



United Brands  
Limited



## Focusing Success

Quarterly Report  
September 30, 2015 (Un-audited)



# Contents

Company Information	2
Directors' Report	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	5
Condensed Interim Cash Flow Statement	6
Condensed Interim Statement of Changes in Equity	7
Notes to the Condensed Interim Financial Information	8

# Company Information

## BOARD OF DIRECTORS

Mr. Rashid Abdulla

Mr. Asad Abdulla

Mr. Munis Abdullah

Mr. Ayaz Abdulla

Mr. Syed Nadeem Ahmed

Mr. Zubair Razzak Palwala

Mr. Hasan Tariq Khan

Chairman

Chief Executive Officer

Director

Director

Director

Director

Director

## AUDIT COMMITTEE

Mr. Hasan Tariq Khan

Mr. Zubair Razzak Palwala

Mr. Syed Nadeem Ahmed

Chairman

Member

Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Zubair Razzak Palwala

Mr. Asad Abdulla

Mr. Ayaz Abdulla

Chairman

Member

Member

## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Syed Atik Ali

## AUDITORS

A.F. Ferguson & Company, Chartered Accountants

## INTERNAL AUDITORS

BDO Ebrahim & Company, Chartered Accountants

## LEGAL ADVISOR

Raja Qasit Nawaz Khan

## BANKERS

Habib Bank Limited

Standard Chartered Bank (Pakistan) Limited

Silkbank Limited

Meezan Bank Limited

## REGISTERED OFFICE

8th Floor, NIC Building, Abbasi Shaheed Road, Karachi-75530

Tel: 35683944-6, 35675111-7, Fax: 35635530, 35682772

## SHARE REGISTRAR

Central Depository Company of Pakistan Limited

CDC House, 99-B, Block-B, SMCHS

Shahra-e-Faisal, Karachi - 74400

# Directors' Report to the Shareholders

The Board of Directors of United Brands Limited are pleased to present the Directors' Report together with the condensed interim financial information (unaudited) of the Company for the quarter ended September 30, 2015. This condensed financial information (unaudited) is submitted in accordance with section 245 of the Companies Ordinance, 1984.

	July-Sep 2015	July-Sep 2014
	-----Rupees in '000-----	
Revenue	377,110	327,859
Gross Profit	52,353	41,158
GP as % of Revenue	13.88%	12.55%
Expenses	45,612	29,578
Profit before taxation	4,333	8,601
Profit after taxation	1,311	5,763

## FINANCIAL OVERVIEW

The overall operating performance of the Company was better during the period ended September 30, 2015. The growth in net turnover for the period was observed at 15.02% against the same period last year. However, expenses for the same quarter have increased by 54% resulting in declining profit after taxation.

## EARNINGS PER SHARE

Earnings per share for the quarter ended September 30, 2015 are Rs. 0.12 (September 2014 :Rs. 0.53).

## FUTURE OUTLOOK

The management is confident that current synergetic strategies will bring out positive and potential results in favor of the Company. The revenue maximization and cost reduction plans will result in further profits, thus increasing the overall wealth and values of shareholders of the Company.

## ACKNOWLEDGMENT

The Directors would like to express their gratitude to the Customers, Suppliers, Bankers and other Stakeholders for their continued support and encouragement and also place on record the appreciation of the valuable services rendered by the employees of the Company.

Karachi  
Date: October 26, 2015

  
**Asad Abdulla**  
Chief Executive

# Condensed Interim Balance Sheet

As at September 30, 2015

	Unaudited September, 30 2015	Audited June, 30 2015
	Note	
----- Rupees '000 -----		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	4	2,007
Intangible assets		83
Long term deposits		177
	<b>2,343</b>	<b>2,267</b>
<b>Current assets</b>		
Stock-in-trade	433,733	428,072
Trade debts	92,656	38,227
Advances	7,114	7,185
Short term prepayments	1,899	-
Other receivables	170,173	163,050
Refunds due from government - sales tax	1,177	11,735
Taxation - payments less provision	8,193	7,654
Cash and bank balances	73,437	63,219
	<b>788,382</b>	<b>719,142</b>
<b>Total assets</b>	<b>790,725</b>	<b>721,409</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	108,000	108,000
Accumulated loss	(29,196)	(30,507)
	<b>78,804</b>	<b>77,493</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	680,312	615,218
Short term borrowings - domestic supplier finance	31,609	28,698
	<b>711,921</b>	<b>643,916</b>
<b>Total equity and liabilities</b>	<b>790,725</b>	<b>721,409</b>

The annexed notes from 1 to 6 form an integral part of these condensed interim financial statements.

  
**Asad Abdulla**  
 Chief Executive

  
**Zubair Razzak Palwala**  
 Director

# Condensed Interim Profit and Loss Account - (Unaudited)

For the quarter ended September 30, 2015

	Note	Quarter ended	
		September, 30 2015	September, 30 2014
		----- Rupees '000 -----	
Revenue		377,110	327,858
Cost of sales		<u>(324,757)</u>	<u>(286,700)</u>
Gross profit		52,353	41,158
Distribution costs		(31,090)	(21,783)
Administrative expenses		(13,507)	(7,643)
Other expenses		(1,015)	(176)
Other income		-	24
Operating Profit		6,741	11,580
Finance cost		<u>(2,408)</u>	<u>(2,979)</u>
Profit before taxation		4,333	8,601
Taxation		<u>(3,022)</u>	<u>(2,838)</u>
Profit after taxation		1,311	5,763
Other comprehensive income		-	-
Total comprehensive Income		<u>1,311</u>	<u>5,763</u>
Basic and diluted earnings per share (Rupees)		<u>0.12</u>	<u>0.53</u>

The annexed notes from 1 to 6 form an integral part of these condensed interim financial statements.

  
**Asad Abdulla**  
 Chief Executive

  
**Zubair Razzak Palwala**  
 Director

# Condensed Interim Statement of Cash Flows- (Unaudited)

For the quarter ended September 30, 2015

		Quarter ended	
		September, 30 2015	September, 30 2014
	Note	-----	Rupees '000 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	5	12,963	(9,189)
Income tax paid		(3,561)	(3,282)
Finance cost paid		(1,697)	(2,979)
Net cash generated from / (used in) operating activities		7,705	(15,450)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(144)	(66)
Intangibles		(254)	-
Net cash used in investing activities		(398)	(66)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - domestic supplier finance		2,911	14,803
Net cash generated from financing activities		2,911	14,803
<b>Net increase / (decrease) in cash and cash equivalents</b>		10,218	(713)
Cash and cash equivalents at the beginning of the period		63,219	109,534
<b>Cash and cash equivalents at the end of the period</b>		73,437	108,821

The annexed notes from 1 to 6 form an integral part of these condensed interim financial statements.

  
**Asad Abdulla**  
Chief Executive

  
**Zubair Razzak Palwala**  
Director



## Condensed Interim Statement of Changes in Equity - (Unaudited)

For the quarter ended September 30, 2015

	Share Capital	Accumulated Loss	Total
	----- Rupees '000 -----		
Balance as at July 1, 2014	108,000	(31,955)	76,045
Profit for the quarter ended September 30, 2014	-	5,763	5,763
Other comprehensive income	-	-	-
Total comprehensive income	-	5,763	5,763
Final dividend for the year ended June 30, 2014 @ Re. 1 per share	-	(10,800)	(10,800)
Balance at September 30, 2014	<u>108,000</u>	<u>(36,992)</u>	<u>71,008</u>
Balance as at July 1, 2015	108,000	(30,507)	77,493
Profit for the quarter ended September 30, 2015	-	1,311	1,311
Other comprehensive income	-	-	-
Total comprehensive income	-	1,311	1,311
Balance at September 30, 2015	<u>108,000</u>	<u>(29,196)</u>	<u>78,804</u>

The annexed notes from 1 to 6 form an integral part of these condensed interim financial statements.

  
**Asad Abdulla**  
 Chief Executive

  
**Zubair Razzak Palwala**  
 Director

# Notes To The Condensed Interim Financial Information - (Unaudited)

## For the quarter ended September 30, 2015

### 1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Company Act, 1913. The company was renamed as UDL Industries Limited on March 16, 1987 under the Companies Ordinance, 1984. The Company was again renamed as United Brands Limited, a public limited company on April 5, 2006 under the Companies Ordinance, 1984. The shares of the Company are quoted on the Karachi Stock Exchange. The registered office of the Company is situated at 8th Floor, NIC Building, Abbasi Shaheed Road, Karachi.

The Company is a subsidiary of International Brands Limited, which is the Company's ultimate parent also.

The principal activities of the Company are trading and distribution of consumer goods and allied products.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

These condensed interim financial statements of the Company for the quarter ended September 30, 2015 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 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.

These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2015. These condensed interim financial statements are unaudited.

#### 2.2 Accounting policies

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2015.

### 3. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

However, management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim financial statements.

Estimates and judgments made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2015.

# Notes To The Condensed Interim Financial Information - (Unaudited)

## For the quarter ended September 30, 2015

### 4. PROPERTY AND EQUIPMENT

Following are additions to property and equipment during the period:

	September 30, 2015	September 30, 2014
	..... Rupees '000.....	
Computers- owned	144	66

### 5. CASH GENERATED FROM OPERATIONS

Profit before taxation	4,333	8,601
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	323	299
Finance cost	1,792	2,979
	2,115	3,278
Profit before changes in working capital	6,448	11,879

#### Effect on cash flow due to working capital changes

(Increase) / decrease in current assets:

Stock-in-trade	(5,661)	(13,730)
Trade debts	(54,429)	8,224
Advances	71	(574)
Short term prepayments	(1,899)	(889)
Other receivables	(7,123)	(53,954)
Refunds due from government - sales tax	10,558	(11,169)
	(58,483)	(72,092)
Increase in current liabilities		
Trade and other payables	64,998	51,024
<b>Cash generated from / (used in) operations</b>	12,963	(9,189)

### 6. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on October 26, 2015

  
**Asad Abdulla**  
 Chief Executive

  
**Zubair Razzak Palwala**  
 Director











**United Brands  
Limited**

8th Floor, NIC Building, Abbasi  
Shaheed Road, Karachi-75530  
Tel: 35683944-6, 35675111-7,  
Fax: 35635530, 35682772,  
[www.ubrandz.biz](http://www.ubrandz.biz)