

Quarterly Accounts September, 2015



BANNU

WOOLLEN MILLS LIMITED

BANNU WOOLLEN MILLS LIMITED COMPANY'S PROFILE

Board Of Directors	Mr. Raza Kuli Khan Khattak Lt. Gen. (Retd) Ali Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Mr. Ahmad Kuli Khan Khattak Mr. Mushtaq Ahmad Khan, FCA Mrs. Zeb Gohar Ayub Dr. Shaheen Kuli Khan Syed Zubair Ahmed Shah (NIT) Mr. Ahmad Zeb Khan (Independent)	Chairman Chief Executive
Audit Committee	Mr. Ahmad Zeb Khan Lt. Gen. (Retd) Ali Kuli Khan Khattak Mr. Ahmad Kuli Khan Khattak Mr. Mushtaq Ahmad Khan, FCA	Chairman Member Member Member
Human Resource & Remuneration Committee	Lt. Gen. (Retd) Ali Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Mr. Ahmad Kuli Khan Khattak Mr. Mushtaq Ahmad Khan, FCA	Chairman Member / CEO Member Member
Company Secretary	Mr. Waqar Ahmad	
Chief Financial Officer	Mr. A.R. Tahir Chief Operating Officer (COO)	
Head Of Internal Audit	Mr. Salman Khan	
Auditors	M/S. Hameed Chaudhri & Co Chartered Accountants	
Bankers	National Bank Of Pakistan Bank Alfalah Ltd	
Legal Adviser	M/S Hassan & Hassan, Advocates Paaf Building, 1-D, Kashmir/ Egerton Road, Lahore	
Tax Consultant	M. Nawaz Khan & Co 1-Ground Floor, Farrah Centre, 2 Mozang Road, Lahore	
Registrars & Shares Registration Office	Management & Registration Services (Pvt) Limited. Business Executive Centre, F/17/3, Block 8, Clifton, Karachi Phone 021-35369174, 35375127-29 Fax. 021-35820325 E-Mail:registrationservices@live.co.uk	
Registered Office	Bannu Woollen Mills Ltd D.I.Khan Road, Bannu Tel. (0928) 615131, 611350 Fax. (0928) 611450 E-Mail: bannuwoollen@yahoo.com Web Site " www.bwm.com.pk "	
Mills	D.I.Khan Road, Bannu Tel. (0928) 613151, 611350 Fax (0928) 611450 E-Mail: bannuwoollen@yahoo.com bwmld2K@gmail.Com Web Site " www.bwm.com.pk "	

BANNU WOOLLEN MILLS LIMITED
DIRECTORS' REPORT TO THE MEMBERS
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2015

The Company's Board of Directors is pleased to present the un-audited financial statements and the Directors' report for the 1st quarter ended September 30, 2015.

Financials

Financial results are summarized as under:-

	Quarter Ended Sep. 30,	
	2015	2014
	(Rupees in thousand)	
Sales - net	257,295	247,461
Gross profit	88,866	81,639
Profit from Operations	51,447	45,873
Profit before taxation	48,175	40,064
Profit after taxation	38,468	37,306
	----- Rupees -----	
Basic earnings per share	4.05	3.92

The year began with a good momentum and encouraging results. The Company has been able to achieve first quarter results that are in line with its set objectives. The net sales for the quarter recorded at Rs. 257 million, which is 4% higher compared to the same period of last year. The positive performance primarily represents volume growth and a better sales mix. The impressive top line has kept the bottom line figure in line with the budgeted figures. Resultantly, the Company achieved earnings per share (EPS) of Rs. 4.05 per share against Rs. 3.92 per share for the corresponding period (Q1).

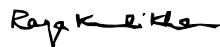
Future outlook

The Company is focused on growth opportunities and is determined to significantly improve its operating results by adding value to the stakeholders' wealth. The Company's own staff has successfully installed a woollen ring frame of 448 spindles costing Rupees 35 million to meet the demand of finer counts, which will enhance production and profitability in near future.

Acknowledgement

The Company would like to acknowledge the continued support from our valued customers for the confidence they continue to place in us, the management team for their sincere efforts, the Board of Directors for its guidance and also like to acknowledge the continued support of all stakeholders, Bankers, dealers, vendors, employees and Associates.

For & on behalf of the board of directors



RAZA KULI KHAN KHATTAK
Chairman

Dated: 24 October, 2015

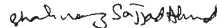
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BANNU WOOLLEN MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER, 2015

	Un-audited Sept. 30, 2015	Audited Jun. 30, 2015
Note	(Rupees in thousand)	
ASSETS		
Non-current assets		
Property, plant and equipment	5 856,092	862,240
Investments in Associated Companies	6 364,226	364,226
Loan to an executive	0	60
Security deposits	3,434	3,434
	1,223,752	1,229,960
Current assets		
Stores and spares	51,102	57,387
Stock-in-trade	432,355	472,266
Trade debts	391,327	219,551
Current portion of loan to an executive	240	240
Advances to employees - unsecured, considered good	1,796	1,508
Advance payments	726	67
Trade deposits and prepayments	557	69
Sales tax refundable	3,911	5,197
Income tax refundable, advance tax and tax deducted at source	23,181	19,655
Cash and bank balances	2,544	3,506
	907,739	779,446
	2,131,491	2,009,406
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity		
Authorised capital		
20,000,000 ordinary shares of Rs.10 each	200,000	200,000
Issued, subscribed and paid-up capital	95,063	95,063
Reserves	852,500	805,500
Unappropriated profit	68,937	75,940
Shareholders' equity	1,016,500	976,503
Surplus on revaluation of property, plant and equipment	555,446	556,975
Liabilities		
Non-current liabilities		
Demand finances	0	2,500
Staff retirement benefits - gratuity	165,560	160,505
Deferred taxation	70,722	74,004
	236,282	237,009
Current liabilities		
Trade and other payables	90,401	139,459
Accrued mark-up	2,969	364
Short term finances	167,586	49,778
Current portion of demand finances	10,000	10,000
Taxation	52,307	39,318
	323,263	238,919
	559,545	475,928
Contingencies and commitments	8	
TOTAL EQUITY AND LIABILITIES	2,131,491	2,009,406

The annexed notes form an integral part of these financial statements.


Shahnaz Sajjad Ahmad
Chief Executive


Syed Zubair Ahmed Shah
Director

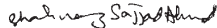
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BANNU WOOLLEN MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2015

	Quarter Ended	
	Sept. 30, 2015	Sept. 30, 2014
	(Rupees in thousand)	
Sales - net	257,295	247,461
Cost of sales	168,429	165,822
Gross profit	88,866	81,639
Distribution cost	10,610	10,263
Administrative expenses	23,632	22,576
Others operating expenses	4,044	3,604
Other operating income	(867)	(677)
	37,419	35,766
Profit from Operations	51,447	45,873
Financial cost	3,272	5,809
Profit before taxation	48,175	40,064
Taxation - net	9,707	2,758
Profit after taxation	38,468	37,306
Other comprehensive income	0	0
Total comprehensive income	38,468	37,306
	----- Rupees -----	
Basic earnings per share	4.05	3.92

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

- Appropriations have been reflected in the statement of changes in equity.


Shahnaz Sajjad Ahmad
Chief Executive

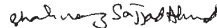

Syed Zubair Ahmed Shah
Director


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BANNU WOOLLEN MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2015

	1st Quarter ended	
	Sept. 30, 2015	Sept. 30, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	48,175	40,064
Adjustments for non-cash charges and other items:		
Depreciation	8,704	9,476
Staff retirement benefits - gratuity (net)	5,055	5,836
Mark-up on bank deposits and dealers' balances	(357)	(514)
Finance cost	3,272	5,809
Workers' welfare fund	1,093	893
CASH INFLOW FROM OPERATING ACTIVITIES	65,942	61,564
- Before working capital changes		
(Increase) / decrease in current assets		
Stores and spares	6,285	1,370
Stock-in-trade	39,911	28,014
Trade debts	(171,776)	(181,770)
Advances to employees	(228)	(1,346)
Advance payments	(659)	(1,970)
Trade deposits and prepayments	(488)	(5,960)
Sales tax refundable	1,286	1,166
(Decrease) / increase in trade and other payables	(175,820)	(165,632)
CASH OUTFLOW FROM OPERATING ACTIVITIES - Before taxation	(109,878)	(104,068)
Taxes paid	(3,526)	(2,833)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(113,404)	(106,901)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,556)	(845)
Mark-up received on bank deposits / Associated Companies' balances	357	514
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(2,199)	(331)
CASH FLOW FROM FINANCING ACTIVITIES		
Demand finances	(2,500)	(2,500)
Short term finances - net	117,808	113,092
Finance cost paid	(667)	(1,819)
NET CASH INFLOW FROM FINANCING ACTIVITIES	114,641	108,773
NET INCREASE IN CASH AND CASH EQUIVALENTS	(962)	1,541
CASH AND CASH EQUIVALENTS- At the beginning of the period	3,506	1,283
CASH AND CASH EQUIVALENTS- At the end of the period	2,544	2,824

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


Shahnaz Sajjad Ahmad
Chief Executive

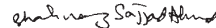

Syed Zubair Ahmed Shah
Director


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BANNU WOOLLEN MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2015

Share capital	Reserves			Unappropriated profit	Total	
	Capital reserve	General reserve	Sub-total			
----- Rupees in thousand -----						
Balance as at July 01, 2014	95,063	19,445	686,055	705,500	101,360	901,923
Transfer to general reserve			100,000	100,000	(100,000)	0
Total comprehensive income for the quarter ended September 30, 2014					37,306	37,306
Transfer from surplus on revaluation of property, plant & equipment on account of - incremental depreciation for the period - net of deferred taxation					1,709	1,709
Balance as at September 30, 2014	95,063	19,445	786,055	805,500	40,375	940,938
Balance as at July 01, 2015	95,063	19,445	786,055	805,500	75,940	976,503
Transfer to general reserve			47,000	47,000	(47,000)	0
Total comprehensive income for the quarter ended September 30, 2015					38,468	38,468
Transfer from surplus on revaluation of property, plant & equipment on account of - incremental depreciation for the period - net of deferred taxation					1,529	1,529
Balance as at September 30, 2015	95,063	19,445	833,055	852,500	68,937	1,016,500

The annexed notes form an integral part of these financial statements.


Shahnaz Sajjad Ahmad
Chief Executive


Syed Zubair Ahmed Shah
Director

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BANNU WOOLLEN MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2015

1. Legal status and nature of business

Bannu Woollen Mills Limited (the Company) was incorporated in Pakistan as a Public Company in the year 1960 and its shares are quoted on Karachi and Islamabad Stock Exchanges. It is principally engaged in manufacture and sale of woollen yarn, cloth and blankets. The Company's registered office and its Mills are located at D.I.Khan Road, Bannu.

2. Basis of preparation

This condensed interim financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended June 30, 2015.

3. Significant accounting policies

3.1 The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the preceding year ended June 30, 2015.

3.2 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, 2015.

4. The preparation of interim financial information requires management to make judgements, estimates and assumptions that affects the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

5. PROPERTY, PLANT AND EQUIPMENT

	Un-audited Quarter ended Sept. 30, 2015	Audited Year ended June 30, 2015
Note	(Rupees in thousand)	
Operating fixed assets - tangible	821,629	828,410
Capital work-in-progress	34,463	33,830
	856,092	862,240
	Un-audited Quarter ended Sept. 30, 2015	Audited Year ended June 30, 2015
	(Rupees in thousand)	
5.1 Operating fixed assets	828,410	860,163
Opening book value	828,410	860,163
Additions during the period / year:		
- buildings on freehold land	0	1,524
- plant and machinery	1,923	1,086
- electric fittings	0	109
- office equipment	0	360
- computers, TV & security equipment	0	52
- vehicles	0	4,103
	1,923	7,234
Book value of disposals made during the period / year	0	(642)
Depreciation charge for the period / year	(8,704)	(38,345)
Closing book value	821,629	828,410

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6. INVESTMENTS IN ASSOCIATED COMPANIES - Quoted

Market values of the Company's investments in BCM and JDM as at September 30, 2015 were Rs. 5.979 million (June 30, 2015: Rs. 5.777 million) and Rs.118.501 million (June 30, 2015: Rs. 143.808 million) respectively.

7. TAXATION - Net

7.1 The provision for taxation for the quarter ended September 30, 2015 has been made using the tax rate that would be applicable to expected total annual earnings.

7.2 There has been no significant change in the status of tax litigations as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2015.

8. CONTINGENCIES AND COMMITMENTS

8.1 There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2015.

8.2 Commitments for irrevocable letters of credit outstanding as at September 30, 2015 aggregated Rs. 11.325 (June 30, 2015: Rs. 6.424 million).

9. TRANSACTIONS WITH RELATED PARTIES

9.1 Sales, purchases and other transactions with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method with the Associated Companies. No transactions were made with Associated Companies during the period except the reimbursement of expenses amounting Rs. 92 thousand to JDM Textile Mills Ltd. (An Associated Company).

9.2 No transactions, other than remuneration and benefits to key management personnel under the terms of their employment, were executed with other related parties during the period.

10. FINANCIAL RISK MANAGEMENT

This condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2015. The Company's activities expose it to a variety of financial risks, which are (i) credit risk (ii) liquidity risk and (iii) market risk (including foreign currency risk and interest rate risk). There has been no change in Company's sensitivity to these risks since June 30, 2015 except for general exposure to fluctuations in foreign currency and interest rates. There have been no changes in the risk management policies during the period

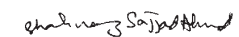
11. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2015 and the corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Company for the three months period ended September 30, 2014.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 24 October, 2015.


Shahnaz Sajjad Ahmad
Chief Executive


Syed Zubair Ahmed Shah
Director

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