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# 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

## Chief Financial Officer & Company Secretary

Mr. Syed Atik Ali

## Auditors

A.F. Ferguson & 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 of the company



The Board of Directors of United Brands Limited is pleased to present the Directors' Report together with the condensed financial information of the Company for the Quarter ended March 31, 2015. These condensed financial information is submitted in accordance with the section 245 of the Companies Ordinance, 1984.

	March 31,	
	2015	2014
	Rupees in '000	
Revenue	1,069,160	977,162
Gross Profit	150,818	123,954
GP as % of Revenue	14.1%	12.7%
Expenses	143,088	106,781
Profit before taxation	7,730	17,173
Profit after taxation	4,303	11,154

## FINANCIAL OVERVIEW

The overall operating performance of the Company was better during the period ended March 31, 2015. The growth in net turnover for the period was observed at 9.4% and recorded at Rs. 1,069 million as against Rs. 977 million for the same period last year. Increase in sales resulted in higher Gross Profit but also, escalated expenses which are directly related to sales.

Despite of growth in revenue, net profit has declined by 61% due to increase in marketing and distribution expenses.

## EARNING PER SHARE

Earnings per share for the nine months period ended March 31, 2015 at Rs. 0.40 is lower as compared to the corresponding period last year.

## FUTURE OUTLOOK

The management is optimistic in maintaining excellent results in future as our sales force is continuously focusing on providing high quality premium products to all the potential customers. We are confident that we can generate increased value for shareholders as well as deliver better products and services to our customers.

## ACKNOWLEDGMENT

The Directors would like to express their gratitude to the Customers, 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.

For and on behalf of the Board,

Karachi.  
Date: April 22, 2015

Asad Abdulla  
Chief Executive

# Condensed Interim Balance Sheet

As at March 31, 2015



		Unaudited March 31, 2015	Audited June 30, 2014
	Note		
		Rupees ‘000	
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,578	2,709
Long term deposits		202	-
		1,780	2,709
Current assets			
Stock-in-trade		507,380	344,676
Trade debts		54,859	52,268
Loans and advances		155	1,238
Short term prepayments		323	52
Other receivables	6	128,751	49,284
Tax refunds due from Government - Sales tax		-	11,169
Taxation - payments less provisions		10,368	2,049
Cash and bank balances		11,881	108,470
		713,717	569,206
Total assets		715,497	571,915
EQUITY AND LIABILITIES			
Equity			
Share capital		108,000	108,000
Accumulated loss		(38,452)	(31,955)
		69,548	76,045
Current liabilities			
Trade and other payables	7	524,051	399,435
Accrued mark-up		2,059	-
Short term borrowings - Domestic supplier finance		119,839	96,435
		645,949	495,870
Total equity and liabilities		715,497	571,915

Asad Abdulla  
Chief Executive

Zubair Razzak Palwala  
Director

# Condensed Interim Profit and Loss Account

## -Unaudited

for the nine months ended March 31, 2015

	Note	Quarter ended		Nine months ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Rupees '000					
Revenue	8	276,804	301,582	1,069,160	977,162
Cost of sales		(235,034)	(263,024)	(918,342)	(853,208)
Gross profit		41,770	38,558	150,818	123,954
Distribution costs		(30,396)	(26,316)	(86,641)	(70,778)
Administrative expenses		(7,442)	(6,253)	(47,205)	(28,731)
Finance cost		(3,481)	(3,136)	(9,865)	(9,369)
Other income		88	649	623	2,097
Profit before taxation		539	3,502	7,730	17,173
Taxation		(163)	(1,057)	(3,427)	(6,019)
Profit after taxation		376	2,445	4,303	11,154
Other comprehensive income		-	-	-	-
Total comprehensive Income		376	2,445	4,303	11,154
Basic and diluted earnings per share (Rupees)		Rs. 0.03	Rs. 0.23	Rs. 0.40	Rs. 1.03

Asad Abdulla  
Chief Executive

Zubair Razzak Palwala  
Director

# Condensed Interim Statement of Cash Flows-Unaudited

for the nine months ended March 31, 2015



		March 31, 2015	March 31, 2014
	Note	Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	9	(88,839)	2,659
Mark-up paid on short term borrowings - domestic supplier finance		(6,832)	(9,368)
Income tax paid		(13,218)	(6,340)
Increase in long term deposits		(202)	-
Net cash (used in) operating activities		(109,091)	(13,049)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(382)	(281)
Sale proceeds on disposal of property, plant and equipment		-	1,763
Net cash (used in) / generated from investing activities		(382)	1,482
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt / (repayment) of short term borrowings - domestic supplier finance		23,404	(763)
Dividend paid		(10,520)	(10,800)
Net cash generated from / (used in) financing activities		12,884	(11,563)
Net (decrease) in cash and cash equivalents		(96,589)	(23,130)
Cash and cash equivalents at the beginning of the period		108,470	38,766
Cash and cash equivalents at the end of the period		11,881	15,636

Asad Abdulla  
Chief Executive

Zubair Razzak Palwala  
Director



# Condensed Interim Statement of Changes in Equity-Unaudited

for the nine months ended March 31, 2015

	Share Capital	Accumulated Loss Rupees '000	Total
Balance as at July 1, 2013	108,000	(34,452)	73,548
Final dividend for the year ended June 30, 2013 @ Re. 1 per share	-	(10,800)	(10,800)
Profit for the nine months ended on March 31, 2014	-	11,154	11,154
Other comprehensive income	-	-	-
Total comprehensive income	-	11,154	11,154
Balance at March 31, 2014	108,000	(34,098)	73,902
Balance as at July 1, 2014	108,000	(31,955)	76,045
Final dividend for the year ended June 30, 2014 @ Re. 1 per share	-	(10,800)	(10,800)
Profit for the nine months ended on March 31, 2015	-	4,303	4,303
Other comprehensive income	-	-	-
Total comprehensive income	-	4,303	4,303
Balance at March 31, 2015	108,000	(38,452)	69,548

Asad Abdulla  
Chief Executive

Zubair Razzak Palwala  
Director

# Notes to the Condensed Interim Financial Information-Unaudited

for the nine months ended March 31, 2015



## 1. THE COMPANY AND ITS OPERATIONS

United Brands Limited was incorporated in Pakistan as a public listed company. The Share of the Company is listed on the Karachi Stock Exchange. The Principal business activity of the company is distribution of healthcare items and consumer goods. 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.

## 2. BASIS OF PREPARATION

The condensed interim financial information of the company for the Quarter ended March 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standards (IAS) 34, 'interim Financial Reporting' and provisions of the directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of the directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information is submitted to the share holders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2014.

### 2.1 Changes in accounting standards, interpretations and pronouncements

#### a) Standards, interpretations and amendments to published and approved accounting standards that are effective and relevant

IFRIC 21, 'Levies' a new interpretation is applicable for the company for the first time for the financial year beginning on July 1, 2014, sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Company is not currently subject to significant levies so the impact on the Company is not material.

#### b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2014 are considered not to be relevant for Company's financial statements and hence have not been detailed here.

# Notes to the Condensed Interim Financial Information-Unaudited

for the nine months ended March 31, 2015



- c) **Standards, Interpretations and amendments to published approved accounting standards that are not yet effective but relevant**

There are amendments to existing approved accounting standards and new interpretations that are not yet effective and are considered not to be relevant for the Company's financial statements and hence have not been detailed in these financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2014.

## 4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial information requires management to make judgments, estimates and assumptions that effect 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 this condensed interim financial information.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2014.

## 5. PROPERTY, PLANT AND EQUIPMENT

Following are the additions to / disposals of property, plant and equipment during the period:

	Additions		Disposals	
	(at cost)		(at net book value)	
	----- Rupees '000' -----			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Office equipments	242	-	-	-
Computers-owned	140	281	-	-
Vehicles	-	-	-	2,127
	<u>382</u>	<u>281</u>	<u>-</u>	<u>2,127</u>

# Notes to the Condensed Interim Financial Information-Unaudited

for the nine months ended March 31, 2015



Unaudited  
March 31,  
2015  
Rupees '000

Audited  
June 30,  
2014

## 6. OTHER RECEIVABLES - unsecured

Claims receivable - note 6.1

- Related parties

- Others

52,909	13,022
75,842	36,263
128,751	49,285

6.1 These represent claims for stocks, expenses, sales discounts, etc.

## 7. TRADE AND OTHER PAYABLES

These include Rs. 8.6 million (June 2014: Rs. 8.6 million) payable to related parties.

Unaudited  
March 31,  
2015  
Rupees '000

Unaudited  
March 31,  
2014

## 8. REVENUE

Gross Sales

Less:

Trade discounts

Sales return

1,300,342	1,181,731
(32,237)	(31,892)
(8,375)	(5,623)
1,259,730	1,144,216
(190,570)	(167,054)
1,069,160	977,162

Less:

Sales tax

# Notes to the Condensed Interim Financial Information-Unaudited

for the nine months ended March, 2015

	Unaudited March 31, 2015	Unaudited March 31, 2014
	Rupees '000	
<b>9. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	7,730	16,899
<b>Adjustment of non cash and other items</b>		
Depreciation	1,546	960
Mark-up on short term borrowings	8,891	9,369
Gain on sale of property, plant and equipment	-	(1,407)
	10,437	8,922
Profit before changes in working capital	18,167	25,821
<b>Effect on cash flow due to working capital changes</b>		
Increase in current assets	(233,681)	(80,426)
Increase in current liabilities	126,676	57,264
	(107,006)	(23,162)
Cash (used in) / generated from operations	(88,839)	2,659

## 10. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorized for issue by the Board of Director of the company on April 22, 2015.

Asad Abdulla  
Chief Executive

Zubair Razzak Palwala  
Director

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United Brands  
Limited

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