4. The accounting policies adopted for the preparation of quarterly accounts for the period ended December 31, 2009 are the same which were applied in the preparation of preceding annual published accounts of the company.
5. The interim financial report has been prepared in compliance with International Accounting Standard No. 34, as applicable in Pakistan, in all material respects.
6. Provision in respect of taxation is based on estimated average annual effective income tax rate consistent with the annual assessment of taxes.
7. Provision in respect of Workers' Welfare Fund and Workers' Profit Participation Fund are estimated and these are subject to adjustment in the annual audited financial statements.
8. Previous period's figures have restated, wherever necessary, for the purpose of comparison.

	December 31 2009 Rupees	September 30 2009 Rupees
<b>9. Cash and cash equivalents</b>		
Cash and bank balances	16,948,896	13,217,682
Short term running finances	(251,969,315)	(307,671,564)
	<u>(235,020,419)</u>	<u>(294,453,882)</u>

### 10. Contingencies and commitments

#### 10.1 Contingencies

There has been no significant change in contingencies since September 30, 2009.

#### 10.2 Commitments

Commitment in respect of capital expenditure is Rs. Nil (2008: Rs.Nil)

11. The company purchased from associated undertaking goods and services amounting to Rs. 6.424 million.

**S. M. Mohsin**  
Director

**Mujeeb Rashid**  
Chief Executive & Managing Director

## COMPANY INFORMATION

<b>Board of Directors</b>	S.M.Mohsin Mehdi Mohsin Mujeeb Rashid  Moaz Mohiuddin Syed Faisal Imam Umme Kulsum Imam Jamal Nasim – NIT Nominee	- Advisor -Chairman -Chief Executive & Managing Director
<b>Audit Committee</b>	S. M. Mohsin Syed Faisal Imam Moaz Mohiuddin	- Chairman - Member - Member
<b>Company Secretary/CFO</b>	Atif Fayyaz	
<b>Auditors</b>	A.F. Ferguson & Co. Chartered Accountants.	
<b>Legal Advisors</b>	Minto & Mirza 78-Mozang Road, Lahore. Phone: (042) 36315469-70 Fax: (042) 36361531	
<b>Bankers</b>	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	
<b>Share Registrar</b>	Corplink (Private) Limited Wings Arcade, 1-K (Commercial) Model Town, Lahore Phone : (042) 35839182, 35887262, Fax:(042) 35869037	
<b>Corporate Office</b>	39-A, D-1, Gulberg III Lahore Phones: (042) 35872392-96, Fax: (042) 35872398 E-Mail: ho@mitchells.com.pk Web Site:www.mitchells.com.pk	
<b>Factory, Regional Sales Office (Central) &amp; Farms</b>	Renala Khurd, District Okara, Pakistan. Phones: (044) 2635907-8, 2622908, Fax: (044) 2621416 E-Mail: rnk@mitchells.com.pk rsoc@mitchells.com.pk	
<b>Regional Sales Office (North)</b>	Plot No. 276, Street No.1, I - 9/3, Industrial Area ,Islamabad Phones: (051) 4443824-26, Fax: (051) 4443827 E-Mail: rson@mitchells.com.pk	
<b>Regional Sales Office (South)</b>	Mehran VIP II, Ground Floor, Plot 18/3 Dr. Dawood Pota Road, Karachi Phones: (021) 35212112, 35212712 & 35219675 Fax: (021) 35673588 E-Mail: rsos@mitchells.com.pk	