

YOUSAF WEAVING MILLS LIMITED

**HALF YEARLY REPORT
UN-AUDITED
HALF YEAR ENDED
DECEMBER 31, 2013**

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Yousaf Weaving Mills Limited** ("The Company") as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the condensed interim financial information (here-in-after referred to as "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2013 and December 31, 2012 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of Review

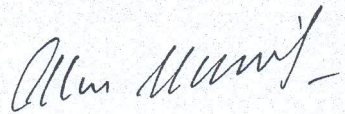
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of the interim financial information consists of making inquiries, primarily of persons responsible for 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Place: Lahore.

Dated: 23/12/2014


(Aslam Malik & Co.)
Chartered Accountants
Audit Engagement Partner:
Muhammad Aslam Malik

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DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company are pleased to present before you the un-audited Financial Statements for the half year ended December 31, 2013. This condensed interim financial statement is un-audited. However, this condensed interim financial information has been reviewed by Aslam Malik & Co., Chartered Accountants, who are independent auditors of the Company and their report is attached to the financial statement.

Total sales during the half year ended December 31, 2013 amounted of Rs. 1.476 billion as compared to Rs. 1.494 billion during the corresponding period. Gross profit for the period amounted to Rs. 112.611 million as compared to Rs. 141.514 million in corresponding period. Net loss for the period was Rs. 12.362 million as compared to net profit Rs. 29.248 millions for the corresponding period.

Gross profit decreased to 7.63% as compared to 9.47% in the same period last year. This decline was mainly caused by higher material cost, high inflation coupled with increased energy and fuel costs raised by 68% severely affecting the cost of production and gross profit. Fuel and power cost for the current period is amounted of Rs. 189.417 million as compared to Rs. 134.712 million in corresponding period. Selling and distribution cost for period increase due to an increase in export sale as compared corresponding period. Administrative expenses grew mainly on account of fuel and employee related cost. During the period under review, finance costs decreased mainly due to reduction short term borrowing as compared to corresponding period. Other operating expenses related to loss on disposal of biological assets.

Dairy segment incurred loss after tax of Rs. 10.510 million compared to loss after tax of Rs. 2.093 million of corresponding period. Primarily loss incurred due to increase in feed cost and other operating expenses amounting of Rs. 7.784 million is related to death and sale of uneconomical animals.

The outlook for the next quarter is encouraging on account of strong demand from the international market and firming gray cloth prices. The EU has granted the generalised system of preference (GSP Plus) status to Pakistan which will increase exports of Pakistan to European Nations. Now Pakistan can export most of its textile products to 27 EU nations at concessionary duty rates or absolutely duty free, making Pakistani products cheaper for European importers. The textile industry is the backbone of Pakistan's exports, making up more than 50 percent of the country's total overseas shipments. However, the industry watchers fear a grinding energy crisis in the country hamper their efforts to exploit the full potential of GSP Plus status. We anticipate in coming months will be marked with strong growth in export sales and testing the potential of the local market, resulting in sustainable profit margin. We have taken adequate measures of mobilizing the marketing strategy to avail additional export order and build up our inventory in order to cater this expected increase in demand. The Management of your company is making candid efforts to improve the performance of the operations.

The directors of your Company like to put on record their appreciation and gratitude to the executives, officers, staff members and workers of the Company in performance of their duties. We would further put on record our profound and sincere gratitude to valued customers, regulators, external auditors, bankers and shareholders.

For and on behalf of the board

Khawaja Mohammad Nadeem
Chief Executive

February 28, 2014

YOUSAF WEAVING MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2013 - (UN-AUDITED)

	December 31, 2013	June 30, 2013
Note	(Un-audited)	(Audited)
	Rupees	Rupees
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
40,000,000 (June 30, 2013: 40,000,000) ordinary shares of Rs. 10 each	400,000,000	400,000,000
Issued, subscribed and paid up capital	400,000,000	400,000,000
Accumulated loss	(272,097,914)	(259,735,509)
	127,902,086	140,264,491
NON CURRENT LIABILITIES		
Long term loans	521,807,712	550,357,712
Liabilities against assets subject to finance lease	14,045,941	13,202,307
Deferred liabilities	56,013,802	55,975,862
	591,867,455	619,535,881
CURRENT LIABILITIES		
Trade and other payables	569,775,005	553,668,710
Accrued mark up	10,509,607	9,415,559
Short term borrowings	429,918,763	402,425,529
Current maturity of non current liabilities	13,911,564	19,845,333
Provision for taxation	15,005,035	18,242,264
	1,039,119,974	1,003,597,395
CONTIGENCIES AND COMMITMENTS	6	-
	1,758,889,515	1,763,397,767

YOUSAF WEAVING MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2013 - (UN-AUDITED)

		December 31, 2013	June 30, 2013
		(Un-audited)	(Audited)
		Rupees	Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	777,925,163	800,430,577
Intangible assets		998,662	1,109,625
Long term loans		19,851,675	16,965,195
Long term deposits		5,611,703	7,298,453
		804,387,203	825,803,850
CURRENT ASSETS			
Stores and spares		69,752,440	56,461,388
Stock in trade		410,832,212	400,468,908
Trade debts		116,361,931	90,999,885
Loans and advances		96,176,928	106,432,862
Trade deposits, prepayments and other receivables		36,883,618	31,944,263
Sales tax refundable		32,035,061	25,629,001
Assets held for disposal		183,691,359	192,172,744
Cash and bank balances		8,768,763	33,484,866
		954,502,312	937,593,917
		1,758,889,515	1,763,397,767

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


CHIEF EXECUTIVE


DIRECTOR

February 28, 2014

YOUSAF WEAVING MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

Note	Half Year Ended December 31,		Quarter Ended December 31,	
	2013	2012	2013	2012
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Sales - net	1,475,797,956	1,493,910,051	771,956,315	715,869,022
Cost of sales	(1,363,187,112)	(1,352,396,071)	(722,104,749)	(654,325,911)
Gross Profit	112,610,844	141,513,980	49,851,566	61,543,111
Operating expenses:				
- Distribution costs	(26,896,801)	(24,312,160)	(14,122,735)	(11,184,264)
- Administrative expenses	(39,077,336)	(32,004,557)	(19,910,967)	(16,023,392)
	(65,974,137)	(56,316,717)	(34,033,702)	(27,207,656)
Operating Profit / (Loss)	46,636,707	85,197,263	15,817,864	34,335,455
Other operating expenses	(7,784,125)	(6,650,970)	(5,047,725)	(4,524,961)
Finance cost	(36,155,011)	(46,511,879)	(17,306,972)	(20,023,041)
Other operating income	309,416	6,674,302	114,221	3,592,835
Profit / (Loss) before Taxation	3,006,987	38,708,716	(6,422,612)	13,380,288
Provision for taxation	(15,369,392)	(9,460,730)	(8,254,633)	(4,365,450)
(Loss) / Profit after Taxation	(12,362,405)	29,247,986	(14,677,245)	9,014,838
Loss for the Period from Discontinued Operations	(10,510,070)	(2,093,420)	(5,318,664)	(487,686)
(Loss) / Profit for the Period from Continued Operations	(1,852,335)	31,341,406	(9,358,581)	9,502,524
(Loss) / Earning per share	8	(0.31)	0.73	(0.37)
				0.23

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


CHIEF EXECUTIVE


DIRECTOR

February 28, 2014

YOUSAF WEAVING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Half Year Ended December 31,		Quarter Ended December 31,	
	2013	2012	2013	2012
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	Rupees	Rupees	Rupees	Rupees
(Loss) / Profit for the Period	(12,362,405)	29,247,986	(14,677,245)	9,014,838
Other comprehensive income	-	-	-	-
Total Comprehensive (Loss) / profit for the Period	(12,362,405)	29,247,986	(14,677,245)	9,014,838

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


CHIEF EXECUTIVE


DIRECTOR

February 28, 2014

YOUSAF WEAVING MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Half Year Ended December 31,	
	2013	2012
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,006,987	38,708,716
Adjustments for:		
- Depreciation	29,246,296	28,026,187
- Amortization of intangible assets	110,962	135,872
- Provision for gratuity	2,834,880	2,325,000
- Gain on sale of property, plant and equipment	-	(724,164)
- Loss / (Gain) on sale of raw material and stores and spares	(64,101)	148,437
- Gain on remeasurement of biological assets	-	(2,434,154)
- Loss on sale of biological assets	7,784,125	4,920,652
- Finance cost	36,155,011	46,511,879
Operating profit before working capital changes	79,074,160	117,618,425
Decrease / (increase) in current assets:		
- Stores and spares	(13,291,052)	(6,694,334)
- Stock in trade	(12,599,698)	17,732,791
- Trade debts	(25,362,046)	21,726,517
- Loan and advances	149,978	(13,378,602)
- Trade deposits, short term prepayments and other receivables	(4,939,357)	(4,604,590)
- Sales tax refundable	(6,406,060)	(2,234,027)
(Decrease) / increase in current liabilities:		
- Trade and other payables	16,106,296	46,102,937
	(46,341,939)	58,650,692
Cash used in from operations	32,732,221	176,269,117
Gratuity paid	(2,796,940)	(2,499,548)
Finance cost paid	(35,060,963)	(52,411,009)
Income tax paid	(8,500,664)	(7,711,565)
Net Cash used in from Operating Activities	(13,626,346)	113,646,996
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,035,758)	(9,048,793)
Purchase of assets held for disposal	(1,523,240)	(1,649,960)
Capital work in progress	(705,124)	(5,146,664)
Proceeds from disposal of property, plant and equipment		870,000
Proceeds from disposal of raw material and stores and spares	2,300,496	1,646,223
Proceeds from disposal of biological assets	2,220,500	1,642,025
Long term loans	(2,886,480)	851,026
Long term deposits	1,686,750	576,300
Net Cash Used in Investing Activities	(4,942,856)	(10,259,843)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	(32,550,000)	(90,532,316)
Liabilities against assets subject to finance lease	(1,090,135)	(4,932,509)
Short term borrowings	27,493,234	(8,488,564)
Net Cash Generated from Financing Activities	(6,146,901)	(103,953,389)
Net decrease in Cash and Cash Equivalents	(24,716,103)	(566,236)
Cash and cash equivalents at the beginning of the period	33,484,866	5,498,944
Cash and Cash Equivalents at the End of Period	8,768,763	4,932,708

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


CHIEF EXECUTIVE

February 28, 2014


DIRECTOR

YOUSAF WEAVING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Share Capital	Accumulated Loss	Total
	-----Rupees-----		
Balance as at July 01, 2012	400,000,000	(293,820,020)	106,179,980
Total comprehensive income for six month ended December 31, 2012	-	29,247,986	29,247,986
Balance as at December 31, 2012	400,000,000	(264,572,034)	135,427,966
Balance as at June 30, 2013	400,000,000	(259,735,509)	140,264,491
Total comprehensive loss for six month ended December 31, 2013	-	(12,362,405)	(12,362,405)
Balance as at December 31, 2013	400,000,000	(272,097,914)	127,902,086

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


CHIEF EXECUTIVE


DIRECTOR

February 28, 2014

YOUSAF WEAVING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2013 - (UN-AUDITED)

1. The Company and its Operations

Yousaf Weaving Mills Limited was incorporated on January 17, 1988 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is quoted on Karachi and Lahore Stock Exchanges. The Company is engaged in the business of textile weaving, spinning, sale of processed fabric and home textile and dairy products. The registered office of the Company is situated at 7/1- E-3, Main Boulevard Gulberg III, Lahore.

The shareholders through an extra ordinary general meeting in the year 2012 has decided to sell its dairy unit located at district Chakwal. In line with IFRS 5 non current assets held for sale and discontinued operations, the operations relating to dairy unit have been classified as discontinued operations. The assets related to discontinued operations were transferred to assets held for disposal directly associated with assets classified as held for sale. Based on above the dairy operations of the Company are now classified under discontinued operations.

2. Basis of Preparation

- 2.1 This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance 1984. This condensed interim financial information of the Company for the half year ended December 31, 2013 has been prepared in accordance with the requirement of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provision of and directives issued under the Companies Ordinance, 1984. In case where requirement differ, the provision of or directives issued under the Companies Ordinance 1984 has been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended June 30, 2013.

3. Significant Accounting Policies

The accounting policies and methods of computation of the interim financial information are the same as those followed in the preparation of annual financial information for the preceding year ended June 30, 2013.

4. Accounting Estimates and Judgements

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2013.

5. Long Term Loans

This includes unsecured, interest free loan from directors amounting of Rs. 485.733 million and are under subordination agreement with banks.

6. Contingencies and Commitments**Contingencies**

There is no significant change in the contingencies as reported in the last published audited financial statements for the year ended June 30, 2013.

Commitments	Half Year Ended	Year Ended
	Dec 31, 2013	June 30, 2013
	Rs. In Million	Rs. In Million
For purchase of raw materials and stores	-	6.127
For lease rentals	2.400	2.400

7. Property, Plant and Equipment

		Half Year Ended	Year Ended
		Dec 31, 2013	June 30, 2013
		(Un-audited)	(Audited)
		Rupees	Rupees
Operating fixed assets	7.1	768,640,096	791,850,634
Capital work in progress		9,285,067	8,579,943
		<u>777,925,163</u>	<u>800,430,577</u>
7.1 Opening written down value		791,850,634	760,769,391
Addition during the period / year (at cost)		6,035,758	99,491,565
		797,886,392	860,260,956
Disposal during the period / year (written down value)		-	(10,117,910)
		797,886,392	850,143,046
Depreciation charge for the period / year		(29,246,296)	(58,292,412)
Closing written down value		<u>768,640,096</u>	<u>791,850,634</u>

8. (Loss)/Earnings per Share

	Half Year Ended	
	Dec 31, 2013	Dec 31, 2012
	Rupees	Rupees
Weighted average number of ordinary shares outstanding during the year	40,000,000	40,000,000
Continuing operations:		
(Loss) / Profit after taxation	(1,852,335)	31,341,406
(Loss) / Earnings per share - basic	(0.05)	0.78
Discontinuing operations:		
Loss after taxation	(10,510,070)	(2,093,420)
Loss per share - basic (Rupees per share)	(0.26)	(0.05)
(Loss) / Profit after taxation	(12,362,405)	29,247,986
(Loss) / Earnings per share - basic	(0.31)	0.73

8.1 Diluted earnings / (loss) per share

There is no dilution effect on the basic earnings / (loss) per share of the Company as the Company has no such commitments that would result in dilution of earnings of the Company.

9. Transactions with Related Parties

The related parties and associated undertakings comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	Half Year Ended December 31	
	2013 (Unaudited) Rs. In Million	2012 (Unaudited) Rs. In Million
9.1 Significant transaction with related parties are as follows:		
Sale of materials, goods and services		
- Chakwal Textile Mills Limited	-	0.326
- Chakwal Spinning Mills Limited	16.954	-
Purchase of materials, goods and services		
- Chakwal Textile Mills Limited	2.209	42.913
- Chakwal Spinning Mills Limited	2.404	15.760
- Kohinoor Spinning Mills Limited	12.857	14.671
- Loan received from / (repaid to) directors - net	(23.389)	33.789
- Rent of building	0.600	0.600

10. Segment Information

10.1 The Company has three operating segments. The following summary describes the operation in each of the Company's reportable segments:

Weaving:	Production of grey and processed cloth.
Spinning:	Production of different qualities of yarn using natural and artificial fibers.
Dairy:	Sales of dairy products and allied business.

10.2 Segment revenues and results

	Half Year Ended December 31, 2013			
	Weaving	Spinning	Dairy Segment	Total
Sales - net	1,061,340,589	380,826,014	33,631,353	1,475,797,956
Cost of sales	(962,176,988)	(365,372,759)	(35,637,365)	(1,363,187,112)
Gross Profit / (Loss)	99,163,601	15,453,255	(2,006,012)	112,610,844
Distribution cost	(24,926,692)	(1,970,109)	-	(26,896,801)
Administrative expenses	(28,407,043)	(10,381,895)	(288,398)	(39,077,336)
	(53,333,735)	(12,352,004)	(288,398)	(65,974,137)
Operating Profit / (Loss)	45,829,866	3,101,251	(2,294,410)	46,636,707
Other operating charges	-	-	(7,784,125)	(7,784,125)
Finance cost	(34,723,789)	(1,266,250)	(164,972)	(36,155,011)
Other operating income	175,565	64,101	69,750	309,416
Profit / (Loss) before Taxation	11,281,642	1,899,102	(10,173,757)	3,006,987
Taxation	(10,758,319)	(4,274,759)	(336,314)	(15,369,392)
Profit / (Loss) after taxation	523,323	(2,375,657)	(10,510,071)	(12,362,405)

YOUSAF WEAVING MILLS LIMITED

Half Year Ended December 31, 2012				
	Weaving	Spinning	Dairy Segment	Total
Sales - net	1,131,255,729	332,669,221	29,985,101	1,493,910,051
Cost of sales	(1,004,423,628)	(316,211,789)	(31,760,654)	(1,352,396,071)
Gross Profit / (Loss)	126,832,101	16,457,432	(1,775,553)	141,513,980
Distribution cost	(24,121,263)	(187,897)	(3,000)	(24,312,160)
Administrative expenses	(21,171,330)	(9,885,567)	(947,660)	(32,004,557)
	(45,292,593)	(10,073,464)	(950,660)	(56,316,717)
Operating Profit / (Loss)	81,539,508	6,383,968	(2,726,213)	85,197,263
Other operating charges	(1,523,156)	(207,162)	(4,920,652)	(6,650,970)
Finance cost	(42,366,398)	(3,957,439)	(188,042)	(46,511,879)
Other operating income	782,889	-	5,891,413	6,674,302
Profit / (Loss) before taxation	38,432,843	2,219,367	(1,943,494)	38,708,716
Taxation	(7,647,458)	(1,663,346)	(149,926)	(9,460,730)
Profit / (Loss) after taxation	30,785,385	556,021	(2,093,420)	29,247,986

10.3 Segment Assets

For the Half Year Ended December 31, 2013				
	Weaving	Spinning	Dairy Segment	Total
Segment assets for reportable segments	1,422,059,166	195,339,221	69,803,162	1,687,201,549
Unallocated corporate assets				71,687,966
Total assets as per balance sheet				1,758,889,515

For the Year Ended June 30, 2013				
	Weaving	Spinning	Dairy Segment	Total
Segment assets for reportable segments	1,429,106,121	184,333,583	74,570,201	1,688,009,905
Unallocated corporate assets				75,387,862
Total assets as per balance sheet				1,763,397,767

10.4 Segment Liabilities

For the Half Year Ended December 31, 2013				
	Weaving	Spinning	Dairy Segment	Total
Segment liabilities for reportable segments	1,460,487,563	58,486,444	97,008,388.00	1,615,982,395
Unallocated corporate liabilities				15,005,035
Total liabilities as per balance sheet				1,630,987,430

For the Year Ended June 30, 2013				
	Weaving	Spinning	Dairy Segment	Total
Segment liabilities for reportable segments	1,463,344,553	50,160,633	91,385,826	1,604,891,012
Unallocated corporate liabilities				18,242,264
Total liabilities as per balance sheet				1,623,133,276

11. Financial Risk Management

the company's activities expose it to a variety of financial risk: market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2013.

There has been no change in Company's sensitivity to these risks since June 30, 2013 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

There have been no significant changes in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Company. Further, no re-classifications in the categories of financial assets have been made since June 30, 2013.

12. General

12.1 This interim financial information is authorized for issue on February 28, 2014 by the Board of Directors of the Company.

12.2 Figures have been rounded off to the nearest Rupee



CHIEF EXECUTIVE

February 28, 2014



DIRECTOR