

Growing **Economy**



Contents

Company Information	2
Directors' Report	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	5
Condensed Interim Statement of Cash Flow	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	Chairman
Syed Qaisar Abbas Naqvi	Chief Executive
Mr. Asad Abdulla	Director
Mr. Ayaz Abdulla	Director
Mr. Zubair Palwala	Director
Syed Nadeem Ahmed	Director
Mr. Faisal Abdulla	Director

AUDIT COMMITTEE

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Muhammad Ali

AUDITORS

Baker Tilly Mehmood Idrees Qamar

LEGAL ADVISOR

Raja Qasit Nawaz Khan

BANKERS

Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
Silk Bank 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 Ltd.
Head Office, CDC House, 99-B, Block-B,
SMCHS, Main Shahrah-e-Faisal, Karachi-74400

Directors' Report

For the 3rd Quarter Ended March 31, 2014

The Directors' hereby present the Financial Statements for the 3rd Quarter and 9-months Period Ended March 31, 2014. These Financial Statements are submitted in accordance with the requirements of the Companies Ordinance, 1984 and Listing Regulations of Karachi Stock Exchange.

OPERATING RESULTS

The sales for the 3rd Quarter Ended March 31, 2014 were Rs.302 million as compared to Rs.300 million for the same quarter last year which was 1% higher. The major challenges during the quarter were the parallel stocks.

Despite the increase in overall operational costs due to increase in costs of utilities, fuel and other logistics etc., the total operating expenses increased by 12% against the same quarter last year. This increase was also due to the increase in distribution coverage to 67 locations up to the close of the 3rd Quarter.

FUTURE OUTLOOK

The Management considers that the long term strategy adopted for the increase in the distribution coverage will definitely improve the performance of the company and should lead to enhanced stakeholders value.

ACKNOWLEDGMENT

We wish to thank our principals for their extended support and our customers. We also take this opportunity to thank our bankers, suppliers for providing us with their valuable support throughout the period.

Finally, we wish to thank our staff who remained committed to deliver towards the growth of your Company.

For and on behalf of the Board,

Karachi
Dated: April 28, 2014

Syed Qaiser Abbas Naqvi
Chief Executive

Condensed Interim Balance Sheet

As at March 31, 2014

Un-Audited Audited
Mar 31, 2014 June 30, 2013
Note -----(Rupees)-----

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorised share capital

12,000,000 Ordinary shares of Rs. 10/- each 120,000,000 120,000,000

Issued, subscribed and paid-up share capital

10,800,000 (June 30, 2013: 10,800,000) Ordinary
share of Rs. 10/- each

4	108,000,000	108,000,000
	(34,098,148)	(34,451,604)
	<u>73,901,852</u>	<u>73,548,396</u>

Accumulated (loss)

LIABILITIES

CURRENT LIABILITIES

Current maturity of liabilities against assets
subject to finance lease

-	763,973
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Trade and other payables

277,274,382	249,498,245
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Domestic supplier finance

85,284,660	55,796,622
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<u>362,559,041</u>	<u>306,058,840</u>
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TOTAL EQUITY AND LIABILITIES

<u>436,460,893</u>	<u>379,607,236</u>
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ASSETS

NON CURRENT ASSETS

Property, plant and equipment 5 4,940,721 5,975,924

CURRENT ASSETS

Stock in trade 322,565,308 239,019,340

Trade debts unsecured- considered good 41,486,656 38,696,827

Loans and advances 1,099,011 308,427

Trade deposits and prepayments 1,077,655 142,402

Other receivables 47,410,556 55,046,556

Taxation - net 2,244,816 1,651,288

Cash and bank balances 6 15,636,170 38,766,473

<u>431,520,173</u>	<u>373,631,312</u>
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TOTAL ASSETS

<u>436,460,893</u>	<u>379,607,236</u>
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The annexed notes 1 to 9 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director

Condensed Interim Profit and Loss Account

For the Period Ended March 31, 2014

(Un-Audited)

9-MONTHS ENDED		QUARTER ENDED	
March 2014	March 2013	March 2014	March 2013

Note ----- (Rupees) -----

Sales	1,142,406,838	1,085,061,043	349,828,961	348,921,009
Sales Tax	(165,244,555)	(152,871,344)	(48,247,273)	(48,898,946)
	<u>977,162,283</u>	<u>932,189,699</u>	<u>301,581,688</u>	<u>300,022,063</u>
Cost of goods Sold	(853,208,162)	(816,441,417)	(263,024,466)	(262,073,429)
Gross Profit	<u>123,954,121</u>	<u>115,748,282</u>	<u>38,557,222</u>	<u>37,948,634</u>
Distribution Cost	(70,778,142)	(58,361,344)	(26,315,909)	(18,752,756)
Administrative Expenses	(28,731,311)	(22,534,232)	(6,253,011)	(10,359,745)
	<u>(99,509,453)</u>	<u>(80,895,576)</u>	<u>(32,568,920)</u>	<u>(29,112,501)</u>
Operating Profit	<u>24,444,668</u>	<u>34,852,707</u>	<u>5,988,302</u>	<u>8,836,134</u>
Other Income	2,096,843	230,109	648,760	119,933
Financial Charges	(9,368,610)	(9,728,404)	(3,136,431)	(2,966,846)
Other charges -WWF	(273,445)	-	-	-
Profit before taxation	<u>16,899,456</u>	<u>25,354,411</u>	<u>3,500,631</u>	<u>5,989,220</u>
Taxation	(5,746,000)	(8,874,044)	(1,056,411)	(2,096,227)
Profit after taxation	<u>11,153,456</u>	<u>16,480,367</u>	<u>2,444,220</u>	<u>3,892,993</u>
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>11,153,456</u>	<u>16,480,367</u>	<u>2,444,220</u>	<u>3,892,993</u>
Earnings per share	7 <u>1.03</u>	<u>1.53</u>	<u>0.23</u>	<u>0.36</u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director

Condensed Interim Statement of Cash Flow

For the Period Ended March 31, 2014

(Un-Audited)

	Period Ended March 31, 2014	Period Ended March 31, 2013
------(Rupees)-----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	16,899,456	25,354,411
Adjustment for non cash items		
Depreciation	959,591	1,027,585
(Gain) on sale of property, plant and equipment	(1,406,637)	-
Financial charges	9,368,610	9,728,404
	<u>8,921,564</u>	<u>10,755,989</u>
Profit before changes in working capital	<u>25,821,020</u>	<u>36,110,400</u>
Working capital changes		
(Increase) in current assets	(80,425,635)	(25,497,439)
Increase in current liabilities	57,264,174	(11,889,817)
	<u>(23,161,461)</u>	<u>(37,387,256)</u>
Financial charges paid	(9,368,610)	(9,728,404)
Income tax paid	(6,339,528)	(8,122,759)
Net cash inflow from operating activities	<u>(13,048,579)</u>	<u>(19,128,019)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(281,150)	-
Proceeds from disposal of property, plant and equipment	1,763,400	-
Net cash inflow from investing activities	<u>1,482,250</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease	(763,974)	(1,041,909)
Dividend paid	(10,800,000)	-
Issued share capital	-	96,000,000
Due to related parties	-	(96,000,000)
Net cash (used in) financing activities	<u>(11,563,974)</u>	<u>(1,041,909)</u>
Net increase in cash and cash equivalents	<u>(23,130,303)</u>	<u>(20,169,928)</u>
Cash and cash equivalents at the beginning of the period	38,766,473	39,598,036
Cash and cash equivalents at the end of the period	<u>15,636,170</u>	<u>19,428,108</u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director

Condensed Interim Statement of Changes in Equity

For the Period Ended March 31, 2014

(Un-Audited)

	Issed, Subscribed and Paid-up Share Capital	Accumulated (Loss)	Total
----- Rupees -----			
Balance as at July 01, 2012	12,000,000	(50,073,004)	(38,073,004)
Share capital issued during the period	96,000,000	-	96,000,000
Profit for the period ended March 31, 2013	-	16,480,367	16,480,367
Balance as at March 31, 2013	<u>108,000,000</u>	<u>(33,592,637)</u>	<u>74,407,363</u>
Balance as at June 30, 2013	108,000,000	(34,451,604)	73,548,396
Dividend paid	-	(10,800,000)	(10,800,000)
Profit for the period ended March 31, 2014	-	11,153,456	11,153,456
Balance as at March 31, 2014	<u>108,000,000</u>	<u>(34,098,148)</u>	<u>73,901,852</u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director

Notes to and Forming Part of the Condensed Interim Financial Information

For the Period Ended March 31, 2014

(Un-Audited)

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 8th Floor, NIC Building, Abbasi Shaheed Road, Karachi. The principal activities of the Company are trading and distribution of consumer goods, pharmaceutical and allied products.
- 1.2 This condensed interim financial information is unaudited, 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 the Listing Regulations of Karachi Stock Exchange.
- 2.2 This condensed interim financial information comprises of the condensed interim balance sheet as at March 31, 2014, condensed interim profit and loss account, condensed interim statement of changes in equity and the condensed interim statement of cash flow for the period ended March 31, 2014.

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

Authorised share capital

Number of Shares			(Un-Audited)	(Audited)
March	June		March	June
2014	2013		2014	2013
		Ordinary shares of Rs.		
<u>12,000,000</u>	<u>12,000,000</u>	10/- each.	<u>120,000,000</u>	<u>120,000,000</u>

Issued, subscribed and paid-up share capital

Number of Shares				
March	June			
2014	2013			
		Ordinary shares of Rs. 10/-		
<u>10,800,000</u>	<u>10,800,000</u>	each fully paid in cash.	<u>108,000,000</u>	<u>108,000,000</u>

Notes to and Forming Part of the Condensed Interim Financial Information

For the Period Ended March 31, 2014

(Un-Audited)

	(Un-Audited) March 2014	(Audited) June 2013
5. PROPERTY, PLANT AND EQUIPMENT		
Tangible assets	<u>4,940,721</u>	<u>5,975,924</u>
5.1 Additions (at cost):		
- Computers - owned	264,000	86,460
- Furniture	<u>17,150</u>	<u>-</u>
	<u>281,150</u>	<u>86,460</u>
5.2 Deletions		
- Vehicles - owned	<u>(2,127,000)</u>	<u>-</u>
6. CASH AND BANK BALANCES		
Balances with banks		
- Current accounts	15,508,817	38,639,120
- Dividend accounts	127,353	127,353
	<u>15,636,170</u>	<u>38,766,473</u>
	(Un-Audited) March 2014	(Un-Audited) March 2013
7. EARNINGS PER SHARE		
Profit for the period (Rupees)	11,153,456	16,480,367
Number of ordinary shares	10,800,000	10,800,000
	<u>1.03</u>	<u>1.53</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 28th April 2014.

9. GENERAL

Figures have been rounded off to the nearest rupees.

Chief Executive Officer

Director



**United Brands
Limited**



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Karachi – 75530

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