



Quarterly Report 2009



DIRECTORS' REVIEW

The directors are pleased to submit the un-audited financial statements of the company for the first quarter ended December 31, 2008.

The company's net sales recorded a growth of 46.12% rising from Rs. 167.264 million to Rs. 244.411 million. This rise was supported by groceries and confectionery sales showing an upward trend of 15.25% and 65.83%, respectively. Exports increased by 79.72% which is a good sign.

Operating-profit increased by 83% from Rs. 7.197 million to Rs. 13.163 million. However financial charges at Rs. 12.018 million as compared to Rs. 5.005 million during comparative quarter, resulted in a decrease of 20.33% in profit before tax, from Rs. 2.51million to Rs. 1.996 million during the period under review.

The management of your company is conscious of inflationary pressures being exerted on the business with costs of raw material experiencing rapid escalation. We are trying to manage these pressures by undertaking better planning and adopting cost optimisation measures.

These combined factors place considerable strain on the company but we are glad to report that we are equal to this task and continue to strive to upgrade our process-efficiencies by enhancing automation and rationalising production-methods which should have a positive impact on the company's long term financial health.

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

Mehdi Mohsin
Chief Executive Officer

Lahore: January 29, 2009

BALANCE SHEET

As at December 31, 2008 (Un-audited)

	December 31 2008 Rupees	September 30 2008 Rupees
NON-CURRENT ASSETS		
Property, Plant & Equipment	315,586,259	304,357,015
Intangibles Assets	1,574,298	1,657,156
Capital Work in Progress	4,899,815	17,925,373
Long term loans and deposits	716,334	716,334
Biological Assets	4,912,400	5,132,000
	327,689,106	329,787,878
CURRENT ASSETS		
Stores and spares	14,422,662	13,305,761
Stock in trade	291,475,969	288,698,972
Trade debts	31,585,049	39,067,739
Advances, deposits, prepayments and other receivables	42,101,352	39,601,514
Cash and bank balances	9,163,089	10,909,851
	388,748,120	391,583,837
CURRENT LIABILITIES		
Current portion of long term loan	14,736,842	14,736,842
Short term running finances	291,920,456	288,711,025
Creditors, accrued and other liabilities	85,071,664	89,805,848
Mark up accrued on short term running finances	12,011,982	10,311,523
	403,740,944	403,565,238
	(14,992,824)	(11,981,401)
TOTAL FUNDS EMPLOYED	312,696,282	317,806,477
NON-CURRENT LIABILITIES		
Long-term Loan Secured	3,684,207	7,368,418
Deferred Liabilities	51,225,725	49,607,813
	54,909,932	56,976,231
NET FUNDS EMPLOYED	257,786,350	260,830,246
REPRESENTED BY		
Issued subscribed and paid up capital	50,400,000	50,400,000
Reserves	9,635,878	9,635,878
Unappropriated profit	197,750,472	200,794,368
	257,786,350	260,830,246

S.M. Mohsin
Chairman

Mehdi Mohsin
Chief Executive Officer

PROFIT AND LOSS ACCOUNT
For the First Quarter Ended December 31, 2008 (Un-audited)

	2008 Rupees	2007 Rupees
Sales	244,410,978	167,263,873
Cost of Sales	203,661,831	136,436,587
Gross Profit	40,749,147	30,827,286
Selling and distribution expenses	19,031,399	16,806,041
Administrative expenses	8,555,252	6,823,974
	27,586,650	23,630,015
Operating profit	13,162,497	7,197,271
Other income	851,236	516,930
	14,013,733	7,714,201
Financial charges	12,017,629	5,005,482
Other charges	-	203,358
	12,017,629	5,208,840
Profit before taxation	1,996,104	2,505,361
Provision for taxation	-	-
Profit after taxation	1,996,104	2,505,361
Earnings per share	0.40	0.50

S.M. Mohsin
Chairman

Mehdi Mohsin
Chief Executive Officer

CASH FLOW STATEMENT
For the First Quarter Ended December 31, 2008 (Un-audited)

	December 31 2008 Rupees	September 30 2008 Rupees
Cash flow from operating activities		
Profit before taxation	1,996,104	2,505,361
Add/(less) : Adjustment for non cash charges and other items		
Depreciation	6,625,527	5,884,103
Amortization	82,858	103,573
Provision for gratuity and leave salary	1,994,155	1,563,757
Financial charges	12,017,629	5,005,482
Profit before working capital changes	22,716,273	15,062,276
Effect on cash flow due to working capital changes		
(Increase) / decrease in stores and spares	(1,116,901)	1,454,608
(Increase) / decrease in stock in trade	(2,776,997)	(46,076,159)
(Increase) / decrease in trade debts	7,482,690	11,299,945
(Increase) / decrease in advances, deposits excluding income tax	(1,389,548)	23,707
Increase / (decrease) in creditors, accrued and other liabilities	(4,734,184)	(22,926,366)
	(2,534,939)	(56,224,265)
Cash generated from operations	20,181,333	(41,161,989)
Financial charges paid	(10,479,036)	(4,990,669)
Payment of Gratuity and leave salary	(376,244)	(310,404)
Taxes paid	(1,110,290)	(1,386,314)
Net cash inflow from operating activities	8,215,763	(47,849,376)
Cash flow from investing activities		
Fixed capital expenditure	(9,707,346)	(8,815,284)
Proceeds from sale of livestock	219,600	249,100
(Increase)/ decrease in long-term deposits	-	45,000
Net cash outflow from investing activities	(9,487,746)	(8,521,184)
Cash flow from financing activities		
Repayment of long term loan	(3,684,211)	(3,684,209)
Net cash out flow from financing activities	(3,684,211)	(3,684,209)
Net increase / (decrease) in cash and cash equivalents	(4,956,194)	(60,054,769)
Cash and cash equivalents at the beginning of the period	(277,801,174)	(119,195,134)
Cash and cash equivalents at the end of the period	(282,757,368)	(179,249,903)
Cash and cash equivalents at the end of the period		
Cash and bank balances	9,163,089	11,514,089
Short term running finances	(291,920,456)	(190,763,992)
	(282,757,367)	(179,249,903)

S.M. Mohsin
Chairman

Mehdi Mohsin
Chief Executive Officer

STATEMENT OF CHANGE IN EQUITY
For the First Quarter Ended December 31, 2008 (Un-audited)

	Share capital	Share premium	General reserve	Accumulated profit	Total Rupees
Balance as at September 30, 2007	50,400,000	9,335,878	300,000	202,536,828	262,572,706
Net profit for the quarter	-	-	-	2,505,361	2,505,361
Final dividend for the year ended September 30, 2007 Rs. 2 per share	-	-	-	(10,080,000)	(10,080,000)
Balance as at December 31, 2007	50,400,000	9,335,878	300,000	194,962,189	254,998,067
Net Profit for the nine months	-	-	-	5,832,179	5,832,179
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

S.M. Mohsin
Chairman

Mehdi Mohsin
Chief Executive Officer

SELECTED NOTES TO THE ACCOUNTS
For the First Quarter Ended December 31, 2008 (Un-audited)

1. Mitchell's Fruit Farms Limited is a public company incorporated in Pakistan and listed on Lahore and Karachi 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, 2008 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.

	December 31 2008 Rupees	September 30 2008 Rupees
9. Cash and cash equivalents		
Cash and bank balances	9,163,089	10,909,851
Short term running finances	(291,920,456)	(288,711,025)
	(282,757,367)	(277,801,174)

10. Contingencies and commitments

10.1 Contingencies

There has been no significant change in contingencies since September 30, 2008.

10.2 Commitments

Commitment in respect of capital expenditure is Rs. Nil (2007: Rs. 20.47 million).

11. The company purchased from associated undertakings, goods and services amounting to Rs. 4.935 million.

S.M. Mohsin
Chairman

Mehdi Mohsin
Chief Executive Officer

COMPANY INFORMATION

Board of Directors	S. M. Mohsin Mehdi Mohsin Syed Babar Ali Sitwat Mohsin Moaz Mohiuddin Syed Faisal Imam Umme Kulsum Imam Jamal Nasim – NIT Nominee	- Chairman - Chief Executive Officer
Audit Committee	S. M. Mohsin Sitwat Mohsin Syed Faisal Imam	- 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) 6315469-70 Fax: (042) 6361531	
Bankers	The Royal Bank of Scotland Citibank N.A. Askari Commercial Bank Limited MCB Bank Limited Allied Bank Limited	
Share Registrar	Corplink (Private) Limited Wings Arcade, 1-K (Commercial) Model Town, Lahore Phone : (042) 5839182, 5887262, Fax:(042) 5869037	
Factory & Farms	Renala Khurd, District Okara, Pakistan Phones: (044) 2635907-8, 2622908 Fax: (044) 2621416 E-Mail: rnk@mitchells.com.pk	
Corporate Office	39-A, D-1, Gulberg III Lahore Phones: (042) 5872392-96, Fax: (042) 5872398 E-Mail: ho@mitchells.com.pk Website: www.mitchells.com.pk	
Regional Sales Office (North)	House No.22 ST. No.4, Main Park Road Gulshan e Al-Huda, Chattha Bakhtawar, Islamabad. Phones: (051) 2240020-21 Fax: (051) 2240023 E-Mail: rson@mitchells.com.pk	
Regional Sales Office (Central)	Syed House, Canal Berg, 13 K.M. Multan Road, Lahore Phones: (042) 5419350, 5423732 & 5425478 E-Mail: rsoc@mitchells.com.pk	
Regional Sales Office (South)	Mehran VIP II, Ground Floor, Plot 18/3 Dr. Dawood Pota Road, Karachi Phones: (021) 5212112, 5212712 & 5219675 Fax: (021) 5673588 E-Mail: rsos@mitchells.com.pk	