



Jubilee Spinning & Weaving Mills Ltd.

Half Year Accounts 31 December 2011

### Condensed Interim Balance Sheet

	Note	Un-audited December 31, 2011 Rupees	Audited June 30, 2011 Rupees Restated
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
34,000,000 (30 June 2011: 34,000,000) ordinary shares of Rupees 10 each		<u>340,000,000</u>	<u>340,000,000</u>
<b>Issued, subscribed and paid up share capital</b>			
32,491,205 (30 June 2011: 32,491,205) ordinary shares of Rupees 10 each		<u>324,912,050</u>	<u>324,912,050</u>
<b>Reserves</b>		<u>(353,545,994)</u>	<u>(291,016,375)</u>
<b>Total equity</b>		<u>(28,633,944)</u>	<u>33,895,675</u>
<b>Surplus on revaluation of property, plant and equipment</b> - Net of tax		556,512,231	558,458,912
<b>Surplus on revaluation of investment property</b> - Net of tax		19,208,728	19,208,728
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	<u>6,391,931</u>	<u>12,783,898</u>
Liabilities against assets subject to finance lease		-	293,605
Deferred income tax		<u>30,776,436</u>	<u>31,824,646</u>
Employees retirement benefits		<u>34,514,578</u>	<u>32,378,130</u>
		<u>71,682,945</u>	<u>77,280,279</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>88,961,277</u>	<u>76,089,172</u>
Accrued markup		<u>29,262,072</u>	<u>28,871,145</u>
Short term borrowings		<u>18,833,172</u>	<u>22,817,296</u>
Current portion of long term liabilities	6	<u>28,775,113</u>	<u>26,297,151</u>
Provisions		<u>9,928,940</u>	<u>9,928,940</u>
Provision for taxation		<u>1,021,850</u>	<u>8,840,052</u>
		<u>176,782,424</u>	<u>172,843,756</u>
<b>TOTAL LIABILITIES</b>		<u>248,465,369</u>	<u>250,124,035</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	7	<u>795,552,384</u>	<u>861,687,350</u>

Shams Rafi  
Chief Executive



Jubilee Spinning & Weaving Mills Ltd.

Half Year Accounts 31 December 2011

### As at December 31, 2011

	Note	Un-audited December 31, 2011 Rupees	Audited June 30, 2011 Rupees Restated
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<u>613,200,902</u>	621,643,439
Capital work in progress		<u>5,000,000</u>	5,000,000
Investment property		<u>23,434,645</u>	23,434,645
Long term investments	9	<u>55,735,480</u>	102,175,936
Long term loans		<u>1,296,121</u>	1,296,121
Long term deposits		<u>710,722</u>	<u>710,722</u>
		<u>699,377,870</u>	<u>754,260,863</u>
<b>CURRENT ASSETS</b>			
Stores and spares		<u>3,040,539</u>	3,188,095
Stock-in-trade		<u>24,672,973</u>	21,907,485
Trade debts		<u>27,518,423</u>	31,064,250
Loans and advances		<u>1,156,216</u>	1,962,577
Short term deposits and prepayments		<u>977,572</u>	1,098,687
Other receivable		<u>10,602,119</u>	8,083,847
Advance income tax and refund		<u>9,715,015</u>	17,687,728
Short term investments		<u>18,422,036</u>	19,530,811
Cash and bank balances		<u>69,621</u>	2,903,007
		<u>96,174,514</u>	<u>107,426,487</u>
		<u>795,552,384</u>	<u>861,687,350</u>

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

Shaukat Shafi  
Director



Jubilee Spinning & Weaving Mills Ltd.

Half Year Accounts 31 December 2011

**Condensed Interim Profit & Loss Account (Un-audited)  
For the Period Ended 31 December 2011**

Note	HALF YEAR ENDED		Quarter Ended		2010
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2011	
	Rupees				
SALES	102,185,013	523,607,705	58,501,040	296,911,903	
COST OF SALES	10 (108,714,083)	(507,360,397)	(58,702,420)	(282,335,870)	
GROSS (LOSS) / PROFIT	(6,529,070)	16,247,308	(201,380)	14,576,033	
DISTRIBUTION AND SELLING COST	(1,930,045)	(753,747)	(1,826,174)	(373,319)	
ADMINISTRATIVE EXPENSES	(8,952,738)	(11,094,497)	(4,946,092)	(5,446,369)	
OTHER OPERATING EXPENSES	(2,139,330)	(1,062,614)	(913,819)	(2,045,805)	
	(13,022,113)	(12,910,858)	(7,686,085)	(7,865,493)	
	(19,551,183)	3,336,450	(7,887,465)	6,710,540	
OTHER OPERATING INCOME	2,954,687	4,500,481	1,246,939	2,474,679	
(LOSS) / PROFIT FROM OPERATIONS	(16,596,496)	7,836,931	(6,640,526)	9,185,219	
FINANCE COST	(2,593,960)	(2,858,181)	(1,301,222)	(1,646,208)	
	(19,190,456)	4,978,750	(7,941,748)	7,539,011	
SHARE OF LOSS IN ASSOCIATED COMPANIES	(46,440,456)	(16,924,364)	(31,771,550)	(15,202,463)	
LOSS BEFORE TAXATION	(65,630,912)	(11,945,614)	(39,713,298)	(7,663,452)	
TAXATION - Current	(1,021,850)	(5,685,010)	(585,010)	(3,418,052)	
- Prior	(48,508)	236,757	(48,508)	236,757	
	(1,070,358)	(5,448,253)	(633,518)	(3,181,295)	
LOSS AFTER TAXATION	(66,701,270)	(17,393,867)	(40,346,816)	(10,844,747)	
LOSS PER SHARE					
- BASIC AND DILUTED (RUPEES)	(2.05)	(0.54)	(1.24)	(0.33)	

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



Jubilee Spinning & Weaving Mills Ltd.

Half Year Accounts 31 December 2011

**Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the Period Ended 31 December 2011**

	HALF YEAR ENDED		QUARTER ENDED		2010
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2011	
	Rupees				
LOSS AFTER TAXATION	(66,701,270)	(17,393,867)	(40,346,816)	(10,844,747)	
Fair value adjustment on available for sale investments	1,176,760	-	(48,751)	-	
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(65,524,510)	(17,393,867)	(40,395,567)	(10,844,747)	

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

Shams Rafi  
Chief Executive

Shaukat Shafi  
Director

Shams Rafi  
Chief Executive

Shaukat Shafi  
Director



Jubilee Spinning & Weaving Mills Ltd.

Half Year Accounts 31 December 2011

## Condensed Interim Cash Flow Statement For the Period Ended December 31, 2011 (Un-audited)

	Note	HALF YEAR ENDED	
		31 December	31 December
		2011	2010
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	12	9,882,832	22,197,582
Finance cost paid		(2,203,025)	(1,724,666)
Income tax paid		(915,859)	(907,264)
Gratuity paid		(1,766,879)	(4,495,262)
<b>Net cash flow from operating activities</b>		<u>4,997,069</u>	<u>15,070,390</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		-	(7,966,319)
Receipts from disposal of fixed assets		-	5,000,000
Dividend received		190,831	148,743
Long term loans		-	898,826
<b>Net cash used in investing activities</b>		<u>190,831</u>	<u>(1,918,750)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		(3,915,330)	(15,834,093)
Repayment of finance lease liabilities		(121,832)	(574,209)
<b>Net cash used in financing activities</b>		<u>(4,037,162)</u>	<u>(16,408,302)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>1,150,738</u>	<u>(3,256,662)</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>(19,914,289)</u>	<u>(11,916,324)</u>
<b>Cash and cash equivalents at the end of the period (Note 12.1)</b>		<u><u>(18,763,551)</u></u>	<u><u>(15,172,986)</u></u>

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

Shams Rafi  
Chief Executive

Shaikat Shafi  
Director



Jubilee Spinning & Weaving Mills Ltd.

Half Year Accounts 31 December 2011

## Condensed Interim Statement of Changes In Equity For the Period ended December 31, 2011 (Un-audited)

Share capital	RESERVES				TOTAL	TOTAL EQUITY	
	CAPITAL Fair value reserve	REVENUE					
		General reserve	Accumulated loss	Sub total			
Rupees							
Balance as at 30 June 2010 - (audited)	324,912,050	-	51,012,000	(228,855,343)	(177,843,343)	(177,843,343)	147,068,707
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation	-	-	-	3,488,218	3,488,218	3,488,218	3,488,218
Total comprehensive loss for the half year ended 31 December 2010	-	-	-	(17,393,867)	(17,393,867)	(17,393,867)	(17,393,867)
Balance as at 31 December 2010 - (Un-audited)	324,912,050	-	51,012,000	(242,760,992)	(191,748,992)	(191,748,992)	133,163,058
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation	-	-	-	3,167,094	3,167,094	3,167,094	3,167,094
Total comprehensive income/ (loss) for the half year ended 30 June 2011 (Note: 9.2) - restated	-	2,719,339	-	(105,153,816)	(105,153,816)	(102,434,477)	(102,434,477)
Balance as at 30 June 2011 - (audited)	324,912,050	2,719,339	51,012,000	(344,747,714)	(293,735,714)	(291,016,375)	33,895,675
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation	-	-	-	2,994,891	2,994,891	2,994,891	2,994,891
Total comprehensive income/ (loss) for the half year ended 31 December 2011	-	1,176,760	-	(66,701,270)	(66,701,270)	(65,524,510)	(65,524,510)
Balance as at 31 December 2011 - (Un-audited)	<u>324,912,050</u>	<u>3,896,099</u>	<u>51,012,000</u>	<u>(408,454,093)</u>	<u>(357,442,093)</u>	<u>(353,545,994)</u>	<u>(28,633,944)</u>

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

Shams Rafi  
Chief Executive

Shaikat Shafi  
Director



**Selected Notes To The Condensed  
Interim Financial Information (Un-audited)  
For the Period ended December 31, 2011**

**1. THE COMPANY AND ITS OPERATIONS**

1.1 Jubilee Spinning & Weaving Mills Limited (the Company) was incorporated in Pakistan as a public limited company on 12 December 1973 under the Companies Act, 1913 (Now The Companies Ordinance, 1984). The Company obtained certificate of commencement of business in January 1974. Shares of the Company are listed on all Stock Exchanges in Pakistan. Its registered office is situated at 40-A, Off: Zafar Ali Khan Road, Gulberg V, Lahore whereas the production facilities are located at B-28, Manghopir Road, S.I.T.E, Karachi. The Company is engaged in the business of manufacturing and selling of yarn, buying, selling and otherwise dealing in yarn and raw cotton. The Company also operates electric power generation facilities which generate electricity primarily for the Company's own requirements.

**1.2 GOING CONCERN ASSUMPTION**

During the half year, the company's operational activities remained quite lesser than the corresponding period. The Company incurred a net loss of Rupees 66.701 million resulting in an accumulated loss of Rupees 408.454 million as at 31 December 2011 (June 2011: 344.748 million). The Company's current liabilities exceeded its current assets by Rupees 81.053 million (June 2011: Rupees 65.417 million) as at reporting date. Certain repayments of long-term financing obtained from banking companies could not be made on due dates and are overdue as at the reporting date. The plant capacity also remained under-utilized due to intermittent availability of raw materials owing to hike in the prices and liquidity issues. These factors indicate the existence of material uncertainty which may cast significant doubts on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

A very substantial portion (Rupees 46.440 million i.e. 70%) of the reported net loss includes share of loss from the associated company. Furthermore, an unprecedented hike in cotton prices during the last season (due to floods in Pakistan and speculative buying in the international markets) had a negative effect on the Company's bottom line. Yarn prices could not keep up pace with this raw material price increase leading to pressure on the margins of the Company. As is already happening, raw material prices are rationalizing and have significantly dropped in the domestic and international markets. Yarn prices have decreased from their highs but are holding steady and the equilibrium between raw material prices and finished goods prices seems to be re-establishing itself.

As at the reporting date, the Company has unutilized available credit limits of Rupees 31.167 million and a continuing support from its lenders. Subsequent to the reporting date, the company has also started repayment of the overdue installments of the long-term financing and expects to continue doing so during the coming period. The sponsors of the Company continue to offer their strong support, if required.

On the basis of assessment of the going concern assumption, financial projections and the factors stated above, the management is confident to achieve improved profitability and easing of cash flow going forward.

Accordingly, these financial statements have been prepared on going concern basis and do not include any adjustment relating to the realization of its assets and liquidation of any liabilities that might be necessary should the company be unable to continue as a going concern.

**2. BASIS OF PREPARATION****2.1 Statement of Compliance**

This condensed interim financial report of the Company for the half year ended 31 December 2011 has 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 Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial report is un-audited but subject to the limited scope review by the statutory auditors and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

**2.3 Basis of measurement**

This condensed interim financial information has been prepared under the historical cost convention except for certain fixed assets and financial assets and liabilities which have been stated at revalued amounts, fair values, cost, amortized cost and present value as mentioned in respective policy notes. Accrual basis of accounting has been used in this condensed interim financial information except for the cash flow information.

2.4 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

**3. ACCOUNTING POLICIES**

The accounting policies and the method of computation adopted in preparation of this condensed interim financial report are the same as those applied in the preparation of the annual financial statements for the year ended 30 June 2011.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Judgments and estimates made by the management in preparation of this condensed interim information are the same as those applied to the annual financial statements for the year ended 30 June 2011.

	<b>Un-audited December 31, 2011 Rupees</b>	<b>Audited June 30, 2011 Rupees</b>
<b>5. LONG TERM FINANCING - SECURED</b>		
Opening balance	38,476,212	45,725,572
Less: Repaid during the period / year	(3,915,330)	(6,832,215)
Add / (less): Fair value adjustments under IAS-39	-	(417,145)
Closing balance	<u>34,560,882</u>	<u>38,476,212</u>
Less: Current portion shown under current liabilities	<u>(28,168,951)</u>	<u>(25,692,314)</u>
	<u>6,391,931</u>	<u>12,783,898</u>
<b>6. CURRENT PORTION SHOWN UNDER CURRENT LIABILITIES</b>		
<b>Long term financing</b>		
Current portion of long term liabilities	12,783,925	16,955,374
Over due portion	<u>15,385,026</u>	<u>8,736,940</u>
	28,168,951	25,692,314
<b>Liabilities against assets subject to finance lease</b>		
Current portion of finance lease liabilities	<u>526,131</u>	<u>524,806</u>
Over due portion of finance lease liabilities	<u>80,031</u>	<u>80,031</u>
	606,162	604,837
	<u>28,775,113</u>	<u>26,297,151</u>



**Jubilee Spinning & Weaving Mills Ltd.**

**Half Year Accounts 31 December 2011**

	<b>Un-audited December 31, 2011 Rupees</b>	<b>Audited June 30, 2011 Rupees</b>
<b>7. CONTINGENCIES AND COMMITMENTS</b>		
<b>7.1 Contingencies</b>		
Bank Guarantee from:		
Faysal Bank Limited (formerly, Royal Bank of Scotland) (Note 7.1.1)	8,600,000	8,600,000
Standard Chartered Bank (Pakistan) Limited (Note 7.1.2)	793,800	793,800
Habib Bank Limited (Note 7.1.3)	2,000,000	2,000,000
	<u>11,393,800</u>	<u>11,393,800</u>
7.1.1 This represents a guarantee issued by Faysal Bank Limited (formerly, Royal Bank of Scotland) to the collector of customs on behalf of the company against the custom duty on imports.		
7.1.2 This represents a guarantee issued by Standard Chartered Bank (Pakistan) Limited to the Honourable High Court, Sindh on account of cotton soft waste (carded and combed) fully paid.		
7.1.3 This represents a guarantee issued by Habib Bank Limited in favor of Sui Southern Gas Company Limited on behalf of the company for payment of gas bills. The guarantee is secured against a cash deposit of 0.50 million and hypothecation charge over current assets of Rupees 12 million.		
<b>7.2 Commitments</b>		
The commitments for capital or other than capital expenditure as at 31 December 2011 were Rupees Nil( 30 June 2011: Nil).		
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 8.1)	<u>613,200,902</u>	<u>621,643,439</u>
<b>8.1 Operating fixed assets</b>		
Opening book value	621,643,439	636,687,626
Add: Cost of additions during the period / year	-	14,355,690
	<u>621,643,439</u>	<u>651,043,316</u>
Less: Book value of assets disposed off during the period / year	-	(11,109,196)
	<u>621,643,439</u>	<u>639,934,120</u>
Less: Depreciation charged during the period / year	(8,442,537)	(18,290,681)
	<u>613,200,902</u>	<u>621,643,439</u>



**Jubilee Spinning & Weaving Mills Ltd.**

**Half Year Accounts 31 December 2011**

	<b>December 31, 2011 Rupees</b>	<b>Restated June 30, 2011 Rupees</b>
<b>9. LONG TERM INVESTMENTS</b>		
<b>Available for sale - Associated company (without significant influence)</b>		
Taxmac (Private) Limited	520,000	520,000
<b>Associated companies (with significant influence) - Under equity method</b>		
Premier Insurance Company Limited	24,559	12,327
Cresox (Private) Limited {formerly, Renfro Crescent (Private) Limited} (Note: 9.1)	55,190,921	101,643,609
Crescent Industrial Chemical Limited	-	-
	<u>55,215,480</u>	<u>101,655,936</u>
	<u>55,735,480</u>	<u>102,175,936</u>
<b>9.1 Cresox (Private) Limited {formerly, Renfro Crescent (Private) Limited}</b>		
Opening balance	101,643,609	105,918,015
Share of loss for the period / year	(46,452,688)	(74,004,372)
Share of loss - prior period adjustment (Note: 9.2)	-	(8,783,953)
Revaluation surplus arising on amalgamation of CSPL	-	78,513,919
	<u>55,190,921</u>	<u>101,643,609</u>
9.2 In the financial statements for the year ended 30 June 2011, the Company accounted for equity method adjustments to the investment in associated company, Cresox (Private) Limited {formerly, Renfro Crescent (Private) Limited} on the basis of its unaudited financial statements. The audited financial statements of the associate were not available till the date of authorization for issue of the Company's financial statements. Due to this, based upon the audited financial statements of Cresox (Private) Limited for the year ended 30 June 2011, further share of loss amounting to Rupees 8.784 million has been accounted for in the carrying amount of such investment retrospectively in this condensed interim financial information as prior period error in accordance with International Accounting Standard (IAS) - 8 'Accounting Polices, Changes in Accounting Estimates and Errors'. The impact of this retrospective adjustment on this condensed interim financial information is as under:		
		<b>Rupees</b>
Increase in comprehensive loss for the year ended 30 June 2011 in the Statement of Changes in Equity		8,783,953
Decrease in the carrying amount of Long-term Investments in Associated Companies as at 30 June 2011		8,783,953







	(Un-audited)	
	NINE MONTH ENDED	
	December 31, 2011 Rupees	December 31, 2010 Rupees
<b>12. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(65,630,912)	(11,945,614)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	8,442,537	9,232,042
Loss on disposal of assets	-	1,259,752
Provision for Gratuity	3,600,000	3,600,000
Share of loss from associates	46,440,456	16,924,364
Dividend Income	(190,831)	(148,743)
Impairment loss on available for sale investment - net	2,139,330	1,062,614
Unrealised loss / (gain) on remeasurement of investments	146,202	(573,590)
Finance cost	2,593,960	2,858,181
	(2,459,258)	22,269,006
<b>Working capital changes</b>		
(Increase) / decrease in current assets:		
- Stores and spares	147,556	(80,660)
- Stock in trade	(2,765,488)	(9,354,010)
- Trade debts	3,545,827	908,899
- Loans and advances	806,361	4,134,639
- Other receivable	(2,518,272)	(286,732)
- Short term deposits and prepayments	121,115	(1,520,075)
	(662,901)	(6,197,939)
Increase / (decrease) in trade and other payables	13,004,991	6,126,515
	9,882,832	22,197,582
<b>12.1 Cash and cash equivalents include the following</b>		
Cash and bank balances	69,621	5,264,081
Short term borrowings	(18,833,172)	(20,437,067)
	(18,763,551)	(15,172,986)

**13. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise subsidiary companies, associated undertakings, other related companies and key management personnel. The company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, not disclosed elsewhere, is given below:

	HALF YEAR ENDED		QUARTER ENDED	
	Dec 31, 2011	Dec 31, 2010	Dec 31, 2011	Dec 31, 2010
	Rupees			
<b>Associated companies</b>				
Sale of yarn/ black polyester and service revenue	100,414,955	512,088,100	57,717,091	289,582,700
Insurance premium expense	1,109,471	986,290	547,385	467,162
Commission income	472,768	2,253,300	-	340,018
Rental income	2,392,650	2,392,650	1,196,325	1,196,325
Balance receivable from / (payable to) :				
Premier Insurance Limited	(6,023,031)	(6,123,922)	(6,023,031)	(6,123,922)
Cresox (Private) Limited {formerly, Renfro Crescent (Private) Limited}	33,563,445	12,177,175	33,563,445	12,177,175

**14. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved by the Board of Directors and authorized for issue on February 29, 2012.

**15. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2011.

**16. GENERAL**

No significant reclassification/ rearrangement of corresponding figures has been made in this condensed interim financial information.

Figures have been rounded off to the nearest Rupee.

**Shams Rafi**  
Chief Executive

**Shaukat Shafi**  
Director