



**United Brands
Limited**

1st Quarter Report

**For the period ended
September 30, 2013
Un-Audited**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

1.	Mr. Rashid Abdulla	Chairman
2.	Syed Qaisar Abbas Naqvi	Director & Chief Executive
3.	Mr. Asad Abdulla	Director
4.	Mr. Ayaz Abdulla	Director
5.	Mr. Zubair Palwala	Director
6.	Syed Nadeem Ahmed	Director
7.	Mr. Faisal Abdulla	Director

AUDIT COMMITTEE

1.	Mr. Asad Abdulla	Chairman
2.	Mr. Zubair Palwala	Member
3.	Syed Qaisar Abbas Naqvi	Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Muhammad Tariq

AUDITORS

Baker Tilly Mehmood Idrees Qamar

CHIEF INTERNAL AUDITOR

Mr. Ali Rasheed

LEGAL ADVISOR

Raja Qasit Nawaz Khan

BANKERS

Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
Meezan Bank Limited

REGISTERED OFFICE

1st Floor, NIC Building, Abbasi Shaheed Road, Karachi - 75530
Tel: 35683944-6, 35675111-7 Fax : 35635530, 35682772

REGISTRAR

Central Depository Company of Pakistan Share Registrar Department
CDC House, 99-B, Block "B" S.M.C.H.S. , Main Shahr-e-Faisal
Karachi – 74400.

DIRECTORS' REPORT

The Directors' hereby present the financial statements for the quarter ended September 30, 2013. These financial statements are submitted in accordance with section 245 of the Companies Ordinance, 1984.

REVIEW OF OPERATING RESULTS

The sales for the quarter ended September 30, 2013 were Rs.288 million as compared to Rs.289 million for the corresponding period last year. During the quarter tough competition from grey channel, significantly depressed the sales.

Despite the increase in overall operational costs due to ever rising costs of utilities and logistics etc., the total distribution cost increases as a percentage of sales to 6.99% from 5.54% for the same corresponding quarter last year, this increase is also due to increase in distribution coverage to 50 locations.

The financial charges amounting to Rs. 2.9 million are in respect of invoice discounting facility of Rs.120 million.

The Management considers that the long term strategy adopted has provided the impetus to the performance of the company and should lead to enhanced stakeholder value.

We cherish the support extended to us by our principals, employees and customers

On behalf of the Board

Place: Karachi
Dated: October 25, 2013

SYED QAISAR ABBAS NAQVI
Chief Executive

CONDENSED INTERIM BALANCE SHEET
As at September 30, 2013

	Note	Un-Audited September 2013 (Rupees)	Audited June 2013 (Rupees)
CAPITAL AND RESERVES			
Authorised capital			
12,000,000 ordinary shares of Rs. 10/- each		<u>120,000,000</u>	<u>120,000,000</u>
Issued , subscribed and paid-up-capital			
1,200,000 ordinary shares of Rs. 10/- each			
fully paid in cash	4	108,000,000	108,000,000
Accumulated (loss)		(43,363,582)	(34,451,604)
Shareholders equity		64,636,418	73,548,396
CURRENT LIABILITIES			
Current maturity of liabilities against assets subject to finance lease		383,555	763,973
Trade and other payables		216,534,769	249,498,245
Dividend Payable		10,800,000	-
Domestic Supplier Finance		78,429,638	55,796,622
		306,147,962	306,058,840
Contingencies and Commitments		-	-
TOTAL		<u>370,784,380</u>	<u>379,607,236</u>
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	5,958,727	5,975,924
CURRENT ASSETS			
Stock in trade		231,804,114	239,019,340
Trade debts unsecured- considered good		42,177,056	38,696,827
Taxation - Net		2,168,841	1,651,288
Loan and advances		1,045,746	308,427
Trade deposits and prepayments		5,510,836	142,402
Other receivables		44,112,939	55,046,556
Cash and bank balances	6	38,006,121	38,766,473
		364,825,654	373,631,312
TOTAL		<u>370,784,380</u>	<u>379,607,236</u>

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

Chief Executive

Director

CONDENSED INTERIM PROFIT & LOSS ACCOUNT
For the Quarter ended September 30, 2013

	Note	Un-Audited September 2013 (Rupees)	Un-Audited September 2012 (Rupees)
Sales		337,475,838	335,605,235
Sales Tax		(49,660,657)	(46,457,741)
		287,815,181	289,147,494
Cost of goods Sold		(251,925,740)	(253,231,436)
Gross Profit		35,889,441	35,916,058
Distribution Cost		(20,146,533)	(16,028,345)
Administrative Expenses		(9,891,766)	(7,534,831)
Total Expenses		(30,038,299)	(23,563,176)
Operating Profit		5,851,142	12,352,882
Other Income		-	110,176
Financial Charges		(2,946,493)	(3,491,842)
Profit / (Loss) before taxation		2,904,649	8,971,216
- Current		(1,016,627)	(3,139,926)
- Prior		-	-
Taxation		(1,016,627)	(3,139,926)
Profit / (Loss) after taxation		1,888,022	5,831,290
Earnings per share	7	0.17	0.54

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

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT
For the Quarter ended September 30, 2013

	Un-Audited September 2013 (Rupees)	Audited June 2013 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	2,904,649	24,352,732
Adjustment for non cash items		
Depreciation	281,197	1,373,144
Financial Charges	2,946,493	12,597,320
	3,227,689	13,970,464
Profit / (Loss) before changes in working capital	6,132,338	38,323,196
Working Capital Changes		
(Increase) / Decrease in current assets		
Stock in trade	7,215,225	(74,327,914)
Trade debts	(3,480,229)	(3,803,757)
Loans and advances	(737,319)	(25,991)
Prepayments and deposits	(5,368,434)	326,898
Other Receivables	10,933,617	(35,790,132)
	8,562,859	(113,620,896)
Increase / (Decrease) in current liabilities		
Trade and other payables	(32,963,476)	155,187,295
Declared Dividend	10,800,000	-
Short-term Running Finance	22,633,016	(56,782,975)
	469,540	98,404,320
Net cash from (used) operating activities	15,164,737	23,106,620
Financial Charges paid	(2,946,493)	(12,597,320)
Income tax paid	(1,534,179)	(9,843,456)
Net cash from / (used) in operating activities	10,684,065	665,844
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(264,000)	(86,460)
Net cash (used) in investing activities	(264,000)	(86,460)
CASH FLOW FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease	(380,418)	(1,410,947)
Due to related parties	-	(96,000,000)
Issued Share Capital to related party	-	96,000,000
Dividend Declared	(10,800,000)	-
	(11,180,418)	(1,410,947)
Net Increase in cash and cash equivalents	(760,352)	(831,563)
Cash and Bank Balance at the beginning of the period	38,766,473	39,598,036
Cash and Bank Balance at the end of the period	38,006,121	38,766,473

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the Quarter ended September 30, 2013

	Share Capital	Accumulated Profit / (Loss)	Total
	Rupees		
Balance as at June 30, 2010	12,000,000	(22,955,778)	(10,955,778)
(Loss) for the year ended June 30, 2011		(34,512,780)	(34,512,780)
Balance as at June 30, 2011	12,000,000	(57,468,558)	(45,468,558)
Profit for the year ended June 30, 2012		7,395,554	7,395,554
Balance as at June 30, 2012	12,000,000	(50,073,004)	(38,073,004)
Profit for the year ended June 30, 2013	96,000,000	15,621,400	111,621,400
Balance as at June 30, 2013	108,000,000	(34,451,604)	73,548,396
Declared Dividend 10%		(10,800,000)	(10,800,000)
Profit for the quarter ended September 30, 2013	-	1,888,022	1,888,022
Balance as at September 30, 2013	108,000,000	(43,363,582)	64,636,418

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For The Quarter Ended September 30, 2013**

1. STATUS AND NATURE OF BUSINESS

- 1.1 The Company was incorporated in Pakistan in 1965 as a Public Limited Company under the Companies Ordinance, 1984. The shares of the Company are quoted on Karachi Stock Exchange. The registered office of the Company is situated at 1st Floor, NIC Building.
- 1.2 This condensed interim financial information is only reviewed not audited, however balances for the year ended June 30, 2013 in the comparative information, wherever disclosed, has been audited by the statutory auditors.

2. BASIS OF PRESENTATION

- 2.1 This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard No. 34, "Interim Financial Reporting" and is being submitted to the shareholders as required by section 245 of the Comp
- 2.2 This condensed interim financial information comprises of the condensed interim balance sheet as at September 30, 2013, condensed interim profit and loss account, condensed interim statement of change in Equity and the condensed interim statement of cash

3. ACCOUNTING POLICIES

- 3.1 The accounting policies adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the statement of financial information of the Company for the year ended June 30, 2013.
- 3.2 There are no IFRSs or IFRIC interpretations becoming effective during the period that would be expected to have a material impact on the company's condensed interim financial information.

4. SHARE CAPITAL		Un-Audited September, 2013 Rupees	Audited June, 2013 Rupees
Authorised share capital			
Number of Share			
<u>September 2013</u>	<u>June 2013</u>		
<u>12,000,000</u>	<u>12,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>
		Ordinary Shares of Rs. 10/-	
 Issued, subscribed and paid up capital			
Number of Share			
<u>September 2013</u>	<u>June 2013</u>		
<u>10,800,000</u>	<u>10,800,000</u>	<u>108,000,000</u>	<u>108,000,000</u>
		Ordinary Shares of Rs. 10/- each fully paid in cash	

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For The Quarter Ended September 30, 2013**

5. PROPERTY, PLANT & EQUIPMENT

Tangible assets	5,958,727	5,975,924
Additions: Computers - owned	264,000	-
	<u>264,000</u>	<u>-</u>

6. CASH AND BANK BALANCES

Cash in hand:	-	-
Balances with banks		
- Current accounts	37,878,768	38,639,120
- Dividend accounts	127,353	127,353
	<u>38,006,121</u>	<u>38,766,473</u>

	Un-Audited September, 2013 Rupees	Un-Audited September, 2012 Rupees
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7. EARNING PER SHARE

Profit for the period (Rupees)	1,888,022	5,831,290
Number of ordinary shares	10,800,000	10,800,000
	<u>0.17</u>	<u>0.54</u>

8. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the board of directors of the Company and authorized for issue on Friday, October 25, 2013.

9. GENERAL

Figures have been rounded off to nearest Rupees.

Chief Executive

Director

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LIMITED**

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