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Company Information

Board of Directors

S. M. Mohsin	Chairman, Non Executive Director
Mujeeb Rashid	Chief Executive Officer
Sitwat Mohsin	Non Executive Director
Mehdi Mohsin	Executive Director
Moaz Mohiuddin	Independent, Non Executive Director
Syed Faisal Imam	Non Executive Director
Umme Kulsum Imam	Non Executive Director
Jamal Nasim	Non Executive Director (NIT Nominee)

Audit Committee

Moaz Mohiuddin	Chairman
S. M. Mohsin	Member
Syed Faisal Imam	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
Askari Bank Limited
Standard Chartered Bank (Pakistan) Limited
MCB Bank Limited
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

40-A, Zafar Ali Road, Gulberg V, Lahore
Phones: (042) 35872392-96,
Fax: (042) 35872398
E-Mail: ho@mitchells.com.pk
Website: 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. 111, Street No. 10, I - 9/2,
Industrial Area, Islamabad
Phones: 051-4443824-6
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

Directors' Review

The Directors are pleased to submit the un-audited financial statements of the company for the third quarter ended June 30, 2014.

The Company made Net Sales of Rs.505 million during the Quarter and Rs.1.505 billion during the 9 months period. Most of our product categories registered good growth both in volume as well as turnover with exception of very low priced products that were discontinued earlier this year.

Gross profit at Rs.124 million was less than last year's Rs.144 million on account of higher fixed expenses due to our recent investments in Plant & Machinery that also added substantially to finance cost reducing our Profit after tax to Rs 18 million from Rs 30 million last year.

During this quarter the company successfully started operating its new plant for making concentrated fruit pulps and a new Boiler to fulfill our future requirements that will benefit our operations in the coming months.

The Board of Directors would like to express their gratitude to all employees who have worked hard to achieve timely completion of our investment projects.

For and on behalf of
the Board of Directors

Lahore: July 21, 2014

Mujeeb Rashid
Chief Executive Officer

Condensed Interim Balance Sheet

As at June 30, 2014 (Un-audited)

	June 30 2014 Rupees Un-audited	September 30 2013 Rupees Audited and Restated
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorised capital 20,000,000 (September 30, 2013: 20,000,000) shares of Rs. 10 each	200,000,000	200,000,000
Issued, subscribed and paid up capital 7,875,000 (September 30, 2013: 6,300,000) ordinary shares of Rs 10 each	78,750,000	63,000,000
Reserves	9,635,878	9,635,878
Unappropriated profit	462,257,466	454,469,244
	550,643,344	527,105,122
NON-CURRENT LIABILITIES		
Deferred Liabilities	130,936,281	111,235,470
Long term loan	160,000,000	-
	290,936,281	111,235,470
CURRENT LIABILITIES		
Short term running finances	369,865,846	97,102,844
Creditors, accrued and other liabilities	133,190,716	188,394,095
Mark up accrued on short term running finances	7,989,121	1,485,143
	511,045,682	286,982,082
CONTINGENCIES AND COMMITMENTS		
	1,352,625,307	925,322,674

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

ASSETS

NON-CURRENT ASSETS

Property, Plant & Equipment	657,694,890	393,166,181
Intangibles Assets	1,884,040	1,077,596
Biological Assets	7,366,540	9,573,000
Long term loans and deposits	1,974,780	750,000

668,920,250	404,566,777
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CURRENT ASSETS

Stores, spares and loose tools	21,555,707	15,026,848
Stock in trade	413,659,797	327,371,490
Trade debts	102,236,163	56,548,807
Advances, deposits, prepayments and other receivables	107,533,636	84,008,075
Cash and bank balances	38,719,754	37,800,677

683,705,057	520,755,897
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1,352,625,307	925,322,674
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S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer

Condensed Interim Profit and Loss Account

For the Quarter and Nine Months Ended June 30, 2014 (Un-audited)

	April to June		October to June	
	2014	2013	2014	2013
	Rupees	Rupees	Rupees	Rupees
Sales	505,477,363	530,010,927	1,505,051,261	1,552,587,852
Cost of Sales	(380,991,145)	(385,534,426)	(1,094,102,975)	(1,136,716,594)
Gross Profit	124,486,219	144,476,501	410,948,287	415,871,258
Administration expenses	(25,326,336)	(18,815,838)	(72,120,875)	(58,974,150)
Distribution and marketing expenses	(63,851,743)	(68,578,603)	(195,893,648)	(179,686,558)
Other operating expenses	(2,843,023)	(2,792,144)	(10,899,633)	(11,268,410)
Other operating income	4,192,231	839,093	10,152,042	6,886,707
Profit from operations	36,657,349	55,129,009	142,186,174	172,828,847
Finance cost	(13,383,188)	(3,358,475)	(27,486,711)	(13,084,257)
Profit before taxation	23,274,160	51,770,534	114,699,462	159,744,590
Taxation	(4,956,940)	(21,783,981)	(36,703,828)	(63,738,091)
Profit after taxation	18,317,220	29,986,553	77,995,634	96,006,499
Earnings per share - basic and diluted	2.33	3.81	9.90	12.19

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

S. M. Mohsin

Chairman

Mujeeb Rashid

Chief Executive Officer

Condensed Interim Statement of Comprehensive Income

For the Quarter and Nine Months Ended June 30, 2014 (Un-audited)

	April to June		October to June	
	2014 Rupees	2013 Rupees	2014 Rupees	2013 Rupees
Profit for the period	18,317,220	29,986,553	77,995,634	96,006,499
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	18,317,220	29,986,553	77,995,634	96,006,499

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

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer

Condensed Interim Cash Flow Statement

For the Quarter and Nine Months Ended June 30, 2014 (Un-audited)

	October to June	
	2014 Rupees	2013 Rupees
Cash flow from operating activities		
Profit before taxation	114,699,462	159,744,590
Adjustment for		
Depreciation on property, plant and equipment	30,026,137	32,635,845
Amortization on intangibles	310,576	241,011
Profit on disposal of property, plant and equipment	(2,454,673)	(1,251,275)
Provision for retirement benefits	17,314,573	13,286,961
Exchange loss/ (gain)	1,671,860	(773,801)
Finance cost	27,486,711	13,858,058
Profit before working capital changes	189,054,647	217,741,389
Effect on cash flow due to working capital changes		
(Increase) in stores, spares and loose tools	(6,528,859)	(327,145)
Decrease/ (Increase) in stock-in-trade	(86,288,307)	55,456,111
(Increase) in Long term receivable	(47,359,216)	(19,561,481)
(Increase) in advances, deposits, prepayments and other receivables excluding income tax	(14,060,853)	(24,196,283)
(Decrease)/ Increase in creditors, accrued and other liabilities	(55,203,379)	(2,055,962)
	(209,440,616)	9,315,239
Cash generated from operations	(20,385,969)	227,056,628
Finance cost paid	(20,982,734)	(13,426,142)
Retirement benefits paid	(4,821,174)	(5,661,781)
Tax paid	(46,168,535)	(110,393,535)
Net cash (used in)/ from operating activities	(92,358,412)	97,575,170
Cash flows from investing activities		
Purchase of property, plant and equipment	(297,206,450)	(59,716,376)
Purchase of intangible assets	(1,117,020)	-
Sale proceeds of property, plant and equipment	5,106,277	2,757,722
Sale proceeds of livestock	2,206,460	1,459,100
(Increase)/ decrease in long-term deposits	(1,224,780)	(750,000)
Net cash used in investing activities	(292,235,513)	(56,249,554)
Cash flows from financing activities		
Dividend paid	(47,250,000)	(37,800,000)
Long term loan	160,000,000	-
Net cash from / (used in) financing activities	112,750,000	(37,800,000)
Net (decrease) / increase in cash and cash equivalents	(271,843,925)	3,525,616
Cash and cash equivalents at beginning of the period	(59,302,167)	(128,632,913)
Cash and cash equivalents at the end of the period	(331,146,092)	(125,107,297)

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

S. M. Mohsin

Chairman

Mujeeb Rashid

Chief Executive Officer

Condensed Interim Statement of Changes in Equity

For the Quarter and Nine Months Ended June 30, 2014 (Un-audited)

	Share capital	Share premium	General reserve Rupees	Accumulated profit	Total
Balance as at September 30, 2012	50,400,000	9,335,878	300,000	372,529,248	432,565,126
Effect of retrospective change in accounting policy-net of tax	-	-	-	(3,382,270)	(3,382,270)
Balance as at September 30, 2012 restated	50,400,000	9,335,878	300,000	369,146,978	429,182,856
Transfer to reserve for issuance of bonus shares	-	-	12,600,000	(12,600,000)	-
Issuance of bonus shares	12,600,000	-	(12,600,000)	-	-
Remeasurement of defined benefit plan - net of tax	-	-	-	(1,912,571)	(1,912,571)
Final dividend for the year ended September 30, 2012 Rs. 7.5 per share	-	-	-	(37,800,000)	(37,800,000)
Total Comprehensive Income for nine months	-	-	-	96,006,499	96,006,499
Balance as at June 30, 2013 restated	63,000,000	9,335,878	300,000	412,840,906	485,476,784
Remeasurement of defined benefit plan - net of tax	-	-	-	(1,912,571)	(1,912,571)
Total Comprehensive Income for three months	-	-	-	36,333,497	36,333,497
Balance as at September 30, 2013 restated	63,000,000	9,335,878	300,000	447,261,832	519,897,710
Transfer to reserve for issuance of bonus shares	-	-	15,750,000	(15,750,000)	-
Issuance of bonus shares	15,750,000	-	(15,750,000)	-	-
Final dividend for the year ended September 30, 2013 Rs. 7.5 per share	-	-	-	(47,250,000)	(47,250,000)
Total Comprehensive Income for nine months	-	-	-	77,995,634	77,995,634
Balance as at June 30, 2014	78,750,000	9,335,878	300,000	462,257,466	550,643,344

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

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer

Selected Notes to the Condensed Interim Financial Information

For the Quarter and Nine Months Ended June 30, 2014 (Un-audited)

1. Mitchell's Fruit Farms Limited is a public company incorporated in Pakistan and listed on Lahore, Karachi and Islamabad Stock Exchanges. It is principally engaged in manufacture and sale of various Farm and Confectionery products.
2. 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.
3. 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, 2013 except as described below:

3.1 Standards, amendments to published standards and interpretations effective in current year

During the current year, the Company has changed its accounting policy in respect of post retirement defined benefits plans. The new policy is in accordance with the requirements of IAS 19 revised, 'Employee Benefits'. According to new policy, on remeasurments, actuarial gains and losses result from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments, the return on plan assets excluding amounts included in net interest on the net defined benefit liability (asset), are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income (OCI) in the periods in which they occur.

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. This has increased the income statement charge as the discount rate applied to assets is lower than the expected return on assets. This has no effect on total comprehensive income as the increased charge in profit or loss is offset by the credit in other comprehensive income.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated. The effect of the change in accounting policy on the current and prior period financial statements have been summarised below:

Effect on balance sheet

	September 30 2013 Rupees	September 30 2012 Rupees
Decrease in Deferred liabilities	(3,825,142)	(3,382,270)

Impact on Statement of Changes in Equity

Cumulative effect from prior years - Net of tax	(3,825,142)	(3,382,270)
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4. The condensed interim financial information has been prepared in compliance with International Accounting Standard No. 34, as applicable in Pakistan, in all material respects.
5. Provision in respect of taxation is based on estimated average annual effective income tax rate consistent with the annual assessment of taxes.
6. Previous period's figures have been restated, wherever necessary, for the purpose of comparison.

	June 30 2014 Rupees	September 30 2013 Rupees
7. Cash and cash equivalents		
Cash and bank balances	38,719,754	20,956,581
Short term running finances	(369,865,846)	(146,063,880)
	(331,146,092)	(125,107,299)

8. Contingencies and commitments

8.1 Contingencies

There has been no significant change in contingencies since September 30, 2013.

8.2 Commitments

Commitment in respect of capital expenditure is Rs. Nil (2013: Rs.Nil).

9. The company purchased from associated undertaking goods and services amounting to Rs. 9.9 million.

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer

