



Johnson & Phillips (Pakistan) Limited

December 31,

2023

Half Yearly Account

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COMPANY INFORMATION

Board of Directors

Mrs. Zainab Anis Mianoor	Chairman
Mr. Muhammad Anis Mianoor	Director/CEO
Mr. Muhammad Umair Mianoor	Director
Mr. Muhammad Usman Mianoor	Director
Mr. Muhammad Hanif Chamdia	Director
Ms. Uroosa Mianoor	Director

Board of Audit Committee

Mr. Muhammad Hanif Chamdia	Chairman
Mr. Muhammad Umair Mianoor	Member
Ms. Uroosa Mianoor	Member

Board of HR Committee

Mr. Muhammad Hanif Chamdia	Chairman
Mr. Muhammad Usman Mianoor	Member
Mrs. Zainab Anis Mianoor	Member

Chief Financial Officer (CFO)

Mr. Syed Muhammad Shahid

Company Secretary

Mr. Muhammad Hanif

Internal Auditor

Mr. Tariq Ilyas

Legal Advisor

Mr. Muhammad Yousuf (Advocate)

Auditors

M/s. Reanda Haroon Zakaria & Company
Chartered Accountants
Room No. M1-M4, MEZZANINE Floor, Prograsive Plaza,
Plot No. 5-C1-10, Civil Lines Quarter, Beaumont Road,
Near Dawood Centre, Karachi-75530, Pakistan.

Share Registrar

C & K Management Associates (Pvt) Ltd.
404, Trade Tower, Abdullah Haroon Road,
Near Metropole Hotel, Karachi - 75530

Bankers

Habib Metropolitan Bank Ltd.
Silk Bank Ltd.
Bank Afalah Ltd.
Habib Bank Ltd.

Registered Office

C-10, South Avenue, SITE, Karachi - 75700
Tel: 092-21-32560030-7, Fax: 092-21-32564603
Website: www.johnsonphillips.pk
E-mail: Johnsonphillips@cyber.net.pk

DIRECTORS' REVIEW

The Board of Directors would like to present the condensed, un-audited financial statements of the Company for the half year period ended December 31, 2023.

FINANCIAL HIGHLIGHTS:

The comparative financial highlights of your Company for the six months period ended December 31, 2023 and December 31, 2022 are as follows:

	December 31	
	2023	2022
	--- Rupees in thousand ---	
(Loss) for the period before taxation	(6,596)	(5,130)
Out of which the Directors have accounted for taxation – current	1,363	794
Accumulated (Losses) brought forward	(455,182)	(437,639)
Accumulated losses brought forward to Balance Sheet	(457,039)	(440,525)
Earnings per share – basic & diluted - Rupees	(0.96)	(0.80)

BUSINESS PERFORMANCE HIGHLIGHTS:

The Sales and service-net for the half year period ended December 31, 2023 was Rs.1.288 million as compared to Rs.Nil million for the corresponding period of last year. The cost of sales and services for the period was Rs. 4.572 million as compared to Rs. 2.171 million.

The Gross loss of the Company was Rs. 3.284 million against Rs.2.171 million in the corresponding period of last year. The Company's Distribution cost, Administrative expenses, finance and other charges during the six months period ended December 31, 2023 was Rs. 4.443 million as against Rs. 3.152 million in the corresponding period of previous year. The Company is in process of re-organizing its activities.

A loss after tax of Rs. 5.233 million was reported for the six months ended December 31, 2023 compared to a loss after tax of Rs. 4.336 million in the corresponding period. The Mngement of your Company is in making concerted efforts and continues endeavor to achive improved performance in the future.

DE-LISTING OF THE COMPANY FROM PSX

In order to de-list the Johnson & Phillips (Pakistan) Limited, the Extra Ordinary General Meeting of the Company was held on 18th January, 2024 at 11.00 a.m. at C-10, South Avenue, S.I.T.E., Karachi to approve and pass the Special Resolutions for the Voluntary De-Listing of the Company and to buy back the shares of Rs.10/= each at Rs.160/= per share as approved by the Voluntary De-Listing Committee of the Pakistan Stock Exchange from the shareholders.

Acknowledgement:

The Board of Directors finally would like to express its sincere appreciation to the Company's valued clients, business partners and other stakeholders. The management would also like to thank our shareholders and others who stayed with us during Company's existence and odd and hard days. The Board would also like to thank the Securities and Exchange Commission of Pakistan, the Pakistan Stock Exchange and the Central Depository Company of Pakistan for their continued guidance and professional support.

For and on behalf of the Board.


Muhammad Anis Mianoor
Managing Director / CEO
Karachi: 14th February, 2024


Zainab Anis Mianoor
Chairman

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کمپنی کے مختصر ان آڈٹ گوشوارے برائے نصف سال مدت بہ اختتام 31 دسمبر 2023ء پیش کرنا چاہینگے۔

مالیاتی نکات:

31 دسمبر 2023 اور 31 دسمبر 2022 کو ختم ہونے والی چھ ماہ کی مدت کے لیے آپ کی کمپنی کے مالی نکات کا تقابلی جائزہ حسب ذیل ہیں:

31 دسمبر	
2022	2023
رقم ہزاروں میں	
(5,130)	(6,596)
794	1,363
(437,639)	(455,182)
(440,525)	(457,039)
(0.80)	(0.96)

(نقصان) ٹیکس سے پہلے کی مدت کے لیے

جن میں سے ڈائریکٹرز نے مختص کیا۔

موجودہ۔ ٹیکس کے لئے

گزشتہ سال کا مجموعی (نقصانات) آگے لایا گیا

موجودہ مجموعی نقصانات کو بیلنس شیٹ میں آگے لایا گیا۔

نی شیئر آمدنی - بنیادی اور غیر مستحکم - رقم

کاروباری کارکردگی کے نکات:

31 دسمبر 2023 کو ختم ہونے والی ششماہی مدت کے لیے سیلز اور سروس نیٹ 1.288 ملین روپے تھا جو پچھلے سال کی اسی مدت کے لیے Nil ملین روپے تھا۔ اس مدت کے لیے فروخت اور خدمات کی مد میں اخراجات 4.572 ملین روپے کے مقابلے میں گزشتہ سال اسی مدت کے لئے 2.171 ملین تھی۔

کمپنی کا مجموعی نقصان 3.284 ملین روپے تھا جبکہ گزشتہ سال اس کے مقابلے میں اسی مدت میں 2.171 ملین روپے تھا۔ 31 دسمبر 2023 کو ختم ہونے والی چھ

ماہ کی مدت کے دوران کمپنی کی تقسیم کی لاگت، انتظامی اخراجات، فنانس اور دیگر اخراجات 4.443 ملین روپے تھے۔ جبکہ اس کے مقابلے میں پچھلے سال کی اسی مدت

میں 3.152 ملین ہوا تھا۔ کمپنی اپنی سرگرمیوں کو دوبارہ منظم کرنے کے لیے سرگرم عمل ہے۔

31 دسمبر 2023 کو ختم ہونے والے چھ مہینوں کی مدت میں 5.233 ملین روپے ٹیکس کے بعد نقصان تھی جبکہ اس کے مقابلے میں اسی دورانیہ ٹیکس کے بعد

ہونے والے نقصان کی رقم 4.336 ملین رپورٹ ہوئی تھی۔ آپ کی کمپنی کی انتظامیہ ٹھوس کوششیں کر رہا ہے اور مستقبل میں بہتر کارکردگی کو حاصل کرنے کی کوشش

جاری رکھے ہوئے ہے۔

PSX سے کمپنی کی ڈی لسٹنگ

جانسن اینڈ فلپس (پاکستان) لمیٹڈ کو ڈی لسٹ کرنے کے لیے، کمپنی کی ایکسٹرا آرڈینری جنرل میٹنگ مورخہ 18 جنوری 2024 کو صبح 11.00 بجے C-10،

ساؤتھ ایونیو، S.I.T.E، کراچی میں منعقد ہوئی۔ جس میں کمپنی کی رضا کارانہ ڈی لسٹنگ کے لیے خصوصی قراردادوں کو منظور اور پاس کیا گئے لہذا رضا کارانہ ڈی لسٹنگ

کمپنی پاکستان اسٹاک ایکسچینج کے تحت شیئر ہولڈرز کمپنی کے منظور شدہ حصص -/10 روپے کی واپس فی حصص -/160 روپے کے حساب سے خریدے گا۔

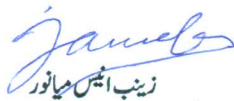
اعتراف:

بورڈ آف ڈائریکٹرز آخر میں کمپنی کے قابل قدر کلائنٹس، کاروباری شراکت داروں اور دیگر اسٹیک ہولڈرز کے لیے اپنی مخلصانہ تعریف کا اظہار کرنا چاہیں

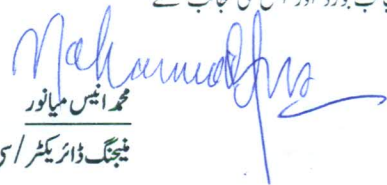
گے۔ انتظامیہ اپنے شیئر ہولڈرز اور دیگر لوگوں کا بھی شکریہ ادا کرنا چاہے گی جو کمپنی کے وجود اور مشکل اور مشکل دنوں میں ہمارے ساتھ رہے۔ بورڈ سیکورٹیز اینڈ

ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج اور سنٹرل ڈیپازٹری کمپنی آف پاکستان کا مسلسل رہنمائی اور پیشہ ورانہ تعاون پر شکریہ ادا کرنا چاہے گا۔

منجانب بورڈ اور اس کی جانب سے


زینب انیس میانور

چیئر مین


محمد انیس میانور

ٹیچنگ ڈائریکٹر / سی ای او

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF JOHNSON & PHILLIPS (PAKISTAN) LIMITED
ON THE REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Johnson & Phillips (Pakistan) Limited** ("the Company") as at December 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended [here-in-after referred to as the "interim financial statements"]. Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income and the notes forming part thereof for the quarter ended December 31, 2023, have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

Except as explained in the following paragraph, 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 statements 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.

Basis for Adverse Conclusion

- We could not conclude about the existence, obligation and completeness of trade and other payables (note no. 12) to the extent of Rs. 18.832 million, out of the total balance amounting to Rs. 84.500 million.
- We could not conclude about the existence, obligation, completeness, classification and terms and conditions of short-term borrowing from a former director amounting to Rs. 4,950 million (note no. 13).

- During the period, the Company has incurred loss after taxation amounting to Rs. 5.193 (December 31, 2022: Rs. 4.336) million, raising the accumulated losses to Rs. 456.999 (June 30, 2022: Rs. 455.182) million. While as on the reporting date, current liabilities exceeded current assets by Rs. 350.787 (June 30, 2022: Rs. 349.119) million. Except for the financial year 2022, the operations of the Company, including its revenue, are facing downward trajectory since financial year 2015, due to which the Company is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. The Company has been reporting meagre sales since then and is totally dependent on the financial support of its Directors and sponsors. Further, as disclosed in note no. 1 to these financial statements, the Company filed an application with the PSX for voluntary delisting which has been approved subject to terms and conditions yet to be fulfilled, while the upper management has not yet finalized any plan for the business revival after the proposed delisting.

These factors indicate the existence of material uncertainty that may cast significant doubts regarding the Company's ability to continue as a going concern and therefore it may not be able to realize its assets and discharge its liabilities in the normal course of business. These interim financial statements and the notes thereto do not disclose this fact. Therefore, we do not agree with the basis of preparation of the annexed interim financial statements on a going concern basis.

Adverse Conclusion

Our review indicates that, due to the significance of the matter described in the preceding paragraphs, we conclude that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is **Mohammad Iqbal**.

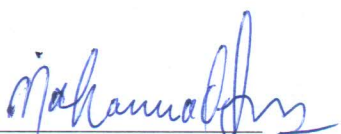
RITZ co Reanda Haroon Zakaria & Co
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: January 30, 2024
UDIN: RR202310086fo8yqEk0r

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		<u>December 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>June 30,</u> <u>2023</u> <u>(Audited)</u>
	<i>Note</i>	<i>--- (Rupees in '000) ---</i>	
<u>ASSETS</u>			
Non Current Assets			
Property, plant and equipment	5	738,012	742,916
Intangible asset	6	-	-
Long-term investments	7	-	-
Long-term deposits		317	317
		<u>738,329</u>	<u>743,233</u>
Current Assets			
Stock-in-trade		7,600	7,600
Trade debts	8	-	-
Short-term loans, deposits and other receivables		1,286	1,286
Tax refunds due from the Government	9	13,287	12,975
Cash and bank balances		5,410	5,626
		<u>27,583</u>	<u>27,487</u>
Total Assets		<u><u>765,912</u></u>	<u><u>770,720</u></u>
<u>EQUITY AND LIABILITIES</u>			
Share Capital And Reserves			
Authorized capital		<u>80,000</u>	<u>80,000</u>
Issued, subscribed and paid-up capital		54,500	54,500
Share premium reserve		29,727	29,727
Surplus on revaluation of property, plant and equipment	10	732,222	735,598
General reserve		23,073	23,073
Accumulated losses		(457,039)	(455,182)
Total shareholders' equity		<u>382,483</u>	<u>387,716</u>
Non Current Liabilities			
Deferred tax liability	11	5,019	6,398
Current Liabilities			
Trade and other payables	12	84,540	84,936
Short term borrowings	13	289,602	287,402
Unpaid / unclaimed dividend		4,268	4,268
Income tax payable	14	-	-
		<u>378,410</u>	<u>376,606</u>
Contingencies and commitments	14		
Total Equity and Liabilities		<u><u>765,912</u></u>	<u><u>770,720</u></u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements


 Chief Executive

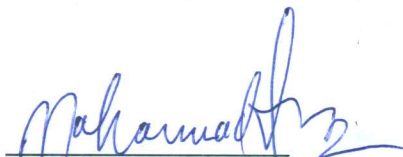

 Chief Financial Officer


 Director


JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2023	2022	2023	2022
----- (Rupees in "000") -----					
Sales - net	15	1,288	-	779	-
Cost of sales	16	(4,572)	(2,171)	(3,597)	(1,196)
Gross loss		(3,284)	(2,171)	(2,818)	(1,196)
Administrative expenses	17	(4,442)	(3,151)	(1,769)	(1,459)
Operating loss		(7,726)	(5,322)	(4,587)	(2,655)
Finance cost - bank charges		(1)	(1)	(1)	(1)
Other income		1,131	193	1,131	193
Loss before taxation		(6,596)	(5,130)	(3,457)	(2,463)
Taxation - net	18	1,363	794	1,067	498
Loss after taxation		(5,233)	(4,336)	(2,390)	(1,965)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		(5,233)	(4,336)	(2,390)	(1,965)
Loss per share - Rupees		(0.96)	(0.80)	(0.44)	(0.36)

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements


 Chief Executive

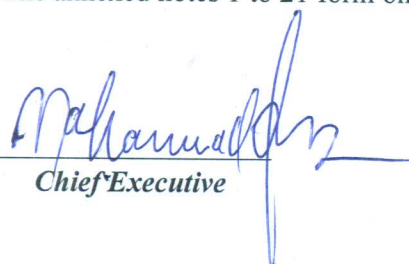

 Chief Financial Officer
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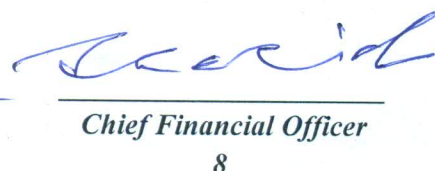

 Director

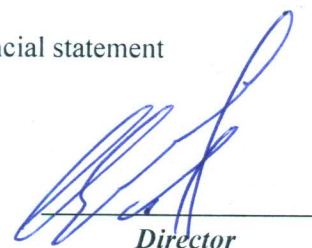
JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	<i>Half year ended</i>	
	<i>December 31,</i>	
	<i>2023</i>	<i>2022</i>
<i>Note</i>	<i>----- (Rupees in '000) -----</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(6,596)	(5,130)
Adjustment for:		
Depreciation	5.2 4,904	2,190
Finance cost	1	1
Cash outflows before working capital changes	(1,691)	(2,939)
Working capital changes		
(Increase) / decrease in current assets		
Short-term loans, deposits and other receivables	-	14
Sales tax refundable	(154)	(169)
Decrease in current liabilities		
Trade and other payables	(396)	(525)
	(550)	(680)
Cash used in operations	(2,241)	(3,619)
Income tax paid	14 (174)	(63)
Finance cost paid	(1)	(34,012)
Net cash used in operating activities	(2,416)	(37,694)
B. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term borrowings repaid	-	(31,831)
Short-term borrowings obtained - net	2,200	66,703
Net cash generated from financing activities	2,200	34,872
Net decrease in cash and cash equivalents (A+B)	(216)	(2,822)
Cash and cash equivalents at the beginning of the period	5,626	8,355
Cash and cash equivalents at the end of the period	5,410	5,533

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements


 Chief Executive


 Chief Financial Officer


 Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

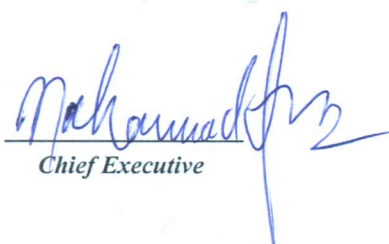
	<i>Share Capital</i>	<i>Share Premium Reserve</i>	<i>Surplus on Revaluation of Property, Plant and Equipment</i>	<i>General Reserve</i>	<i>Accumulated Losses</i>	<i>Total Shareholders' Equity</i>
	----- (Rupees in "000") -----					
Balance as at July 1, 2022 - audited	54,500	29,727	462,005	23,073	(437,639)	131,666
Total comprehensive income for the half year ended December 31, 2022	-	-	-	-	(4,336)	(4,336)
Transfer from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	-	(1,450)	-	1,450	-
Balance as at December 31, 2022	54,500	29,727	460,555	23,073	(440,525)	127,330
Balance as at July 1, 2023 - audited	54,500	29,727	735,598	23,073	(455,182)	387,716
Total comprehensive income for the half year ended December 31, 2023	-	-	-	-	(5,233)	(5,233)
Transfer from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	-	(3,376)	-	3,376	-
Balance as at December 31, 2023	54,500	29,727	732,222	23,073	(457,039)	382,483

Share premium reserve can only be utilized by the Company for the purpose specified in Section 81 of the Companies Act, 2017.

Surplus on revaluation of property, plant and equipment will be utilized for any purpose only after they are realized and transferred to unappropriated profits. However, these reserves can be individually offset against losses arising in future periods (if any) from revalued assets.

General reserves can be utilized for meeting any contingencies and for distribution of profit by way of dividend.

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.


 Chief Executive


 Chief Financial Officer


 Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 STATUS AND NATURE OF BUSINESS

1.1 Johnson and Phillips (Pakistan) Limited (the Company) was incorporated in Pakistan as a public limited company on April 15, 1961, under the repealed Companies Act, 1913 (now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited - PSX. The Company is principally engaged in textile manufacturing and allied activities including trading of textile machineries. The registered office of the Company and its manufacturing facilities are situated at C-10, South Avenue, S.I.T.E., Karachi.

During the period, the Board of Directors, in its meeting dated July 04, 2023, has decided to delist the Company from the PSX, for which the application for voluntary delisting was filed with the Voluntary Delisting Committee of the PSX on August 08, 2023. The reasons for the proposed delisting, as also mentioned in the application filed with the PSX, are as follows:

- a. The ever increasing compliance requirements coupled with the administration cost of running the Company in order to maintain the listing status is too high.
- b. The current economic situation of the country has made it extremely difficult for the sponsors to manage the affairs of the Company as a listed Company.
- c. The Company is no longer a manufacturing concern and is only engaged in trading, which too is getting extremely difficult given fluctuations in local currency.
- d. The size of the Company (or the market capitalization) is very small as compared to other listed companies and therefore the listing status is no longer justified.
- e. The majority of the shares of the Company are held by the Sponsor and his family members and the trading in the Company's shares is nominal.

In view of the aforementioned reasons, the Board of Directors has decided that the best course of action for all the stakeholders is to proceed with the voluntary delisting from the PSX and buy back the shares from minority shareholders.

The Voluntary Delisting Committee of the PSX, in its meeting dated December 18, 2023, finalized the buy back price of Rs. 160 per share for the sponsors to buy back 545,983 shares currently held with the general public. The Company would be delisted after these shares are bought back by the sponsors and all other regulatory requirements are completed by the sponsors and the Company.

1.2 Going concern

During the period, the Company has incurred loss after taxation amounting to Rs. 5.233 (December 31, 2022: Rs. 4.336 million, raising the accumulated losses as on the reporting date amounting to Rs. 457.039 (June 30, 2023: Rs. 455.182) million. While as on the reporting date, the current liabilities exceeded the current assets by Rs. 350.827 (June 30, 2023: Rs. 349.119) million. Except for financial year 2022, the operations of the Company, including its revenue, are facing downward trajectory since financial year 2015, due to which the Company is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. The Company is reporting meagre sales since then and is totally dependent on the financial support of its Directors and sponsors.

These factors indicate the existence of material uncertainty over the Company's ability to continue as a going concern and accordingly, the Company may not be able to realize its assets and settle its liabilities at stated amounts in the normal course of business. However, the management has prepared these condensed interim financial statements on a going concern basis due to the following reasons:

- The Company has revaluation surplus on fixed assets amounting to Rs. 732.222 million as on the reporting date.
- New management of the Company, under the leadership of its CEO, Mr. Anis Mianoor, has taken over the affairs of the Company with effect from April 01, 2020, with the firm intention and capabilities to revive the overall operations of the Company. However, emergence of Covid-19 and then worsening economic outlook of the Country during the period, including import restrictions and foreign currency shortage to settle the existing liabilities, have overall slowed down the revival plans of the new management. Nevertheless, the new management, with the financial support of new sponsor Director, has settled the long outstanding dues of the previous board members and their associated company, while other liabilities will also be settled with the help of earnings from the revival of existing operations, injections of the funds from internal as well as external sources and continuing support from the new sponsor Director.

2 BASIS OF PREPARATION

- 2.1 These condensed interim financial statements of the Company for the half year ended December 31, 2023 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act shall prevail.
- 2.2 The figures of condensed interim profit and loss account for the quarter ended September 30, 2023 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2023. These condensed interim financial statements do not include all the information and disclosures required in annual financial statements, which should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2023.
- 2.3 These condensed interim financial statements have been prepared under the historical cost convention except leasehold land, building and plant and machinery which are stated at revalued amount.
- 2.4 These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency. Figures have been rounded off to the nearest Rupees in thousands.
- 2.5 The comparative statement of financial position presented has been extracted from the annual financial statements for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2022.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

The accounting policies, applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2023.

Further, the Company has adopted the following amendments and interpretations of IFRSs which became effective during the current period:

- Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the disclosure of accounting policies.
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates.
- Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations.
- Amendments to IAS 12 'Income Taxes': Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

The adoption of the above amendments and interpretation of the standards did not have any effect on these condensed interim financial statements.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of these condensed interim financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2023.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2023.

Half Yearly Accounts (Un-Audited) December 31, 2023

		<u>December 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>June 30,</u> <u>2023</u> <u>(Audited)</u>
	<u>Note</u>	<u>----- (Rupees in '000) -----</u>	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	<u>738,012</u>	<u>742,916</u>
5.1 Movement during the period / year			
Written down value as on July 01,		742,916	468,153
Surplus on revaluation during the year		-	279,145
Depreciation charge for the period / year	5.2	<u>(4,904)</u>	<u>(4,382)</u>
		<u>738,012</u>	<u>742,916</u>
5.2 The depreciation charge for the period / year has been allocated as follows:			
Cost of sales	16	4,365	3,901
Administrative expenses	17	539	481
		<u>4,904</u>	<u>4,382</u>
6 INTANGIBLE ASSET			
Computer software			
Cost		129	129
Accumulated amortization		<u>(129)</u>	<u>(129)</u>
		<u>-</u>	<u>-</u>
7 LONG TERM INVESTMENTS			
In shares of unquoted subsidiary companies - at cost			
Johnson and Phillips Industries (Pakistan) Limited			
Investment in shares			
3,000,000 fully paid ordinary shares of Rs. 10 each. The Company holds 100% of the investee's shares.		30,000	30,000
Advance against share capital		<u>20,000</u>	<u>20,000</u>
		<u>50,000</u>	<u>50,000</u>
Johnson & Phillips Transformers (Private) Limited			
2,099,995 fully paid ordinary shares of Rs. 10 each. The Company holds 70% of the investee's shares.		21,000	21,000
J & P EMO Pakistan (Private) Limited			
50,997 fully paid ordinary shares of Rs. 10 each [Break-up value as at December 31, 2022 was Rs. nil (June 30, 2022 : Rs. nil)]. The Company held 51% of the investee's total equity.		510	510
		<u>71,510</u>	<u>71,510</u>
Provision for diminution in value of investments		<u>(71,510)</u>	<u>(71,510)</u>
	7.1	<u>-</u>	<u>-</u>

7.1 Based on the latest available audited financial statements of the subsidiaries, the breakup value per share is Rs. nil. All of these subsidiaries are in the course of being wound up, for which the application for winding up has already been filed with the SECP since financial year 2021.

8 TRADE DEBTS

- Considered doubtful

Trade debts
Less: Provision for doubtful trade debts

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
	75	75
	(75)	(75)
	-	-

9 TAX REFUNDS DUE FROM THE GOVERNMENT

Income tax payable / refundable

Sales tax

Less: Provision for doubtful sales tax refunds

3,355	3,197
30,776	30,622
(20,844)	(20,844)
9,932	9,778
13,287	12,975

9.1 Income tax refundable / (payable)

Balance as on July 01,

Paid against opening liability

Prior year adjustment

• Taxes paid during the year

Tax liability for the year

Balance as on June 30,

18

3,197	(1,043)
-	840
-	3,283
3,197	3,080
174	152
(16)	(35)
3,355	3,197

10 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance as at July 01,

Revaluation surplus on revaluation during the year - net

Transfer to equity in respect of incremental depreciation - net of deferred tax

Related deferred tax liability on incremental depreciation

Less: Related deferred tax liability

- at the beginning of the year

- on surplus arising during the year

- on incremental depreciation for the year

- at the end of the year

741,996	466,935
-	279,145
741,996	746,080
(3,376)	(2,900)
(1,379)	(1,184)
(4,755)	(4,084)
737,241	741,996
(6,398)	(4,930)
-	(2,652)
1,379	1,184
(5,019)	(6,398)
732,222	735,598

Half Yearly Accounts (Un-Audited) December 31, 2023

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
Note	----- (Rupees in '000) -----	
11 DEFERRED TAX LIABILITY	5,019	6,398
11.1 This has arisen on account of the following:		
Taxable temporary differences		
Surplus on revaluation of fixed assets	10 5,019	6,398
Deductible temporary differences		
Accelerated tax depreciation	1,352	1,407
Available tax losses	50,258	50,258
Minimum tax credit	35	35
Alternate corporate tax	1,554	1,554
Provisions	31,937	31,937
	(85,136)	(85,191)
	(80,117)	(78,793)
Deferred tax asset not recognized	11.1.1 85,136	85,191
	5,019	6,398

11.1.1 The management has not recognized the deferred tax asset on deductible differences as on the reporting date as the management is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

12 TRADE AND OTHER PAYABLES

Trade creditors	62,197	62,889
Advance from customers - unsecured	8,638	8,638
Accrued liabilities	10,827	10,284
Payable to ex-employees	602	802
Provident fund payable	625	725
Unclaimed gratuity payable	645	745
Withholding tax payable	7	53
Sales tax payable	749	551
Others	249	249
	84,540	84,936

12.1 This includes Rs. 57.513 (June 30, 2023: Rs. 58.205) million payable against the purchase of textile machineries to Gulf Tex Machine Fzco, an associated undertaking (related party), incorporated in Dubai, U.A.E.

13 SHORT TERM BORROWINGS

- Unsecured and interest free

From		
New sponsor directors	13.1 284,652	282,452
Former director	13.2 4,950	4,950
	289,602	287,402

13.1 This represents unsecured and interest free loan received from the sponsor directors of the Company which are payable on demand. Loans were obtained for the repayment of long outstanding dues and for the working capital requirements.

13.2 This represents unsecured and interest free loans received from the former Director which are payable on demand. Loans were obtained for the working capital requirements.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There are no contingencies other than those as disclosed in the annual financial statements for the year ended June 30, 2023.

14.2 Commitment

There are no commitments as on the reporting date requiring disclosures in these financial statements.

	Note	Half year ended	
		December 31,	
		2023	2022
		----- (Rupees in '000) -----	
15 SALES - NET	15.1	1,288	52,225

15.1 This represents scrap sales of waste of building material.

16 COST OF SALES

Utilities		207	220
Depreciation	5.2	4,365	1,951
		4,572	2,171

17 ADMINISTRATIVE EXPENSES

Salaries and other benefits		944	923
Travelling and conveyance		51	179
Legal and professional		525	462
Rates and taxes		331	111
Printing, stationery and postage		37	10
Utilities		623	478
Entertainment		-	-
Fees and subscription		1,067	466
Auditors' remuneration	17.1	198	165
Depreciation	5.2	539	241
Others		126	117
		4,442	3,151

Half Yearly Accounts (Un-Audited) December 31, 2023

		<i>Half year ended</i>	
		<i>December 31,</i>	
		<i>2023</i>	<i>2022</i>
<i>Note</i>		<i>----- (Rupees in '000) -----</i>	

17.1 Auditors' remuneration

Annual audit fee		180	150
Out of pocket expenses		18	15
		<u>198</u>	<u>165</u>

18 TAXATION - NET

Current		16	-
Prior		-	(202.00)
Deferred	11.1	(1,379)	(592)
		<u>(1,363)</u>	<u>(794)</u>

19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies including subsidiaries, directors and key management personnel of the company and its associates and their close family members. Year end balances relating to related parties are specifically disclosed in relative notes to these financial statements. Transactions with the related parties are as follows:

		<i>Half year ended</i>	
		<i>December 31,</i>	
		<i>2023</i>	<i>2022</i>
		<i>----- (Rupees in '000) -----</i>	
-	Key Management Personnel of the Company		
	<i>Anis Mianoor - New Sponsor (89.89% shareholding)</i>		
	Loan obtained	-	70,600
	<i>Zainab Anis Mianoor - New Sponsor (0.01% shareholding)</i>		
	Loan obtained	2,000	
-	Associated Undertaking - common directors / partners		
	<i>AMS Enterprise</i>		
	Loan obtained	200	
		<i>December 31,</i>	
		<i>2023</i>	<i>2022</i>

20 NUMBER OF EMPLOYEES

Total employees as on the reporting date	<u>2</u>	<u>2</u>
Average employees during the period	<u>2</u>	<u>2</u>

21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on February 14, 2024.

Muhammad Faraz
Chief Executive

Saeed Ahmad
Chief Financial Officer

[Signature]
Director



Johnson & Phillips (Pakistan) Limited

December 31, 2023