

MITCHELL'S®



3RD QUARTER
2016

www.mitchells.com.pk

The wave of
freshness
Bringing health to your home

Contents

Company Information	2
Directors' Review	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	10
Selected Notes to the Condensed Interim Financial Information	11

Company Information

Board of Directors

S.M.Mohsin	Chairman- Non Executive Director
Muhammad Zahir	Chief Executive officer
Sitwat Mohsin	Non Executive Director
Mehdi Mohsin	Executive Director
Rizwan Bashir	Non Executive Director
Moaz Mohiuddin	Independent -Non Executive Director
Umme Kulsum Imam	Non Executive Director
Syeda Maimanat Mohsin	Non Executive Director
Shazad Ghaffar	Non Executive Director
Pervez Hayat Noon	Non Executive Director
Jamal Nasim	Non Executive Director (NIT Nominee)

Audit Committee

Pervez Hayat Noon	Chairman
S.M. Mohsin	Member
Jamal Nasim	Member

Company Secretary/CFO

Nauman Munawar

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
Allied 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 present their report together with the condensed Interim Financial Information for the third quarter ended June 30, 2016.

The company achieved Net Sales of Rs. 487.29 million during this quarter compared to Rs. 473.62 million same period last year indicating a marginal growth of 3%. This quarter showed encouraging results compared to the second quarter with a growth of 8% in Net sales. Gross Profit showed improvement due to efficient procurement in raw materials.

Exports during the period remained in line with last year despite economic recession condition prevailing in the Middle East market.

During this quarter the company rationalized the sales promotion expenses in order to consolidate its presence by supporting the entire value chain and offering competitive consumer promotions benefiting the end consumers.

Financial cost increased in this quarter due to investment in working capital to achieve economy of scale in order to meet the short term needs of the business.

Profit before tax during this quarter after taking into account the operational expenses indicate marginal improvement over last year with figures of Rs. 16.29 million & Rs. 15.56 million respectively.

We are optimistic that the measures initiated during this quarter will enable us to achieve profitable growth in the coming years.

For and on behalf of
the Board of Directors

Muhammad Zahir
Chief Executive Officer

Lahore: July 27, 2016

Condensed Interim Balance Sheet

As at June 30, 2016 (Un-audited)

	June 30 2016 Un-audited Rupees	September 30 2015 Audited Rupees
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorised capital 20,000,000 (September 30, 2015: 20,000,000) ordinary shares of Rs. 10 each	200,000,000	200,000,000
Issued, subscribed and paid up capital 7,875,000 (September 30, 2015: 7,875,000) ordinary shares of Rs. 10 each	78,750,000	78,750,000
Reserves	9,635,878	9,635,878
Unappropriated profit	478,523,219	484,201,186
	<u>566,909,097</u>	<u>572,587,064</u>
NON-CURRENT LIABILITIES		
Deferred liabilities	161,834,459	157,720,242
Long term finance	74,666,665	106,666,665
	<u>236,501,124</u>	<u>264,386,907</u>
CURRENT LIABILITIES		
Current Portion of long term finance	42,666,668	42,666,668
Short term running finances	540,196,901	376,641,761
Creditors, accrued and other liabilities	121,565,208	105,114,723
Accrued finance cost on short term running finances	8,401,382	6,620,240
	<u>712,830,160</u>	<u>531,043,392</u>
CONTINGENCIES AND COMMITMENTS		
	<u>1,516,240,381</u>	<u>1,368,017,363</u>

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

	June 30 2016 Un-audited Rupees	September 30 2015 Audited Rupees
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	664,674,344	696,321,121
Intangible assets	1,694,429	2,254,228
Biological assets	8,944,573	8,795,333
Long term receivables	1,974,780	1,974,780
	677,288,126	709,345,462
CURRENT ASSETS		
Stores, spares and loose tools	25,588,841	29,549,570
Stock in trade	428,587,513	313,067,277
Trade debts	102,358,358	109,963,834
Advances, deposits, prepayments and other receivables	268,983,169	192,875,011
Cash and bank balances	13,434,376	13,216,209
	838,952,255	658,671,901
	1,516,240,381	1,368,017,363

Jamal Nasim
Chairman

Muhammad Zahir
Chief Executive Officer

Condensed Interim Profit and Loss Account

For the Quarter and Nine Months Ended June 30, 2016 (Un-audited)

	April to June		October to June	
	2016 Rupees	2015 Rupees	2016 Rupees	2015 Rupees
Sales	487,288,611	473,624,215	1,387,599,323	1,306,043,295
Cost of sales	(334,625,533)	(363,517,689)	(1,001,285,346)	(974,928,842)
Gross profit	152,663,078	110,106,526	386,313,977	331,114,453
Administration expenses	(26,066,034)	(24,546,403)	(75,079,538)	(73,620,299)
Distribution and marketing expenses	(97,143,685)	(62,806,884)	(259,796,716)	(195,573,924)
Other operating expenses	(2,089,120)	(1,166,817)	(3,292,326)	(3,505,683)
Other operating income	913,839	1,299,366	13,311,253	9,007,303
Profit from operations	28,278,078	22,885,788	61,456,650	67,421,850
Finance cost	(11,984,184)	(7,329,631)	(33,571,124)	(33,588,141)
Profit before tax	16,293,894	15,556,157	27,885,526	33,833,709
Taxation	(9,021,607)	(3,924,515)	(13,875,993)	(7,661,959)
Profit for the period	7,272,287	11,631,642	14,009,533	26,171,750
Earnings per share - Basic and diluted	0.92	1.48	1.78	3.32

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

Jamal Nasim
Chairman

Muhammad Zahir
Chief Executive Officer

Condensed Interim Statement of Comprehensive Income

For the Quarter and Nine Months Ended June 30, 2016 (Un-audited)

	April to June		October to June	
	2016 Rupees	2015 Rupees	2016 Rupees	2015 Rupees
Profit for the period	7,272,287	11,631,642	14,009,533	26,171,750
-Items that will not be reclassified to profit or loss	-	-	-	-
-Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	7,272,287	11,631,642	14,009,533	26,171,750

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

Jamal Nasim
Chairman

Muhammad Zahir
Chief Executive Officer

Condensed Interim Cash Flow Statement

For the Quarter and Nine Months Ended June 30, 2016 (Un-audited)

	October to June	
	2016 Rupees	2015 Rupees
Cash flow from operating activities		
Profit before tax	27,885,526	33,833,710
Adjustment for:		
- Depreciation on property, plant and equipment	48,767,864	46,598,040
- Amortization on intangibles	559,799	371,614
- Loss on disposal of property, plant and equipment	460,160	386,716
- Material write off	95,605	
- Retirement and other benefits accrued	17,559,723	17,559,724
- Profit on revaluation of live stock	(700,000)	
- Exchange (Gain)/loss	(16,745)	457,965
- Finance cost	33,571,124	33,588,141
	128,183,056	132,795,910
Profit before working capital changes		
Effect on cash flow due to working capital changes:		
- Decrease/(Increase) in stores, spares and loose tools	3,960,729	(7,450,019)
- Decrease/(Increase) in stock-in-trade	(115,615,841)	116,790,263
- Decrease/(Increase) in trade debts	7,622,222	(24,395,161)
- (Increase)in advances, deposits prepayments and other receivables	(37,111,983)	(55,125,641)
- Increase/(Decrease) in creditors, accrued and other liabilities	2,574,493	(59,584,853)
	(138,570,380)	(29,765,411)
Cash generated from operations	(10,387,324)	103,030,499
Finance cost paid	(31,789,982)	(33,921,698)
Tax paid	(38,996,175)	(9,027,560)
Retirement and other benefits paid	(13,445,506)	(19,799,865)
Net cash (used in) / generated from operating activities	(94,618,987)	40,281,376
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,948,132)	(53,971,338)
Purchase of biological assets	(1,240)	729,152
Sale proceeds of property, plant and equipment	3,366,885	902,200
Sale proceeds of livestock	552,000	-
Net cash used in investing activities	(17,030,487)	(52,339,986)

	October to June	
	2016 Rupees	2015 Rupees
Cash flows from financing activities		
Dividend paid	(19,687,500)	(39,633,161)
Repayment of long term loans	(32,000,000)	-
Net cash used in financing activities	(51,687,500)	(39,633,161)
Net decrease in cash and cash equivalents	(163,336,974)	(51,691,771)
Cash and cash equivalents at beginning of the period	(363,425,552)	(297,659,451)
Cash and cash equivalents at end of the period	(526,762,526)	(349,351,222)

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

Jamal Nasim
Chairman

Muhammad Zahir
Chief Executive Officer

Condensed Interim Statement of Changes in Equity

For the Quarter and Nine Months Ended June 30, 2016 (Un-audited)

	Share capital	Share premium	General reserve Rupees	Accumulated profit	Total
Balance as at September 30, 2014	78,750,000	9,335,878	300,000	490,527,386	578,913,264
Final dividend for the year ended September 30, 2014 Rs. 5 per share	-	-	-	(39,375,000)	(39,375,000)
Total Comprehensive Income for the period	-	-	-	26,171,751	26,171,751
Balance as at June 30, 2015	78,750,000	9,335,878	300,000	477,324,137	565,710,015
Total Comprehensive Income for the three months	-	-	-	6,877,049	6,877,049
Balance as at September 30, 2015	78,750,000	9,335,878	300,000	484,201,186	572,587,064
Final dividend for the year ended September 30, 2015 Rs. 2.5 per share	-	-	-	(19,687,500)	(19,687,500)
Total Comprehensive Income for the period	-	-	-	14,009,533	14,009,533
Balance as at June 30, 2016	78,750,000	9,335,878	300,000	478,523,219	566,909,097

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

Jamal Nasim
Chairman

Muhammad Zahir
Chief Executive Officer

Selected Notes to the Condensed Interim Financial Information

For the Quarter and Nine Months Ended June 30, 2016 (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, 2015.
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 rearranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangement has been made.

	June 30 2016 Rupees	June 30 2015 Rupees
7. Cash and cash equivalents		
Cash and cash bank balances	13,434,376	18,155,826
Short term running finances	(540,196,901)	(367,507,048)
	<u>(526,762,525)</u>	<u>(349,351,222)</u>

8. Contingencies & commitments

8.1 Contingencies

There has been no significant change in contingencies since September 30, 2015.

8.2 Commitments

Commitments in respect of capital expenditure is Rs. Nil (2015: Nil).

9. The company purchased from associated undertaking goods and services amounting to Rs.7.850 million.

Jamal Nasim
Chairman

Muhammad Zahir
Chief Executive Officer



MITCHELL'S®

For the Taste of Natural Goodness

INCORPORATED IN 1993

Citrus fruit growers and makers of premium quality Squashes, Syrups, Fruit Drinks & Nectars, Jams, Jellies, Marmalade, Tomato Ketchup, Sauces, Pickles, Vinegars, Canned Foods, Pastes & Pulps, Sugar Confectioneries, Chocolates and Sugar-free products.

Factory & Farms:

Mitchell's Fruit Farms Ltd.
Renala Khurd, District Okara, Pakistan.
P: (+92) (44) 2622908, 2635907-8
F: (+92) (44) 2621416
E: rnk@mitchells.com.pk

Head Office:

M40-A, Zafar Ali Road, Gulberg V,
Lahore, Pakistan.
P: (+92) (42) 35872392-96
F: (+92) (42) 35872398
E: ho@mitchells.com.pk

www.mitchells.com.pk