



MITCHELL'S®



Quarterly Report 2011

Third Quarter

DIRECTORS' REVIEW

The directors are pleased to submit financial statements of the company for the nine months ended June 30, 2011.

Overall business conditions remained stable both on the demand and supply side. Energy and Power related issues continued to haunt and challenge our operating plans and schedules. Increased dependence on alternate fuels at much higher cost as well as an increasing cost trend in most materials adversely affected our costs thereby necessitating periodic selling price adjustments.

During this period your company achieved a steady growth of volume in most of its product categories except in the price point driven sugar confectionery business

The company's net sales recorded a growth of 14% rising from Rs. 1,041 million to Rs. 1,185 million. Exports increased by 9% showing a continuous positive trend.

As a result of continuing improvements in our manufacturing efficiencies gross-profit grew by 21%, however, good financial handling resulting in charges of Rs. 29 million, that are the same as in the corresponding period last year, resulted in an increase of 32 % in profit before tax, from Rs. 47 million to Rs. 63 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

Lahore: July 14, 2011

Mujeeb Rashid
Chief Executive Officer & Managing Director

CONDENSED INTERIM BALANCE SHEET

As at June 30, 2011 (Un-audited)

	June 30 2011 Rupees	September 30 2010 Rupees
NON CURRENT ASSETS		
Property, Plant & Equipment	310,744,777	304,256,661
Intangibles Assets	1,452,733	1,060,580
Long term loans and deposits	763,913	751,753
Biological Assets	5,765,333	6,875,933
	318,726,756	312,944,927
CURRENT ASSETS		
Stores and spares	13,685,630	12,426,849
Stock in trade	334,972,741	230,917,920
Trade debts	23,186,096	40,716,666
Advances, deposits, prepayments and other receivables	61,522,680	51,252,732
Cash and bank balances	7,894,409	8,127,597
	441,261,557	343,441,764
CURRENT LIABILITIES		
Short term running finances	242,781,349	166,615,728
Creditors, accrued and other liabilities	108,072,150	103,254,409
Mark up accrued on short term running finances	2,354,914	4,466,921
	353,208,413	274,337,058
	88,053,143	69,104,706
TOTAL FUNDS EMPLOYED	406,779,900	382,049,633
NON-CURRENT LIABILITIES		
Deferred Liabilities	79,852,346	75,819,871
NET FUNDS EMPLOYED	326,927,554	306,229,762
REPRESENTED BY		
Issued subscribed and paid up capital	50,400,000	50,400,000
Reserves	9,635,878	9,635,878
Unappropriated profit	266,891,676	246,193,884
	326,927,554	306,229,762

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the Quarter and Nine Months Ended June 30, 2011 (Un-audited)

	April to June		October to June	
	2011	2010	2011	2010
	Rupees	Rupees	Rupees	Rupees
Sales	448,592,365	376,045,003	1,184,798,988	1,041,293,335
Cost of Sales	346,835,901	293,559,343	915,324,616	818,178,642
Gross Profit	101,756,464	82,485,660	269,474,372	223,114,693
Administration expenses	(15,366,797)	(15,146,533)	(47,321,318)	(43,383,013)
Distribution and marketing expenses	(57,069,110)	(46,503,483)	(133,028,411)	(104,165,917)
Other operating expenses	(1,256,985)	(1,030,991)	(4,864,316)	(4,056,850)
Other operating income	1,829,330	1,742,607	7,682,398	4,952,036
Profit from operations	29,892,902	21,547,261	91,942,725	76,460,950
Finance cost	(11,151,322)	(8,545,856)	(29,277,400)	(29,310,162)
Profit before taxation	18,741,580	13,001,404	62,665,325	47,150,787
Taxation	(5,871,175)	(4,465,981)	(21,807,533)	(16,031,268)
Profit after taxation	12,870,405	8,535,423	40,857,792	31,119,519
Earnings per share	2.55	1.69	8.11	6.17

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Quarter and Nine Months Ended June 30, 2011 (Un-audited)

	April to June		October to June	
	2011	2010	2011	2010
	Rupees	Rupees	Rupees	Rupees
Profit for the nine months ended June 30, 2011	12,870,405	8,535,423	40,857,792	31,119,519
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	12,870,405	8,535,423	40,857,792	31,119,519

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

CONDENSED INTERIM CASH FLOW STATEMENT

For the Quarter and Nine Months Ended June 30, 2011 (Un-audited)

	Note	October to June	
		2011 Rupees	2010 Rupees
Cash flow from operating activities			
Profit before taxation		62,665,325	47,150,787
Add/(less): Adjustment for non cash charges and other items			
Depreciation		23,189,197	21,685,800
Amortization		178,969	198,859
(Gain) / Loss on sale of fixed assets		(673,846)	108,734
Provision for gratuity and leave salary		10,361,882	10,589,121
Exchange (Gain) / Loss		(202,019)	86,156
Profit on revaluation of livestock		-	(535,450)
Financial charges		29,277,400	29,310,162
Profit before working capital changes		124,796,908	108,594,169
Effect on cash flow due to working capital changes			
(Increase) / decrease in stores and spares		(1,258,782)	(528,003)
(Increase) / decrease in stock in trade		(104,054,821)	27,737,062
(Increase) / decrease in trade debts		17,530,570	2,040,930
(Increase) / decrease in advances, deposits excluding income tax		(1,389,681)	2,371,685
Increase / (decrease) in creditors, accrued and other liabilities		(16,989,792)	12,957,201
		(106,162,506)	44,578,875
Cash generated from operations		18,634,402	153,173,045
Financial charges paid		(31,389,407)	(38,063,891)
Payment of Gratuity and leave salary		(6,329,407)	(5,194,590)
Taxes paid		(9,092,788)	(21,501,495)
Net cash (outflow)/inflow from operating activities		(28,177,200)	88,413,069
Cash flow from investing activities			
Fixed capital expenditure		(31,971,282)	(8,634,957)
Proceeds from sale of fixed assets		2,733,833	1,974,274
Proceeds from sale of livestock		1,188,000	959,133
(Increase)/ decrease in long-term deposits		(12,160)	(41,276)
Net cash outflow from investing activities		(28,061,609)	(5,742,826)
Cash flow from financing activities			
Dividend paid		(20,160,000)	(10,080,000)
Net cash out flow from financing activities		(20,160,000)	(10,080,000)
Net increase / (decrease) in cash and cash equivalents		(76,398,809)	72,590,242
Cash and cash equivalents at the beginning of the period		(158,488,131)	(294,453,882)
Cash and cash equivalents at the end of the period	9	(234,886,940)	(221,863,640)

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Quarter and Nine Months Ended June 30, 2011 (Un-audited)

	Share capital	Share premium	General reserve	Accumulated profit	Rupees Total
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 nine months	-	-	-	31,119,519	31,119,519
Balance as at June 30, 2010	50,400,000	9,335,878	300,000	230,845,529	290,881,407
Total Comprehensive Income for three months	-	-	-	15,348,355	15,348,355
Balance as at September 30, 2010	50,400,000	9,335,878	300,000	246,193,884	306,229,762
Final dividend for the year ended September 30, 2010 Rs. 4 per share				(20,160,000)	(20,160,000)
Total Comprehensive Income for nine months	-	-	-	40,857,792	40,857,792
Balance as at June 30, 2011	50,400,000	9,335,878	300,000	266,891,676	326,927,554

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

SELECTED NOTES TO THE ACCOUNTS

For the Quarter and Nine Months Ended June 30, 2011 (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 June 30, 2011 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 been restated, wherever necessary, for the purpose of comparison.

	June 30 2011 Rupees	June 30 2010 Rupees
9. Cash and cash equivalents		
Cash and bank balances	7,894,409	17,005,344
Short term running finances	(242,781,349)	(348,166,450)
	<u>(234,886,940)</u>	<u>(331,161,106)</u>

10. Contingencies and commitments

10.1 Contingencies

There has been no significant change in contingencies since September 30, 2010.

10.2 Commitments

Commitment in respect of capital expenditure is Rs. Nil (2010: Rs.Nil).

11. The company purchased from associated undertaking goods and services amounting to Rs. 2.865 million.

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

COMPANY INFORMATION

Board of Directors	S.M.Mohsin Mujeeb Rashid Mehdi Mohsin Moaz Mohiuddin Syed Faisal Imam Umme Kulsum Imam Jamal Nasim – NIT Nominee	- Chairman - Chief Executive Officer & Managing Director
Audit Committee	S. M. Mohsin Syed Faisal Imam Moaz Mohiuddin	- Chairman - Member - Member
Company Secretary/CFO	Atif Fayyaz	
Auditors	A.F. Ferguson & Co. Chartered Accountants	
Legal Advisors	Minto & Mirza 78-Mozang Road, Lahore Phone: (042) 36315469-70 Fax: (042) 36361531	
Bankers	Habib Bank Limited Askari Commercial Bank Limited MCB Bank Limited Barclays Bank plc 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 Phones: (042) 35872392-96 Fax: (042) 35872398 E-Mail: ho@mitchells.com.pk Web Site:www.mitchells.com.pk	
Factory, Regional Sales Office (Central) & Farms	Renala Khurd, District Okara, Pakistan Phones: (044) 2635907-8, 2622908 Fax: (044) 2621416 E-Mail: rnk@mitchells.com.pk rsoc@mitchells.com.pk	
Regional Sales Office (North)	Plot No. 110, Street No. 10, I - 9/2, Industrial Area, Islamabad Phones: 051-4438324-26 Fax : (051) 4443827 E-Mail: rson@mitchells.com.pk	
Regional Sales Office (South)	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	