

Growing **Economy**

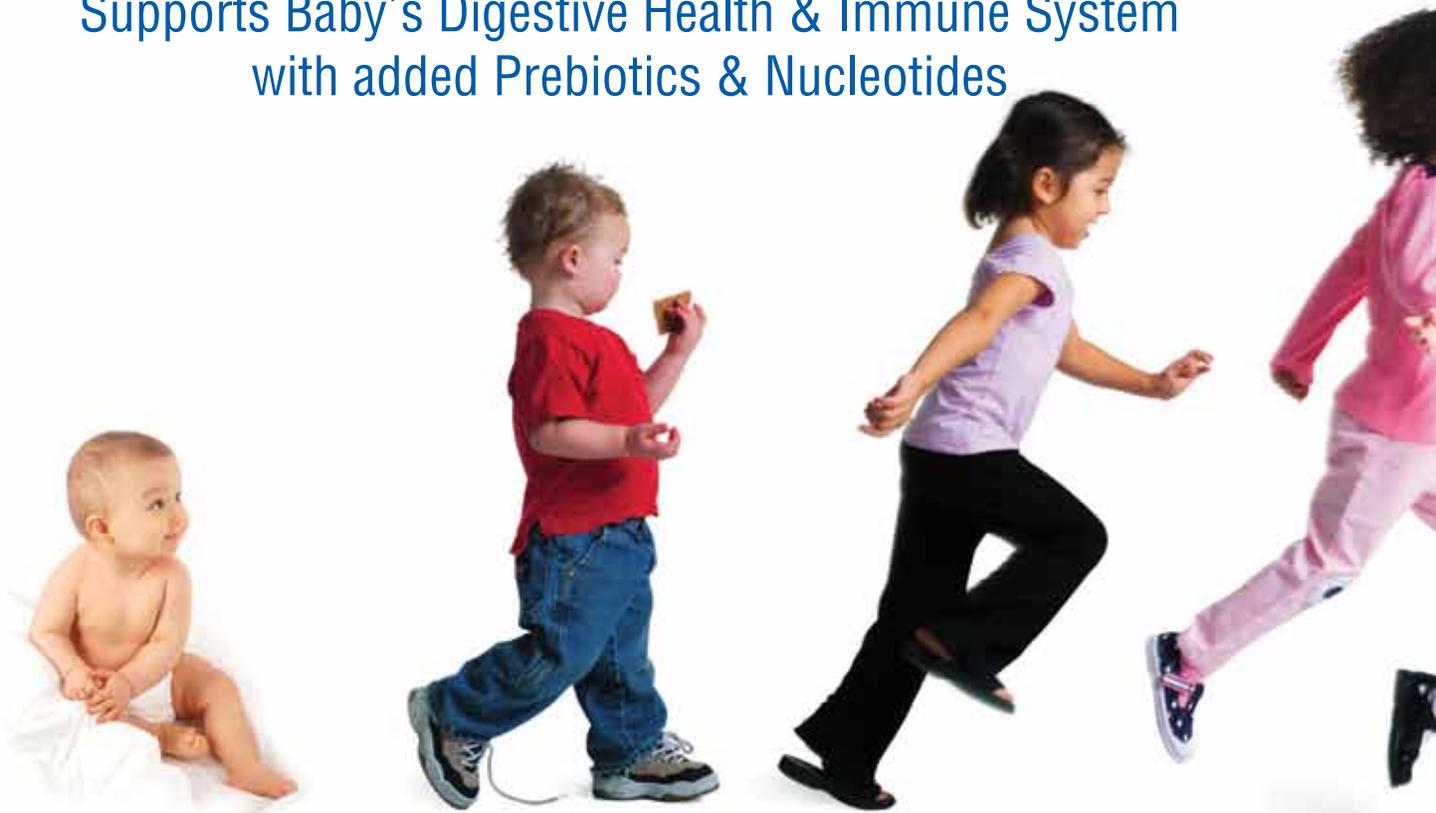


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Corporate information

Board of Directors

Mr. Rashid Abdulla	Chairman
Syed Qaiser Abbas Naqvi	Director & Chief Executive
Mr. Asad Abdulla	Director
Mr. Ayaz Abdulla	Director
Mr. Zubair Razzaq Palwala	Director
Syed Nadeem Ahmed	Director
Mr Faisal Abdulla	Director

Audit Committee

Mr. Asad Abdulla	Chairman
Syed Qaiser Abbas Naqvi	Member
Mr. Zubair Razzaq Palwala	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

Banker

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, 25675111-7, Fax : 35635530,
35862772
www.ubrandz.biz

Registrar

Central Depository Company of Pakistan
CDC House, 99-B, Block "B" S.M.C.H.S., Main
shahrah-e-Faisal Karachi -74400



Vision Statement

United Brands Limited is committed to being a profitable, customer-driven and socially responsible, to be a leader and set benchmarks for others.

To realize our vision we will:

Listen to our customers, and exceed their expectations, capitalize on the strength and leadership skills of all employee and management, we will be socially responsible and provide return to shareholders.

Mission Statement

We will strive to be the best and serve as a standard by which other distribution companies are measured.

We will empower our employees to be responsible and accountable for the continuous growth and success of our Company, Principals, customers and shareholders and to be a responsible corporate citizen.

The company achieved remarkable performance in the current challenging business environment. The earnings before tax for the current financial year stood at **Rs. 24.352** million thereby registering an increase of **530%** compared to **Rs. 3.863** million for the corresponding period last year.

Johnson & Johnson



Only the best for you!

Notice of the Annual General Meeting

Notice is hereby given that 49th Annual General Meeting of United Brands Limited will be held on Wednesday, October 23, 2013 at 05:00 p.m. at the Institute of Cost & Management Accountants, ICMAP City Campus, Plot no. 36/4, Hussain Shah Shaheed Road, Soldier Bazar Karachi, to transact the following business:

AGENDA

1. To confirm the minutes of the last Annual General Meeting of the Company.
2. To receive, consider and adopt the audited financial statements together with the Directors and Auditors' Report for the year ended June 30, 2013.
3. To approve the final Cash Dividend at the rate of Rs. 1.00 per share i.e. 10% for the year ended June 30, 2013 as recommended by the Board of Directors.
4. To appoint auditors for the next financial year ending June 30, 2014 and fix their remuneration. The present Auditors, M/s. Baker Tilly Mehmood Idrees Qamar., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
5. To transact any other business, with the permission of the Chair.

By Order of Board

Karachi: 02nd October, 2013

Muhammad Tariq
Company Secretary

NOTES:

- (i) The share transfer book of the Company will remain closed from October 17, 2013 to October 23, 2013 (both days inclusive). Transfers (if any) should be received at the office of Share registrar department of Central Depository Company, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi - 74400, latest by the close of business on October 23, 2013.
- (ii) A Member entitled to attend and vote at the General Meeting of Members is entitled to appoint a proxy to attend and vote on his / her behalf. A proxy need not be a Member of the Company.
- (iii) The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A form of proxy is enclosed. Shareholders are requested to notify any change of address immediately.
- (iv) CDC Shareholders and their Proxies are each requested to attach an attested photocopy of their CNIC or Passport with the proxy form before submission to the Company (Original CNIC / Passport is required to be produced at the time of the meeting).
- (v) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.
- (vi) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (vii) The proxy shall produce his / her original CNIC or original passport at the time of meeting.
- (viii) Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Company, are requested to send the same at the earliest.

Directors' Report

The Directors are pleased to present the 2013 Annual Report together with the audited financial statements of the Company for the year ended June 30, 2013.

6 The Directors' Report is prepared under section 236 of the Companies Ordinance, 1984 and Clause xvi of the Code of Corporate Governance.

Financial Performance

Particulars	2013	2012
	(Rupees in million)	
Sales	1,394.9	1,240.6
Gross Profit	148.2	126.9
Profit from Operations	36.7	28.1
Profit before Tax	24.3	3.9
Profit after Tax	15.6	7.4
EPS – Basic (Rs)	1.70	6.16

The year was full of challenges for the country with unprecedented increase in commodity prices, deteriorating security conditions, heavy devaluation of the rupee and scarcity of power. In this backdrop, United Brands Limited was able to grow revenue from Rs. 1.069 billion to Rs. 1.199 billion, an increase of 12.16% compared to the same period last year.

The operating profit for the current financial year recorded at Rs. 36.7 million as compared to Rs. 28.1 million for the same period last year. The profit before tax for the current year has significantly increased from Rs. 3.9 million to Rs. 24.3 million which is mainly because of strict control over expenditure and reduction of financial cost due to conversion of loan into equity.

Board Meeting

During the year, four meetings of the Board of Directors were held. Attendance by each Director was as follows:

S.No.	Name of Directors	Number of Meetings Attended
1	Mr. Rashid Abdulla	4/4
2	Syed Qaisar Abbas Naqvi	4/4
3	Syed Nadeem Ahmed	4/4
4	Mr. Asad Abdulla	4/4
6	Mr. Zubair Razzaq Palwala	4/4
5	Mr. Ayaz Abdulla	4/4
7	Mr. Faisal Abdulla	3/4

Leave of absence was granted to the Directors who could not attend the board meetings.

The increase in sales is a combination of focused distribution coverage and increase in market share of existing products.

A non-executive director of the company has attended the Certified Director Course as required under clause (xi) of the Code of Corporate Governance 2012.

Human Resource Committee Meeting

Pursuant to the changes in Code of Corporate Governance 2012, BOD of the company has formed a Human Resource and Remuneration (HR&R) Committee, comprising three members. Mr. Asad Abdulla, non-executive director has been appointed as Chairman of the HR&R Committee, Mr. Ayaz Abdulla (non-executive director) and Syed Qaiser Abbas Naqvi (executive director) inducted as members of the HR&R Committee. During the year, the committee held a meeting in which all the members were present.

Audit Committee Meeting

The committee comprises of three members, one is executive director and other two are non-executive directors including the chairman of the committee.

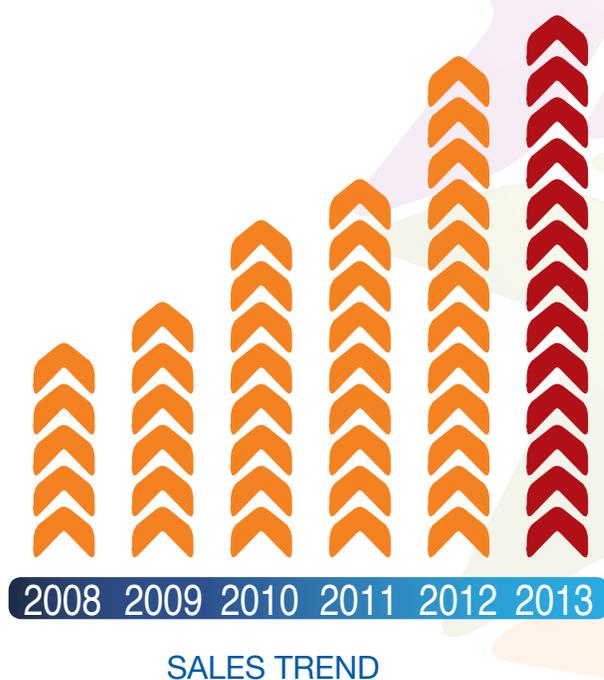
S.No.	Name of Directors	Number of Meetings Attended
1.	Mr. Asad Abdulla	4/4
2.	Syed Qaisar Abbas Naqvi	4/4
3.	Mr. Zubair Razzaq Palwala	4/4

Internal Auditors

On the recommendation of the Audit Committee, the Board of Directors in its meeting held on September 25, 2012, has appointed Messrs. BDO Ebrahim & Co., Chartered Accountants, as internal auditors of the company.

Auditors

The present Auditors M/s Baker Tilly Mehmood Idrees Qamar, Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year ending June 30, 2014.



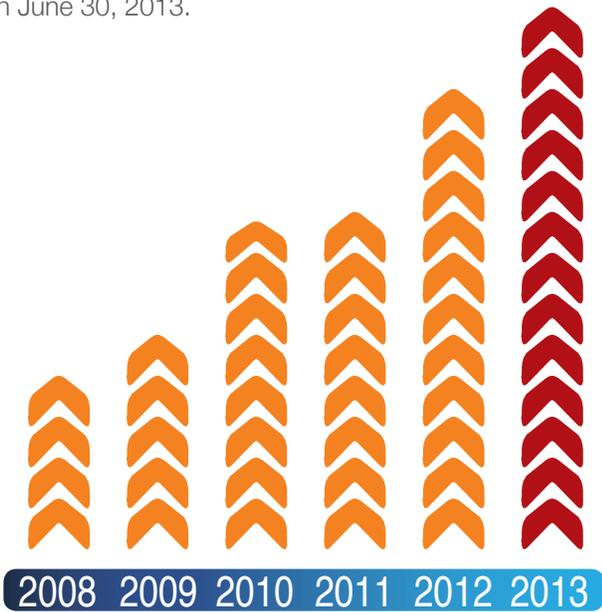
Directors' Report

Subsequent Event

No material changes or commitments affecting the financial position of the Company have taken place between the end of the last year and the date of this report.

Holding Company

M/s. International Brands (Pvt.) Limited is the holding company and held 10,381,225 shares of Rs. 10/- each as on June 30, 2013.



GROSS PROFIT TREND

Statement of Ethics and Business Practices

Performance with integrity is central to operating at United Brands Ltd. The Board of Directors has adopted a statement of ethics and business practices. All employees are informed and well aware of this and are required to observe these rules of conduct in relation to business and regulations.

Corporate Social Responsibility (CSR)

The company efforts focused on the areas of health and education by support to employees and other stakeholders. We also continued food supports to eligible employees of the company in order to compensate the current inflation.

Business Risks Future Outlook

Moving into 2014, it would be challenging to further grow in the same industry especially in the current economic environment and volatile security situation, but continued efforts to minimize the cost and achieving the targets would help us to close the year with better results.

Pattern of Shareholding

The Company shares are listed in Karachi Stock Exchange (KSE). The shareholding information as on June 30, 2013 and other related information are set out on page 37.

The Directors, CEO, CFO, Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the Company during the year.

All statutory returns in this connection were filed as per schedule.

Appropriation of Profits

Your Directors are pleased to announce a final Cash Dividend of Rs 1 per share (2012 : Rs. Nil per share).

Acknowledgements

Your Directors take this opportunity to express their deep sense of gratitude to the bankers and financial institutions that extended assistance in financing to the Company and supplier for their continued support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the United Brands family. To them, goes the credit for the Company's achievements.

And to you, our shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

On behalf of the Board of Directors

SYED QAISER ABBAS NAQVI

C.E.O.

Karachi

September 10, 2013



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SINCE 1845



Lindor. Irresistibly Smooth

Financial Highlights

Operational Results:

	2013	2012	2011	2010	2009	2008
Sales	1,198,620	1,069,166	831,475	711,461	580,268	441,952
Gross Profit	148,223	126,923	91,818	87,163	58,439	46,381
Operating Profit / (Loss)	36,720	28,127	(2,181)	22,527	(15,339)	7,413
Financial Charges	12,597	24,490	29,967	11,852	1,528	1,377
Profit / (Loss) before Taxation	24,353	3,863	(31,984)	10,674	(16,867)	6,036
Profit / (Loss) after Taxation	15,621	7,396	(34,513)	1,409	(16,867)	1,804
Proposed Dividend	10,800	-	-	-	-	1,200

Balance Sheet:

	2013	2012	2011	2010	2009	2008
Shareholders' Equity	73,548	(38,073)	(45,469)	(10,955)	(12,364)	5,098
Non-Current Liabilities	-	96,764	84,255	72,098	73,585	56,159
Current Liabilities	306,059	208,301	212,596	138,441	106,684	93,529
Fixed Assets	5,976	7,263	8,745	4,871	5,629	6,927
Intangible Assets	-	-	-	119	339	613
Current Assets	373,631	259,730	242,636	194,592	161,935	147,850

Financial Ratios:

	2013	2012	2011	2010	2009	2008
Profit / (Loss) before Tax	2.03%	0.36%	-3.85%	1.50%	-2.91%	1.37%
Proposed Dividend	10%	-	-	-	-	10%
Return on Assets	4.12%	2.77%	-13.73%	0.71%	-10.05%	1.16%
Return on Equity	21.24%	-	-	-	-	35.39%
Earnings / (Loss) per Share	1.70	6.16	(28.76)	1.17	(14.06)	1.50
Market value per Share	28.35	31.80	27.48	33.00	61.00	45.07
Book Value per Share	6.81	(31.73)	(37.89)	(9.13)	(10.30)	4.25
Debt / Equity Ratio	-	-	-	-	-	-
Current Ratio	1.2	1.2	1.1	1.4	1.51	1.58



Statement of Compliance with the Code of Corporate Governance

Name of Company : UNITED BRANDS LIMITED

Year ending : 30-Jun-2013

This statement is being presented to comply with the Code of Governance contained in Regulation No. (35) of listing regulations of Karachi stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent, non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	None
Executive Directors	Syed Qaiser Abbas Naqvi
Non-Executive Directors	Mr. Rashid Abdulla Syed Nadeem Ahmed Mr. Asad Abdulla Mr. Ayaz Abdulla Mr. Zubair Razzaq Palwala Mr. Faisal Abdulla

The independent directors meets the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the board during the year.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged a training program for its directors during the year.
10. The board has approved appointment of CFO, and Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises 3 members, of whom one member is non-executive director and the other is a executive director and the chairman of the committee is a non-executive director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises 3 members, of whom two of the members are non-executive directors and the chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with except those that are not yet applicable.

Signature

SYED QAISER ABBAS NAQVI
CHIEF EXECUTIVE



Review Report to the Members on Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of UNITED BRANDS LIMITED to comply with the Listing Regulation of the Karachi Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects that status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's Statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Listing Regulations of the Karachi Stock Exchange require the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Director and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company of the year ended June 30, 2013.

Engagement Partner: M. Rehan Siddiqui
Karachi.
Date: September 10, 2013





Auditors' Report to the Members

We have audited the annexed balance sheet of UNITED BRANDS LIMITED as at June 30, 2013 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, (here-in-after referred to as the financial statements) for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.

- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss accounts, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standard as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2013, and of the profit, its cash flow and changes in equity for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Engagement Partner: M. Rehan Siddiqui
Karachi.

Date: September 10, 2013





267	..	377	..	28	..
5 629		21 413		448	
		9 557		23 847	
9 742	..	223	..	10 390	
1		6 875		10 625	
208		51 452	..	226	..
37		1		8 836	
55		244		55 030	..
68		42			10

Financial Statements



Balance Sheet

As at June 30, 2013

	Note	June 2013 Rupees	June 2012 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (2012: 12,000,000) Ordinary shares of Rs. 10/- each	4	<u>120,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid-up share capital			
10,800,000 (2012: 1,200,000) Ordinary shares of Rs. 10/- each	4	108,000,000	12,000,000
Accumulated (loss)		(34,451,604)	(50,073,004)
		73,548,396	(38,073,004)
NON CURRENT LIABILITIES			
Due to related party	5	-	96,000,000
Liabilities against assets subject to finance lease	6	-	763,973
		-	96,763,973
CURRENT LIABILITIES			
Current maturity of liabilities against assets subject to finance lease	6	763,973	1,410,947
Trade and other payables	7	249,498,245	94,310,950
Domestic supplier finance	8	55,796,622	112,579,597
		306,058,840	208,301,494
		<u>379,607,236</u>	<u>266,992,463</u>
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	9	5,975,924	7,262,608
CURRENT ASSETS			
Stock in trade		239,019,340	164,691,426
Trade debts unsecured - considered good	10	38,696,827	34,893,070
Taxation - net	11	1,651,288	539,163
Loans and advances	12	308,427	282,436
Trade deposits and prepayments	13	142,402	469,300
Other receivables	14	55,046,556	19,256,424
Cash and bank balances	15	38,766,473	39,598,036
		373,631,312	259,729,855
		<u>379,607,236</u>	<u>266,992,463</u>

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

Chief Executive Officer

Director

Profit and Loss Account

For the year ended June 30, 2013

	Note	June 2013 Rupees	June 2012 Rupees
Net sales	16	1,394,926,519	1,240,554,842
Sales tax		(196,306,372)	(171,389,087)
		<u>1,198,620,147</u>	<u>1,069,165,755</u>
Cost of goods sold	17	(1,050,397,361)	(942,243,156)
Gross Profit		<u>148,222,786</u>	<u>126,922,599</u>
Distribution cost	18	(85,929,593)	(76,043,675)
Administrative expenses	19	(25,155,617)	(22,620,818)
Other charges - workers' welfare fund		(417,632)	(130,768)
		<u>36,719,944</u>	<u>28,127,338</u>
Financial charges	20	(12,597,320)	(24,489,849)
Other income		230,109	225,690
Profit before taxation		<u>24,352,732</u>	<u>3,863,179</u>
Taxation	21	(8,731,332)	3,532,375
Profit after taxation		<u>15,621,400</u>	<u>7,395,554</u>
Other comprehensive income		-	-
Total comprehensive income		<u><u>15,621,400</u></u>	<u><u>7,395,554</u></u>
Earnings per share	22	<u><u>1.70</u></u>	<u><u>6.16</u></u>

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

Chief Executive Officer

Director

Cash Flow Statement

For the year ended June 30, 2013

	Note	June 2013 Rupees	June 2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		24,352,732	3,863,179
Adjustment for non cash items:			
Depreciation		1,373,144	1,692,287
Financial charges		12,597,320	24,489,849
		<u>13,970,464</u>	<u>26,182,136</u>
Profit before changes in working capital		38,323,197	30,045,315
Working Capital Changes			
(Increase) / Decrease in current assets			
Stock in trade		(74,327,914)	(39,292,429)
Trade debts unsecured - considered good		(3,803,757)	(1,097,997)
Loans and advances		(25,991)	(27,700)
Trade deposits and prepayments		326,898	(27,995)
Other receivables		(35,790,132)	9,402,361
		<u>(113,620,896)</u>	<u>(31,043,760)</u>
Increase / (Decrease) in current liabilities			
Trade and other payables		155,187,295	(15,441,924)
Domestic supplier finance		(56,782,975)	14,246,941
		<u>98,404,320</u>	<u>(1,194,983)</u>
		23,106,621	(2,193,428)
Financial charges paid		(12,597,320)	(24,489,849)
Income tax paid		(9,843,456)	(5,003,953)
Tax loss surrendered to group company		-	10,247,213
Gratuity paid		-	(1,058,487)
Net cash inflow from / (used in) operating activities		<u>665,844</u>	<u>(22,498,504)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(86,460)	(209,500)
Net cash (used in) investing activities		<u>(86,460)</u>	<u>(209,500)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance lease		(1,410,947)	(1,249,050)
Shares issued to related party		96,000,000	-
Due to related party		(96,000,000)	14,978,794
Net cash (used in) / inflow from investing activities		<u>(1,410,947)</u>	<u>13,729,744</u>
Net (decrease) in cash and cash equivalents		(831,563)	(8,978,260)
Cash and bank balance at the beginning of the year		39,598,036	48,576,297
Cash and bank balance at the end of the year	15	<u>38,766,473</u>	<u>39,598,036</u>

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

Chief Executive Officer

Director

Statement of Changes in Equity

For the year ended June 30, 2013

	Issued, Subscribed and Paid-up Share Capital	Accumulated (Loss)	Total
	----- Rupees -----		
Balance as at July 01, 2011	12,000,000	(57,468,557)	(45,468,557)
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)
Shares issued during the year	96,000,000	-	96,000,000
Profit for the year ended June 30, 2013	-	15,621,400	15,621,400
Balance as at June 30, 2013	<u>108,000,000</u>	<u>(34,451,604)</u>	<u>73,548,397</u>

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

Chief Executive Officer

Director

Notes to the Financial Statements

For the year ended June 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, Abbasi Shaheed Road, Karachi. The principal activities of the Company are trading and distribution of consumer goods, pharmaceutical and allied products.
- 1.2 The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The matters involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to the financial statements are provision for staff retirement benefit, provision of doubtful and debts written off, stock obsolescence and write off etc.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

New or Revised Standards, amendments and interpretations which became effective during the period:

There were certain new standards and amendments to the approved accounting standards and new interpretations which became effective during the year but are considered not to be relevant or have no material effect on the company's operations or did not have any material impact on the company's accounting policies and are, therefore, not disclosed in these financial statements.

Notes to the Financial Statements

For the year ended June 30, 2013

New or Revised Standards, amendments and interpretations issued but not yet effective:

	<u>Effective For Periods Beginning</u>
IFRS 1 First time adoption of financial reporting standards (amendments)	January 1, 2013
IFRS 7 Financial instruments: Disclosures (amendments)	January 1, 2013
IFRS 9 Financial instruments	January 1, 2015
IFRS 10 Consolidated financial statements	January 1, 2013
IFRS 11 Joint arrangements	January 1, 2013
IFRS 12 Disclosure of interests in other entities	January 1, 2013
IFRS 13 Fair value measurement	January 1, 2013
IAS 16 Property, plant and equipment (amendments)	January 1, 2013
IAS 19 Employee benefits (amendments)	January 1, 2013
IAS 27 Separate financial statements (amendments)	January 1, 2013
IAS 28 Investments in associates and joint ventures (amendments)	January 1, 2013
IAS 32 Financial instruments - Presentation (amendments)	January 1, 2014
IAS 34 Interim financial reporting (amendments)	January 1, 2013
IAS 39 Financial instruments - Recognition and measurement (amendments)	January 1, 2013
IFRIC 20 Stripping costs in the production phase of a surface mine	January 1, 2013
IFRIC 21 Levies - an interpretation on the accounting for levies imposed by Government	January 1, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting Convention

These financial statements have been prepared under the 'historical cost convention'.

Notes to the Financial Statements

For the year ended June 30, 2013

3.2 Fixed Assets

Property, Plant and Equipment

Operating assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably. Major repairs and maintenance are capitalized. Minor repairs and maintenance are charged to profit and loss account as and when incurred.

Depreciation is charged to income applying the reducing balance method whereby the cost of an asset is written off over its estimated useful life. Full month's depreciation is charged on additions, while no depreciation is charged on disposal in the month of disposal.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account.

The depreciation rates charged are given as follows:

Office Equipments	15%
Computers	20%
Air-Conditions	15%
Furniture and Fixture	10%
Vehicle	20%
Leasehold Improvements	20%

Leased Assets

Assets subject to finance lease are stated at lower of the present value of minimum lease payments under the lease agreement and fair value of the assets. The related obligations of the lease are accounted for as liabilities. Assets acquired under finance lease are depreciated over the useful life of the assets on the same basis as of owned assets.

Intangible Assets

These are stated at cost less amortization. These are amortized over a period of four years from the date when such cost is incurred.

3.3 Stock-in-Trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost is determined using the First-In-First Out (FIFO) basis.

Cost of Stock in transit comprises of invoice value plus other charges accumulated to the balance sheet date.

Net realizable value represents the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

3.4 Trade Debts

Debts considered irrecoverable are written-off, while provisions are made for debts considered doubtful of recovery.

Notes to the Financial Statements

For the year ended June 30, 2013

3.5 Revenue Recognition

Revenue from sale of products is recognized upon transfer of title to customers which coincides with physical delivery and acceptance.

3.6 Provisions

Provisions are recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. Cash and cash equivalents are carried in the balance sheet at cost.

3.8 Financial Instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. All the financial assets are derecognized at the time when the company loses control of the contractual right that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account, currently.

3.9 Staff Retirement Benefits Schemes

Defined Contribution Plan

The Company operates a recognized provident fund scheme (defined contribution plan) for its eligible employees. Matching contributions made by the company under the terms of the scheme are charged to profit and loss account.

3.10 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or turnover tax, whichever is higher, in accordance with the provision of the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Notes to the Financial Statements

For the year ended June 30, 2013

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

3.11 Foreign Currencies

Transactions in foreign currencies are accounted for in Pak Rupees at the rates prevailing on the date of the transaction. Assets and liabilities in foreign currencies as at the balance sheet date are translated into Pak rupees at the rate of exchange prevailing on that date except for the liabilities covered under forward exchange contracts which are translated at the contracted rates. Exchanges gains or losses are included in income currently.

3.12 Transactions with Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include holding company, associated companies with or without common directors, directors and major shareholders and their close family members, key management personnel and retirement benefit funds. Amount due from and due to these associated companies are shown under receivables and payables. The Company has a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method.

3.13 Impairment

The carrying amount of the assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any assets or group assets. If any such indication exists, the recoverable amount of such asset is estimated and impairment loss is recognized in the profit and loss account.

4. SHARE CAPITAL	Note	June 2013 Rupees	June 2012 Rupees
Authorized Share Capital			
Number of Shares			
		2013	2012
		<u>12,000,000</u>	<u>12,000,000</u>
Ordinary Shares of Rs.10/ - each		<u>120,000,000</u>	<u>120,000,000</u>
Issued, Subscribed and Paid Up Share Capital			
Number of Shares			
		2013	2012
		1,200,000	1,200,000
		9,600,000	-
Ordinary Shares of Rs.10/ - each fully paid in cash	4.1	<u>108,000,000</u>	<u>12,000,000</u>

Notes to the Financial Statements

For the year ended June 30, 2013

4.1 During the period 9,600,000 shares of Rs. 10/- each have been issued to International Brands (Private) Limited against its outstanding balance, which was approved by SECP vide letter no. EMD/233/616/2002.907 dated September 11, 2012.

	June 2013 Rupees	June 2012 Rupees
5. DUE TO RELATED PARTY		
International Brands (Private) Limited	-	96,000,000
	<u>-</u>	<u>96,000,000</u>

The amount due has been converted into capital with the permission of Securities and Exchange Commission of Pakistan.

6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

6.1 The minimum lease payments have been discounted at an implicit interest rate 6 month KIBOR plus 2.75% to arrive at their present value. Rentals are paid in monthly installments. Lessee has the option to purchase the assets after expiry of the lease term.

Taxes, repairs and insurance costs are to be borne by the company. In case of early termination of lease, the lessee shall pay entire amount of rentals for unexpired period of lease agreement.

6.2 The amount of future payments of the lease and the period in which these payments will become due are in follows:

	June 2013			June 2012		
	Minimum Lease Payments	Financial Charges	Principal	Minimum Lease Payments	Financial Charges	Principal
	----- Rupees -----					
Not later than one year	791,281	27,308	763,973	1,599,899	188,952	1,410,947
Later than one year but not later than five years	-	-	-	791,281	27,308	763,973
	<u>791,281</u>	<u>27,308</u>	<u>763,973</u>	<u>2,391,180</u>	<u>216,260</u>	<u>2,174,920</u>

	June 2013 Rupees	June 2012 Rupees
7. TRADE AND OTHER PAYABLES		
Creditors	247,695,076	92,019,796
Accrued liabilities	1,420,414	1,315,389
Other Liabilities		
Unclaimed dividend	127,585	127,585
Provident fund payable	189,948	120,658
Others	65,222	727,522
	<u>382,755</u>	<u>975,765</u>
	<u>249,498,245</u>	<u>94,310,950</u>

Notes to the Financial Statements

For the year ended June 30, 2013

	Note	June 2013 Rupees	June 2012 Rupees
8. DOMESTIC SUPPLIER FINANCE	8.1	<u>55,796,622</u>	<u>112,579,597</u>

8.1 This represents the utilized amount against domestic supplier finance available from a commercial bank amounting to Rs. 140 million (2012: Rs.140 million). The rate of markup is 3 months KIBOR + 2.5% per quarter (2012: 3 months KIBOR +2.5% per quarter).

8.2 The arrangement is secured by way of hypothecation of stocks and receivables of the company.

9. PROPERTY, PLANT AND EQUIPMENT

	Computers			Air- Conditions	Furniture and Fixtures	Lease Hold Improvement	Vehicle		Total
	Office Equipments	Owned	Held Under Finance Lease				Owned	Held Under Finance Lease	
----- Rupees -----									
2012									
Year ended June 30									
Opening net book value	169,338	722,275	4,236,411	305,736	691,394	513,988	2,106,252	-	8,745,394
Addition	-	209,500	-	-	-	-	-	-	209,500
Deletion	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
Depreciation charge	(25,551)	(180,405)	(847,283)	(45,860)	(69,140)	(102,797)	(421,251)	-	(1,692,287)
Depreciation against assets disposed off / transfer	-	-	-	-	-	-	-	-	-
Closing net book value	<u>143,787</u>	<u>751,370</u>	<u>3,389,128</u>	<u>259,876</u>	<u>622,254</u>	<u>411,191</u>	<u>1,685,001</u>	<u>-</u>	<u>7,262,608</u>
At June 30									
Cost	352,263	2,616,554	4,491,337	608,241	1,060,457	1,698,187	7,213,500	-	18,040,539
Accumulated depreciation	(208,476)	(1,865,184)	(1,102,209)	(348,365)	(438,203)	(1,286,996)	(5,528,499)	-	(10,777,931)
Net book value	<u>143,787</u>	<u>751,370</u>	<u>3,389,128</u>	<u>259,876</u>	<u>622,254</u>	<u>411,191</u>	<u>1,685,001</u>	<u>-</u>	<u>7,262,608</u>
2013									
Year ended June 30									
Opening net book value	143,787	751,370	3,389,128	259,876	622,254	411,191	1,685,001	-	7,262,608
Addition	-	86,460	-	-	-	-	-	-	86,460
Deletion	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
Depreciation charge	(21,718)	(153,156)	(677,826)	(38,981)	(62,225)	(82,238)	(337,000)	-	(1,373,144)
Depreciation against assets disposed off / transferred	-	-	-	-	-	-	-	-	-
Closing net book value	<u>122,069</u>	<u>684,674</u>	<u>2,711,302</u>	<u>220,895</u>	<u>560,029</u>	<u>328,953</u>	<u>1,348,001</u>	<u>-</u>	<u>5,975,924</u>
At June 30									
Cost	352,263	2,703,014	4,491,337	608,241	1,060,457	1,698,187	7,213,500	-	18,126,999
Accumulated depreciation	(230,194)	(2,018,340)	(1,780,035)	(387,346)	(500,428)	(1,369,234)	(5,865,499)	-	(12,151,075)
Net book value	<u>122,069</u>	<u>684,674</u>	<u>2,711,302</u>	<u>220,895</u>	<u>560,029</u>	<u>328,953</u>	<u>1,348,001</u>	<u>-</u>	<u>5,975,924</u>

Notes to the Financial Statements

For the year ended June 30, 2013

	June 2013 Rupees	June 2012 Rupees
9.1 Depreciation charged for the year has been allocated as follows:		
Distribution cost	823,886	1,015,372
Administrative expenses	549,258	676,915
	1,373,144	1,692,287
10. TRADE DEBTS		
Considered good - unsecured	38,696,827	34,893,070
	38,696,827	34,893,070
11. TAXATION - NET		
Advance income tax	20,358,417	10,514,961
Less: Provision for taxation	(18,707,129)	(9,975,798)
	1,651,288	539,163
12. LOANS AND ADVANCES		
Loans due from - Employees	32,500	57,500
Advances to - Employees	275,927	224,936
	308,427	282,436
13. TRADE DEPOSITS AND PREPAYMENTS		
Trade deposits	112,500	449,300
Prepayments	29,902	20,000
	142,402	469,300
14. OTHER RECEIVABLES		
Sales tax refundable	3,894,149	3,037,336
Other receivable		
- Considered good	51,152,407	16,219,088
- Considered doubtful	-	11,353,736
	51,152,407	27,572,824
Less: Provision for doubtful debts	-	(11,353,736)
	55,046,556	19,256,424

Notes to the Financial Statements

For the year ended June 30, 2013

	Note	June 2013 Rupees	June 2012 Rupees
15. CASH AND BANK BALANCES			
Cash at bank:			
- in current accounts		38,639,120	39,470,683
- in dividend accounts		127,353	127,353
		<u>38,766,473</u>	<u>39,598,036</u>
16. NET SALES			
Sales		1,444,270,803	1,287,261,134
Sales discount		(42,750,804)	(42,752,748)
Sales return		(6,593,480)	(3,953,544)
		<u>1,394,926,519</u>	<u>1,240,554,842</u>
17. COST OF GOODS SOLD			
Opening stock		164,691,426	125,398,997
Purchases		1,124,725,275	981,535,585
		1,289,416,701	1,106,934,582
Less: Closing stock		(239,019,340)	(164,691,426)
		<u>1,050,397,361</u>	<u>942,243,156</u>
18. DISTRIBUTION COST			
Salaries, wages and benefits		31,868,719	26,443,000
Traveling and conveyance		2,298,160	2,473,861
Rent, rates and taxes		8,540,557	6,475,715
Insurance expense		787,357	641,254
Advertising and sales promotion		86,833	219,605
Vehicle running and maintenance		18,271,409	16,999,121
Printing and stationary		528,954	1,051,985
Repair and maintenance		111,933	277,446
Utilities		1,045,793	1,323,365
Security expenses		2,198,395	1,889,792
Legal and professional		6,190	62,748
Fee and subscription		-	395
Freight and octroi		17,272,635	15,807,002
Depreciation	9.1	823,886	1,015,372
Communication		434,815	888,851
Entertainment		498,382	474,165
Others		1,155,575	-
		<u>85,929,593</u>	<u>76,043,675</u>

Notes to the Financial Statements

For the year ended June 30, 2013

	Note	June 2013 Rupees	June 2012 Rupees
19. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		19,880,471	11,969,739
Traveling and conveyance		605,102	888,995
Rent, rates and taxes		800,634	1,064,962
Advertising and sales promotion		987,617	988,970
Auditors' remuneration	19.1	385,773	368,088
Vehicle running and maintenance		961,492	857,992
Printing and stationary		141,745	681,424
Repair and maintenance		20,432	31,395
Utilities		240,021	202,075
Security expenses		10,080	8,120
Legal and professional		244,557	1,711,511
Fee and subscription		3,875	3,050
Depreciation	9.1	549,258	676,915
Communication		268,573	265,795
Entertainment		55,987	63,353
Provision against other receivable		-	2,838,434
		<u>25,155,617</u>	<u>22,620,818</u>
19.1 Auditors' Remuneration			
Audit fee		270,000	250,000
Fee for half yearly review		65,000	65,000
Out of pocket		50,773	53,088
		<u>385,773</u>	<u>368,088</u>
20. FINANCIAL CHARGES			
Financial charges on finance lease		188,950	350,850
Interest on provident fund		-	260,441
Bank charges		832,379	798,637
Financial charges on domestic supplier finance		11,575,991	12,832,142
Financial charges on related party		-	10,247,779
		<u>12,597,320</u>	<u>24,489,849</u>
21. TAXATION			
Current		8,731,332	6,714,838
Prior		-	-
Loss surrendered to group company	21.2	-	(10,247,213)
	21.1	<u>8,731,332</u>	<u>(3,532,375)</u>

Notes to the Financial Statements

For the year ended June 30, 2013

	Note	June 2013 Rupees	June 2012 Rupees
21.1 Tax Charge Reconciliation			
Accounting profit		<u>24,352,732</u>	<u>3,863,179</u>
		35%	-
Tax		8,523,456	-
Tax effect of:			
Income chargeable under Final Tax Regime		(102,580)	-
Expenses allowed for tax purpose-net		(420,315)	-
Loss surrender to group company		-	(10,247,213)
Income chargeable at other rates		730,771	-
Minimum tax		-	6,714,838
		<u>8,731,332</u>	<u>(3,532,375)</u>

Relationship between tax expense and accounting profit has not been presented last year as tax has been computed under section 113 of Income Tax Ordinance, 2001 i.e. Minimum tax and final tax regime.

21.2 The company has surrendered its assessed tax loss to The Searle Company Limited U/s 59B of Income Tax Ordinance, 2001.

	Note	June 2013 Rupees	June 2012 Rupees
22. EARNINGS PER SHARE			
Profit after taxation		15,621,400	7,395,554
Number of shares		10,800,000	1,200,000
		<u>1.70</u>	<u>6.16</u>

23. RELATED PARTY TRANSACTIONS

Related party comprises of associated company, holding company, companies with common directorship and key management personnel. Transaction of the Company with related parties and balance outstanding at the year end are as follows:

Related Party	Nature of relationship	Nature of transaction / balance	June 2013	June 2012
The Searle Company Limited	Associate	Tax effect of loss surrendered	-	10,247,213
International Brands (Private) Limited	Holding	Current account balance - Receivable	-	96,000,000
Staff retirement benefits	Provident fund	Contribution	1,080,929	788,788
IBL Operations (Private) Limited	Associate	Current account balance - Receivable/ (Payable)	24,970,034	(3,896,271)

Notes to the Financial Statements

For the year ended June 30, 2013

24. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Chief Executive		Executives	
	2013	2012	2013	2012
	----- Rupees -----			
Managerial remuneration	2,759,334	-	3,266,892	3,153,265
Bonus	470,506	-	272,241	167,221
Leave encashment	235,253	-	163,345	83,611
Medical expenses	17,696	-	220,417	170,231
Total	<u>3,482,789</u>	<u>-</u>	<u>3,922,895</u>	<u>3,574,328</u>
Number of Persons	<u>1</u>	<u>-</u>	<u>3</u>	<u>3</u>

25. FINANCIAL ASSETS AND LIABILITIES

	Markup bearing			Non-Markup bearing			2013 Total	2012 Total
	Maturity upto One Year	Maturity after One Year	Sub-Total	Maturity upto One Year	Maturity after One Year	Sub-Total		
	----- Rupees -----							
Financial Assets								
Trade debts	-	-	-	38,696,827	-	38,696,827	38,696,827	34,893,070
Loans and advance	-	-	-	308,427	-	308,427	308,427	282,436
Trade deposits and prepayments	-	-	-	112,500	-	112,500	112,500	449,300
Other receivables	-	-	-	51,152,407	-	51,152,407	51,152,407	16,219,088
Cash and bank balances	-	-	-	38,766,473	-	38,766,473	38,766,473	39,598,036
	-	-	-	129,036,634	-	129,036,634	129,036,634	91,441,930
Financial Liabilities								
Liabilities against assets								
subject to finance lease	763,973	-	763,973	-	-	-	763,973	2,174,920
Trade and other payables	-	-	-	249,498,245	-	249,498,245	249,498,245	94,310,950
Domestic supplier finance	55,796,622	-	55,796,622	-	-	-	55,796,622	112,579,597
Due to related party	-	-	-	-	-	-	-	96,000,000
	56,560,595	-	56,560,595	249,498,245	-	249,498,245	306,058,840	305,065,467

25.1 Financial Risk Management Objectives

The Company finances its operation through equity and borrowings from parent company and management of working capital with a view to maintain a reasonable mix between the various sources of finance to minimize risk. Taken as a whole, risks arising from the company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments. The company manages its exposure to financial risk in the following manner:

Notes to the Financial Statements

For the year ended June 30, 2013

a) Currency Risk

Currency risk is the risk that the value of financial instrument will fluctuate due to change in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transaction with foreign buyers and suppliers. The Company believes that it is not exposed to major foreign exchange risk.

b) Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The company follows an effective cash management and planning policy to ensure availability of funds.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available.

25.2 Fair Value of Financial Instruments

The carrying values of all financial assets and liabilities reflected to the financial statements approximate their fair values. Fair values are determined on the basis of objective evidence at each balance sheet date.

	June 2013 Numbers	June 2012 Numbers
26. STAFF STRENGTH		
Number of employees	<u>138</u>	<u>138</u>
Average number of employees during the year	<u>134</u>	<u>133</u>

27. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 10, 2013 by the Board of Directors of the Company.

28. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged, wherever necessary.

29. GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director

Pattern of Shareholding

As of June 30, 2013

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children	7	14650	0.14
Associated Companies, undertakings and related parties	2	10381225	96.12
Executives	-	-	-
Public Sector Companies and Corporations	3	5739	0.05
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	2	69793	0.65
Mutual Funds	-	-	-
General Public	295	326028	3.02
Others	3	2565	0.02
Totals	312	10,800,000	100.00
Share holders holding 5% or more		Shares Held	Percentage
INTERNATIONAL BRANDS (PVT) LTD		10,381,225	96.12

Of Shareholders	Shareholdings' Slab			Total Shares Held
202	1	to	100	6,127
50	101	to	500	14,657
11	501	to	1000	8,903
33	1001	to	5000	88,428
6	5001	to	10000	40,750
2	10001	to	15000	26,900
2	20001	to	25000	41,650
1	25001	to	30000	26,300
1	40001	to	45000	43,700
1	50001	to	55000	52,300
1	65001	to	70000	69,060
1	75001	to	80000	79,050
1	10300001	to	10305000	10,302,175
312				10,800,000

Proxy Form

I/We _____
of _____ a member of
United Brands Limited and holders of _____ ordinary shares
as per shared Register Folio No. _____ hereby
appoint _____ of

as my/our proxy to vote for me/us and on my/our behalf at the 49th Annual General Meeting of the Company
to be held on _____ and at any adjournment thereof as witness
my / our hand this _____ day of _____ 2013.

Signature of Member : _____

Folio Number : _____

Number of Share held : _____

Please Affix
Revenue Stamp

Signature and Address of Witness:

Signature & Company Seal

1. _____

2. _____

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized. A proxy need not be a member of the Company.
3. CDS Shareholders and their proxies are each requested to attach an attested copy of their CNIC or Passport with the proxy form before submission to the Company (Originally CNIC/Passport is required to be produced at the time of the meeting).
4. The instrument appointing a proxy, together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered office of the Company not less than 48 hours before the time of holding the meeting.
5. An individual Beneficial owner of proxy must enclose an attested copy of his /her National Identity Card or Passport. The representative of corporate entity, shall submit Board of Director's resolution / power of attorney with specimen signature (unless it has been provided earlier) alongwith proxy form to the company.



United Brands Limited

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