



United Brands
Limited

Growing **ECONOMY**



Annual **Report**
2014

Lindt

MASTER CHOCOLATIER
SINCE 1845

*Excellence.
Ultimate Finesse*


















Lindt

*The Master Chocolatiers of Lindt
have blended the purest ingredients
with their infinite passion for chocolate
to create Excellence*

Experience the intense pleasure. Excellence



Contents

Vision Statement and Mission Statement	2	
Company Information	3	
Notice of the Annual General Meeting	4	
Directors' Report	6	
Financial Highlights	11	
Statement of Compliance with the Code of Corporate Governance	12	
Review Report to the Members on Statement of Compliance with the Best Practices of Code of Corporate Governance	14	
Auditors' Report To The Members	16	
Balance Sheet	20	
Profit and Loss Account	21	
Cash Flow Statement	22	
Statement of Changes in Equity	23	
Notes to the Financial Statements	24	
Pattern of Shareholding	37	
Proxy Form		

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.

Company Information

Board of Directors

Mr. Rashid Abdulla	Chairman
Mr. Asad Abdulla	Chief Executive
Mr. Ayaz Abdulla	Director
Mr. Munis Abdullah	Director
Mr. Zubair Palwala	Director
Syed Nadeem Ahmed	Director
Mr. Hasan Tariq	Director

Board of Audit Committee

Mr. Hasan Tariq	Chairman
Mr. Zubair Palwala	
Syed Nadeem Ahmed	

Board of HR & Remuneration Committee

Mr. Zubair Palwala	Chairman
Mr. Asad Abdulla	
Mr. Ayaz Abdulla	

Chief Financial Officer & Company Secretary

Mr. Muhammad Ali

External Auditors

Baker Tilly Mehmood Idrees Qamar

Internal Auditors

BDO Ebrahim & Co.

Legal Advisors

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

Notice of the Annual General Meeting

Notice is hereby given that 50th Annual General Meeting of the members of M/s. United Brands Limited will Insha Allah be held at 9th Floor, NIC Building, Abbasi Shaheed Road, Karachi on Monday, 27th October, 2014 at 4.30 p.m. to transact the following business:

AGENDA

1. To confirm the minutes of the last Extraordinary General Meeting of the Company held on 24th June, 2014.
2. To receive, consider and adopt Annual Audited Financial Statements for the year ended June 30, 2014 together with the Directors' and Auditors' Report thereon.
3. To approve Cash Dividend @ 10% (i.e. Re. 1.00 per share) for the year ended June 30, 2014, as recommended by the Board of Directors.
4. To appoint Auditors for the next financial year ending June 30, 2015 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 the Board

Dated : October 02, 2014
Place: Karachi

Muhammad Ali
Company Secretary

NOTES:

- i. The share transfer book of the Company will remain closed from October 21, 2014 to October 27, 2014 (both days inclusive). Transfers (if any) should be received at the office of our registrars Messrs. 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 20, 2014.
- 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 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.





no more tears®

Johnson's
extra
conditioning
shampoo

2-in-1 formula
for thick/curly hair

Johnson & Johnson
13 FL OZ (384 mL)

no more tears®

Johnson's
no more
tangles
shampoo

2-in-1 formula
for thin/straight hair

Johnson & Johnson
13 FL OZ (384 mL)

no more tears®

Johnson's
baby
shampoo

as gentle to eyes
as pure water

Johnson & Johnson
13 FL OZ (384 mL)

no more tears®

Johnson's
baby
shampoo

calming lavender

Johnson & Johnson
13 FL OZ (384 mL)

Clean & Clear™

morning
energy
face wash
purifying
apple

OIL-FREE • WON'T CLOG PORES

Clean & Clear™

morning
energy
face wash
brightening
berry

OIL-FREE • WON'T CLOG PORES

Clean & Clear™

morning
energy
face wash
energizing
lemon

OIL-FREE • WON'T CLOG PORES

DIRECTORS' REPORT to Shareholders:

For the year ended June 30, 2014

The Directors' are pleased to present the Audited Financial Statements for the year ended June 30, 2014. The Directors' Report is prepared under Section 236 of the Companies Ordinance, 1984 and Clause xvi of the Code of Corporate Governance.

FINANCIAL PERFORMANCE

	2014	2013
	-----Rupees in 000 -----	
Sales	1,282,432	1,198,620
Gross profit	164,301	148,223
Operating expenses	133,043	111,085
Operating profit	31,258	37,138
Profit after taxation	13,297	15,622

We are pleased to report that compared to last year, your Company has been able to grow revenues from Rs. 1,199 million to Rs. 1,282 million, an increase of 7% (2013: 12%). The major challenges during the year were the parallel stocks.

Due to the increase in overall operational costs during the year in costs of utilities, fuel and other logistics etc., the total operating expenses increased by 20% against the last year. This increase was also due to the increase in distribution coverage to 67 locations up to the end of the year.

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

EARNINGS PER SHARE:

Basic earnings per share after taxation were Rs. 1.23 (2013: Rs. 1.70).

SHAREHOLDINGS INFORMATION:

The pattern of shareholding as at June 30, 2014 and other related information is set out on page 37.

None of the Directors, CEO, CFO and Company Secretary and their spouses and minor children has carried out any trades in the shares of the Company.

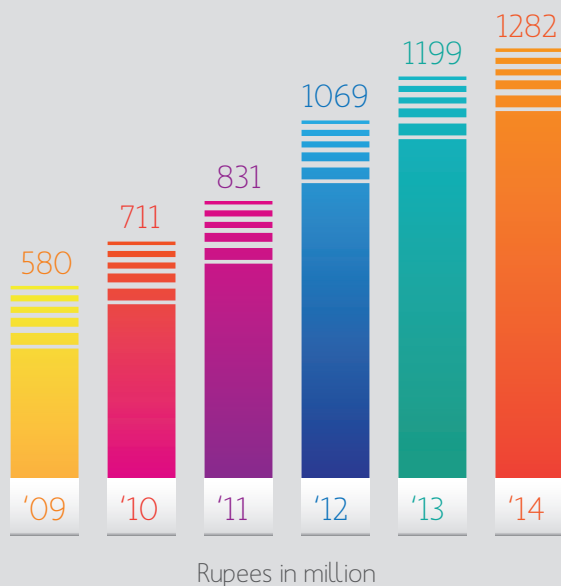
CORPORATE AND SOCIAL RESPONSIBILITY:

Corporate responsibility is an integral part of the mission of the Company. The Company focused on the areas of health and education by support to employees and other stakeholders. The Company continues its support through donations of medicines and cash.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

The Board of Directors of the Company has adopted a statement of ethics and business practices. All employees are informed and aware of this and are required to observe these rules of conduct in relation to business and regulations.

SALES TREND



DIRECTORS' REPORT to Shareholders:

For the year ended June 30, 2014

MEETINGS OF THE BOARD OF DIRECTORS

During the year, five meetings of the Board of Directors were held, the details of which are as follows:

Name of Director	Meetings attended
Mr. Rashid Abdulla	5
Syed Qaiser Abbas Naqvi	4
Mr. Asad Abdulla	4
Mr. Ayaz Abdulla	2
Mr. Zubair Palwala	5
Syed Nadeem Ahmed	3
Mr. Faisal Abdulla	1

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

AUDIT COMMITTEE MEETING

The Board has formed Audit Committee on 27th June, 2014 after election of Directors which consists of the following members and all of them are non-executive Directors.

Mr. Hasan Tariq - Chairman
Mr. Zubair Palwala
Syed Nadeem Ahmed

During the year, four meetings of the Audit Committee were held, the details of which are as follows:

Name of Directors	Meetings attended
Mr. Asad Abdulla	4
Mr. Zubair Palwala	4
Syed Qaiser Abbas Naqvi	4

HUMAN RESOURCE COMMITTEE MEETING:

Pursuant to the changes in Code of Corporate Governance 2012, The Board has formed a Human Resource and Remuneration (HR&R) Committee, comprising the following Directors:

1. Mr. Asad Abdulla
2. Mr. Ayaz Abdulla
3. Mr. Zubair Palwala

Mr. Zubair Palwala, non-executive Director has been appointed as Chairman of the HR&R Committee. Mr. Asad Abdulla, executive Director and Mr. Ayaz Abdulla, non-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.

SUBSEQUENT EVENTS:

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

FUTURE OUTLOOK

The Management of the Company is working diligently to overcome challenges and achieve its medium and long term goals. We are committed to grow in the same industry inspite of the volatile economic conditions and law and order situation.

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 year.

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: 25th September, 2014

ASAD ABDULLA
Chief Executive

Lindt
LINDOR

Do you dream in chocolate?
LINDOR, created by Lindt's Master
Swiss Chocolatiers.
Passion and love for chocolate
since 1845.



Financial Highlights

Operational Results: Rs 000

	2014	2013	2012	2011	2010	2009
Sales	1,282,432	1,198,620	1,069,166	831,475	711,461	580,268
Gross Profit	164,301	148,223	126,923	91,818	87,163	58,439
Operating Profit / (Loss)	30,821	36,720	28,127	(2,181)	22,527	(15,339)
Financial Charges	12,462	12,597	24,490	29,967	11,852	1,528
Profit / (Loss) before Taxation	21,411	24,353	3,863	(31,984)	10,674	(16,867)
Profit / (Loss) after Taxation	13,297	15,621	7,396	(34,513)	1,409	(16,867)
Proposed Dividend	10,800	10,800	-	-	-	-

Balance Sheet: Rs 000

	2014	2013	2012	2011	2010	2009
Shareholders' Equity	76,045	73,548	(38,073)	(45,469)	(10,955)	(12,364)
Non-Current Liabilities	-	-	96,764	84,255	72,098	73,585
Current Liabilities	497,202	307,116	208,301	212,596	138,441	106,684
Fixed Assets	2,709	5,976	7,263	8,745	4,871	5,629
Intangible Assets	-	-	-	-	119	339
Current Assets	570,538	374,688	259,730	242,636	194,592	161,935

Financial Ratios:

	2014	2013	2012	2011	2010	2009
Profit / (Loss) before Tax	1.67%	2.03%	0.36%	-3.85%	1.50%	-2.91%
Proposed Dividend	10%	10%	-	-	-	-
Return on Assets	2.32%	4.10%	2.77%	-13.73%	0.71%	-10.05%
Return on Equity	17.49%	21.24%	-	-	-	-
Earnings / (Loss) per Share	1.23%	1.70	6.16	(28.76)	1.17	(14.06)
Market value per Share	91.00	28.35	31.80	27.48	33.00	61.00
Book Value per Share	7.04	6.81	(31.73)	(37.89)	(9.13)	(10.30)
Debt / Equity Ratio	-	-	-	-	-	-
Current Ratio	1.2	1.2	1.2	1.1	1.4	1.51

Statement of Compliance with the Code of Corporate Governance

As on 30th June, 2014

This statement is being presented to comply with the Code of Corporate Governance (CCG) 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 non-executive directors on its Board of Directors. At present the Board includes:

Category	Names
Independent Directors :	Mr. Hasan Tariq Khan
Executive Directors :	Mr. Asad Abdulla
Non-Executive Directors :	Mr. Rashid Abdulla
	Mr. Ayaz Abdulla
	Mr. Munis Abdullah
	Mr. Zubair Razzak Palwala
	Syed Nadeem Ahmed

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 listing subsidiaries of listed holding companies where applicable).
3. All the resident Directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF1 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. There was no casual vacancy occurring on 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 Chief Executive Officer, 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 meeting, 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. In Compliance with the requirements of the CCG, one of the Directors has attended the Director's training program.
10. The Board has approved appointment of Chief Financial Officer, 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 Chief Executive Officer and Chief Financial Officer before approval of the Board.
13. The Directors, Chief Executive Officer 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 of three members, all of them are non-executive Directors including the Chairman of the Committee.
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 of three members all of them are non-executive Directors including the Chairman of the Committee.
18. The Board has outsourced the internal audit function to BDO Ebrahim & Co., Chartered Accountants 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 Institute of Chartered Accountants of Pakistan (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 exchanges.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

Karachi.
Date: September 25, 2014

Asad Abdulla
Chief Executive



BAKER TILLY
MEHMOOD IDREES
QAMAR
CHARTERED ACCOUNTANTS

4th Floor, Central Hotel Building,
Civil Lines, Merewether Road,
Karachi - Pakistan
Tel: +92 (021) 35644872-7
Fax: +92 (021) 35694573
Email: mim@mimandco.com

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, 2014.

btm

Baker Tilly Mehmood Idrees Qamar
Engagement Partner: Muhammad Aqeel Ashraf Tabani

Karachi.

Date: 25 SEP 2014

Auditors' Report to the Members

We have audited the annexed balance sheet of **UNITED BRANDS LIMITED** as at **June 30, 2014** 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, 2014, 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).

Amir

Baker Tilly Mehmood Idrees Qamar
Engagement Partner: Muhammad Aqeel Ashraf Tabani

Karachi.

Date: 25 SEP 2014





Financial
Statements

Balance Sheet

As at June 30, 2014



EQUITY AND LIABILITIES		June 2014 Rupees	June 2013 Rupees
	Note		
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
12,000,000 (2013: 12,000,000) Ordinary shares of Rs. 10/- each	4	120,000,000	120,000,000
Issued, Subscribed and Paid-up Share Capital			
10,800,000 (2013: 10,800,000) Ordinary shares of Rs. 10/- each	4	108,000,000	108,000,000
Accumulated (loss)		(31,954,815)	(34,451,604)
		76,045,185	73,548,396
CURRENT LIABILITIES			
Current maturity of liabilities against assets subject to finance lease	5	-	763,973
Trade and other payables	6	400,766,716	250,554,934
Domestic supplier finance	7	96,434,846	55,796,622
		497,201,562	307,115,529
		573,246,747	380,663,925
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	2,708,591	5,975,924
CURRENT ASSETS			
Stock in trade		316,671,350	239,019,340
Trade debts unsecured - considered good	9	52,267,734	38,696,827
Taxation - net	10	2,048,965	1,651,288
Loans and advances	11	1,238,195	308,427
Trade deposits and prepayments	12	52,000	142,402
Other receivables	13	88,726,333	56,103,244
Cash and bank balances	14	109,533,579	38,766,473
		570,538,156	374,688,001
		573,246,747	380,663,925

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

Asad Abdulla
Chief Executive

Zubair Palwala
Director



Profit and Loss Accounts

For the year ended June 30, 2014

	Note	June 2014 Rupees	June 2013 Rupees
Net sales	15	1,498,879,163	1,394,926,519
Sales tax		(216,447,322)	(196,306,372)
		<u>1,282,431,841</u>	<u>1,198,620,147</u>
Cost of goods sold	16	(1,118,131,290)	(1,050,397,361)
Gross Profit		<u>164,300,551</u>	<u>148,222,786</u>
Distribution cost	17	(99,773,364)	(85,929,594)
Administrative expenses	18	(33,269,781)	(25,155,617)
		<u>(133,043,145)</u>	<u>(111,085,211)</u>
Financial charges	19	(12,462,294)	(12,597,320)
Other charges - workers' welfare fund		(436,963)	(417,632)
		<u>(12,899,257)</u>	<u>(13,014,952)</u>
Other income		3,053,060	230,109
Profit before taxation		<u>21,411,209</u>	<u>24,352,732</u>
Taxation	20	(8,114,420)	(8,731,332)
Profit after taxation		<u>13,296,789</u>	<u>15,621,400</u>
Other comprehensive income		-	-
Total comprehensive income		<u>13,296,789</u>	<u>15,621,400</u>
Earnings per share	21	<u>1.23</u>	<u>1.70</u>

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

Asad Abdulla
Chief Executive

Zubair Palwala
Director

Cash Flow Statement

For the year ended June 30, 2014

	Note	June 2014 Rupees	June 2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		21,411,209	24,352,732
Adjustment for non cash items:			
Depreciation		3,008,675	1,373,144
(Gain) on property, plant and equipment		(3,053,060)	-
Financial charges		12,462,294	12,597,320
		12,417,909	13,970,464
Profit before changes in working capital		33,829,118	38,323,196
Working Capital Changes			
(Increase) in current assets			
Stock in trade		(77,652,010)	(74,327,914)
Trade debts unsecured - considered good		(13,570,907)	(3,803,757)
Loans and advances		(929,768)	(25,991)
Trade deposits and prepayments		90,402	326,898
Other receivables		(32,623,089)	(35,790,132)
		(124,685,372)	(113,620,896)
Increase in current liabilities			
Trade and other payables		150,203,528	155,187,295
Domestic supplier finance		40,638,224	(56,782,975)
		190,841,752	98,404,320
		99,985,498	23,106,620
Financial charges paid		(12,462,294)	(12,597,320)
Income tax paid		(8,512,097)	(9,843,456)
Net cash inflow from operating activities		79,011,107	665,844
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(448,169)	(86,460)
Net cash (used in) investing activities		(448,169)	(86,460)
CASH FLOW FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance lease		(763,973)	(1,410,947)
Dividend paid		(10,791,746)	-
Sales proceeds on property, plant and equipment		3,759,887	-
Shares issued to related party		-	96,000,000
Due to related party		-	(96,000,000)
Net cash (used in) financing activities		(7,795,832)	(1,410,947)
Net increase / (decrease) in cash and cash equivalents		70,767,106	(831,563)
Cash and bank balance at the beginning of the year		38,766,473	39,598,036
Cash and bank balance at the end of the year	14	109,533,579	38,766,473

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

Asad Abdulla
Chief Executive

Zubair Palwala
Director



Statement of Changes in Equity

For the year ended June 30, 2014

	Issued, 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)
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>73,548,396</u>
Dividend paid	-	(10,800,000)	(10,800,000)
Profit for the year ended June 30, 2014	-	13,296,789	13,296,789
Balance as at June 30, 2014	<u>108,000,000</u>	<u>(31,954,815)</u>	<u>76,045,185</u>

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

Asad Abdulla
Chief Executive

Zubair Palwala
Director

Notes to the Financial Statements

For the year ended June 30, 2014

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 The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING JUDGMENTS 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 judgments

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 judgment in the process of applying the company's accounting policies. The matters involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to the financial statements are provision of doubtful and debts written off, stock obsolescence and write off etc.

Estimates and judgments 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.

Change in Accounting Estimate

During the current year, the management has reassessed the expected pattern of consumption of future economic benefits associated with the fixed assets. As a result of such exercise:

The current year depreciation has been charged to income applying straight line method, whereas in the previous year the method for providing depreciation was reducing balance method.

The above change has been accounted as a change in accounting estimate in accordance with the requirements of International Accounting Standard IAS - 8 "Accounting policies, Change in Accounting Estimate and Errors" Whereby the effects of these changes are recognized prospectively.

Had these changes in accounting estimates not been made, the depreciation for the year would have been decreased by Rs.1,914,480/- and profit before tax for the year would have been increased by the same amount.

Notes to the Financial Statements

For the year ended June 30, 2014



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.

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

		Effective For Periods Beginning
IAS 32	Financial instruments - Presentation (amendments)	January 1, 2014
IAS 39	Financial instruments - Recognition and measurement	January 1, 2014
IFRIC 21	Levies - an interpretation on the accounting for levies imposed by Government	January 1, 2014
IAS 36	Impairment of assets' recoverable amount disclosures for non-financial assets - amendment	January 1, 2014
IFRS 13	Fair value measurement	July 1, 2014
IFRS 2	Share base payments (amendments)	July 1, 2014
IFRS 3	Business combination (amendments)	July 1, 2014
IAS 24	Related party disclosure (amendments)	July 1, 2014
IFRS 8	Operating segments (amendments)	July 1, 2014
IAS 40	Investment properties (amendments)	July 1, 2014
IAS 19	Employee benefits' Employee contribution (amendments)	July 1, 2014
IFRS 11	Joint arrangements	January 1, 2016
IAS 38	Intangible assets (amendments)	January 1, 2016
IAS 16	Property, plant and equipment (amendments)	January 1, 2016
IFRS 14	Regulatory deferral accounts	January 1, 2016
IFRS 15	Revenue from contracts with customers	January 1, 2017
IFRS 9	Financial instruments	January 1, 2018

Notes to the Financial Statements

For the year ended June 30, 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting Convention

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

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 straight line 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 is charged on the basis of the following useful life: rates charged are given as follows:

Office Equipments	5 years
Computers	5 years
Air-Conditions	5 years
Furniture and Fixture	10 years
Vehicle	5 years
Leasehold Improvements	10 years

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 as of own assets.

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, 2014



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 un-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, 2014

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. Exchange 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 2014 Rupees	June 2013 Rupees
Authorized Share Capital			
Number of Shares			
2014	2013		
12,000,000	12,000,000	120,000,000	120,000,000
	Ordinary Shares of Rs.10/-each		
Issued, Subscribed and Paid Up Share Capital			
Number of Shares			
2014	2013		
10,800,000	10,800,000	108,000,000	108,000,000
10,800,000	10,800,000	108,000,000	108,000,000
	Ordinary Shares of Rs.10/ - each fully paid in cash		

Notes to the Financial Statements

For the year ended June 30, 2014

5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

- 5.1 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.

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

	June 2014			June 2013		
	Minimum Lease Payments	Financial Charges	Principal	Minimum Lease Payments	Financial Charges	Principal
----- Rupees -----						
Not later than one year	-	-	-	791,281	27,308	763,973
Later than one year but not later than five years	-	-	-	-	-	-
	-	-	-	791,281	27,308	763,973

6. TRADE AND OTHER PAYABLES

	Note	June 2014 Rupees	June 2013 Rupees
Creditors		381,178,442	234,892,993
Accrued liabilities		5,899,361	8,963,236
Other Liabilities			
Unclaimed dividend		135,839	127,585
Provident fund payable		230,247	189,948
Others		13,322,827	6,381,172
		13,688,913	6,698,705
		400,766,716	250,554,934

7. DOMESTIC SUPPLIER FINANCE

- 7.1 This represents the utilized amount against domestic supplier finance available from a commercial bank amounting to Rs. 140 million (2013: Rs.140 million). The rate of markup is 3 months KIBOR + 2.5% per quarter (2013: 3 months KIBOR +2.5% per quarter).
- 7.2 The arrangement is secured by way of hypothecation of stocks and receivables of the company.

Notes to the Financial Statements

For the year ended June 30, 2014

8. PROPERTY, PLANT AND EQUIPMENT

	Office Equipments	Computers		Air-Conditions	Furniture and Fixtures	Lease Hold Improvement	Vehicle Owned	Total
		Owned	Held Under Finance Lease					
----- Rupees -----								
2013								
Year ended June 30								
Opening net book value	143,788	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 / transfer	-	-	-	-	-	-	-	-
Closing net book value	122,070	684,674	2,711,302	220,895	560,029	328,953	1,348,001	5,975,924
At June 30								
Cost	352,264	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	122,070	684,674	2,711,302	220,895	560,029	328,953	1,348,001	5,975,924
2014								
Year ended June 30								
Opening net book value	122,070	684,674	2,711,302	220,895	560,029	328,953	1,348,001	5,975,924
Addition	92,340	335,500	-	-	20,329	-	-	448,169
Deletion	-	-	-	-	-	-	(4,372,000)	(4,372,000)
Transfer	-	4,491,337	(4,491,337)	-	-	-	-	-
Depreciation charge	(134,525)	(1,540,077)	-	(220,895)	(143,050)	(328,953)	(641,174)	(3,008,675)
Depreciation against assets disposed off / transferred	-	(1,780,035)	1,780,035	-	-	-	3,665,173	3,665,173
Closing net book value	79,884	2,191,399	-	-	437,308	-	-	2,708,591
At June 30								
Cost	444,603	7,529,851	-	608,241	1,080,786	1,698,187	2,841,500	14,203,168
Accumulated depreciation	(364,719)	(5,338,452)	-	(608,241)	(643,478)	(1,698,187)	(2,841,500)	(11,494,577)
Net book value	79,884	2,191,399	-	-	437,308	-	-	2,708,591

June
2014
Rupees

June
2013
Rupees

8.1 Depreciation charged for the year has been allocated as follows:

Distribution cost	2,269,015	823,886
Administrative expenses	739,660	549,258
	3,008,675	1,373,144

Notes to the Financial Statements

For the year ended June 30, 2014

8.2 Particulars of Disposal of Fixed Assets

Assets	Cost	Accumulated Depreciation	W.D.V	Sale Proceed	Mode of Disposals	Particulars of Buyers
	----- Rupees -----					
Motor Vehicles	395,000	334,770	60,230	323,787	Advertisement	Syed Hassan Ali
	395,000	334,770	60,230	315,300	Advertisement	Mr. Javed Hashmi
	395,000	328,746	66,254	355,200	Advertisement	Mr. Abdul Ahad
	609,000	516,138	92,862	571,900	Advertisement	Mr. Rana Shakil
	886,000	737,390	148,610	658,200	Advertisement	Mr. Mobin Ahmed
	846,000	704,099	141,901	750,000	Advertisement	Mr. Farhan Qaiser
	846,000	709,260	136,740	785,500	Advertisement	Mr. Batool Feroz
2014	4,372,000	3,665,173	706,827	3,759,887		

	June 2014 Rupees	June 2013 Rupees
9. TRADE DEBTS		
Considered good - unsecured	52,267,734	38,696,827
	<u>52,267,734</u>	<u>38,696,827</u>
10. TAXATION - NET		
Advance income tax	28,870,515	20,358,417
Less: Provision for taxation	(26,821,550)	(18,707,129)
	<u>2,048,965</u>	<u>1,651,288</u>
11. LOANS AND ADVANCES		
Loans due from		
- Employees	-	32,500
Advances to		
- Employees	1,238,195	275,927
	<u>1,238,195</u>	<u>308,427</u>
12. TRADE DEPOSITS AND PREPAYMENTS		
Trade deposits	52,000	112,500
Prepayments	-	29,902
	<u>52,000</u>	<u>142,402</u>
13. OTHER RECEIVABLES		
Sales tax refundable	11,169,242	4,950,838
Other receivable		
- Considered good	77,557,091	51,152,406
- Considered doubtful	-	-
	<u>77,557,091</u>	<u>51,152,406</u>
Less: Provision for doubtful debts	-	-
	<u>88,726,333</u>	<u>56,103,244</u>

Notes to the Financial Statements

For the year ended June 30, 2014

	Note	June 2014 Rupees	June 2013 Rupees
14. CASH AND BANK BALANCES			
Cash in hand		478,000	-
Cash at bank:			
- in current accounts		108,919,740	38,639,120
- in dividend accounts		135,839	127,353
		<u>109,533,579</u>	<u>38,766,473</u>
15. NET SALES			
Sales		1,549,000,827	1,444,270,803
Sales discount		(43,200,765)	(42,750,804)
Sales return		(6,920,899)	(6,593,480)
		<u>1,498,879,163</u>	<u>1,394,926,519</u>
16. COST OF GOODS SOLD			
Opening stock		239,019,340	164,691,426
Purchases		1,195,783,300	1,124,725,275
		1,434,802,640	1,289,416,701
Less: Closing stock		(316,671,350)	(239,019,340)
		<u>1,118,131,290</u>	<u>1,050,397,361</u>
17. DISTRIBUTION COST			
Salaries, wages and benefits		40,139,979	31,868,719
Traveling and conveyance		2,790,141	2,298,160
Rent, rates and taxes		9,102,691	8,540,557
Insurance expense		1,596,864	787,357
Advertising and sales promotion		136,899	86,833
Vehicle running and maintenance		18,500,506	18,271,409
Printing and stationary		627,741	528,954
Repair and maintenance		310,018	111,933
Utilities		1,084,276	1,045,793
Security expenses		2,984,306	2,198,395
Legal and professional		55,924	6,190
Freight and octroi		19,056,751	17,272,635
Depreciation	8.1	2,269,015	823,886
Communication		554,738	434,815
Entertainment		534,457	498,382
Others		29,058	1,155,575
		<u>99,773,364</u>	<u>85,929,593</u>

Notes to the Financial Statements

For the year ended June 30, 2014

	Note	June 2014 Rupees	June 2013 Rupees
18. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		25,040,271	19,880,471
Traveling and conveyance		734,640	605,102
Rent, rates and taxes		853,331	800,634
Advertising and sales promotion		1,557,056	987,617
Auditors' remuneration	18.1	603,000	385,773
Vehicle running and maintenance		973,547	961,492
Printing and stationary		168,217	141,745
Repair and maintenance		56,590	20,432
Utilities		248,853	240,021
Security expenses		13,684	10,080
Legal and professional		2,209,502	244,557
Fee and subscription		-	3,875
Depreciation	8.1	739,660	549,258
Communication		71,430	268,573
Entertainment		-	55,987
		<u>33,269,781</u>	<u>25,155,617</u>
18.1 Auditors' Remuneration			
Audit fee		270,000	270,000
Audit Fee/Audit Fee for half yearly review		245,000	65,000
Provident Fund Audit fee		35,000	-
Out of pocket		53,000	50,773
		<u>603,000</u>	<u>385,773</u>
19. FINANCIAL CHARGES			
Financial charges on finance lease		-	188,950
Bank charges		880,538	832,379
Financial charges on domestic supplier finance		11,581,756	11,575,991
		<u>12,462,294</u>	<u>12,597,320</u>
20. TAXATION			
Current		8,114,420	8,731,332
	20.1	<u>8,114,420</u>	<u>8,731,332</u>

Notes to the Financial Statements

For the year ended June 30, 2014

	June 2014 Rupees	June 2013 Rupees
20.1 Tax Charge Reconciliation		
Accounting profit	21,411,209	24,352,732
	34%	35%
Tax	7,279,811	8,523,456
Tax effect of:		
Income chargeable under Final Tax Regime	(163,694)	(102,580)
Expenses allowed for tax purpose-net	(273,441)	(420,315)
Loss surrender to group company		-
Income chargeable at other rates	1,271,744	730,771
Minimum tax	-	-
	8,114,420	8,731,332
21. EARNINGS PER SHARE		
Profit after taxation	13,296,789	15,621,400
Weighted average number of shares	10,800,000	9,200,000
	1.23	1.70

22. 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 2014	June 2013
The Searle Company Limited	Associate	Tax effect of loss surrendered	-	-
International Brands Limited	Holding	Current account balance - Receivable	-	-
Staff retirement benefits	Provident fund	Contribution	1,835,357	1,080,929
IBL Operations (Private) Limited	Associate	Current account balance - Receivable/ (Payable)	748,088	24,970,034

Notes to the Financial Statements

For the year ended June 30, 2014

23. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Chief Executive		Executives	
	2014	2013	2014	2013
	----- Rupees -----			
Managerial remuneration	5,843,448	2,759,334	3,539,936	3,266,892
Bonus	324,636	470,506	196,663	272,241
Leave encashment	162,318	235,253	98,332	163,345
Medical expenses	324,636	17,696	196,663	220,417
Total	6,655,038	3,482,789	4,031,594	3,922,895
Number of Persons	1	1	5	3

24. FINANCIAL ASSETS AND LIABILITIES

	Markup bearing			Non-Markup bearing			2014 Total	2013 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	-	-	-	52,267,734	-	52,267,734	52,267,734	38,696,827
Loans and advance	-	-	-	1,238,195	-	1,238,195	1,238,195	308,427
Trade deposits and prepayments	-	-	-	52,000	-	52,000	52,000	112,500
Other receivables	-	-	-	77,557,091	-	77,557,091	77,557,091	51,152,407
Cash and bank balances	-	-	-	109,533,579	-	109,533,579	109,533,579	38,766,473
	-	-	-	240,648,599	-	240,648,599	240,648,599	129,036,634
Financial Liabilities								
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	763,973
Trade and other payables	-	-	-	400,766,716	-	400,766,716	400,766,716	250,554,934
Domestic supplier finance	96,434,846	-	96,434,846	-	-	-	96,434,846	55,796,622
	96,434,846	-	96,434,846	400,766,716	-	400,766,716	497,201,562	307,115,529

24.1 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, 2014

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.

24.2 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 2014 Numbers	June 2013 Numbers
25. STAFF STRENGTH		
Number of employees	118	138
Average number of employees during the year	133	134

26. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 25th September, 2014 by the Board of Directors of the Company.

27. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged, wherever necessary.

28. GENERAL

Figures have been rounded off to the nearest rupee.

Asad Abdulla
Chief Executive

Zubair Palwala
Director

Pattern of Shareholding

As of June 30, 2014

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children	7	13,650	0.13
Associated Companies, undertakings and related parties International Brands Ltd	2	10,381,225	96.12
Executives	-	-	-
Public Sector Companies and Corporations	3	4,654	0.04
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	2	71,793	0.67
Mutual Funds	-	-	-
General Public			
a. Local	324	326,652	3.02
b. Foreign	-	-	-
Others	2	2,026	0.02
Total	340	10,800,000	100.00
Share holders holding 5% or more		Shares Held	Percentage
International Brands Ltd		10,381,225	96.12

Number of Shareholders	Shareholdings' Slab			Total Shares Held
226	1	to	100	5,780
48	101	to	500	14,250
15	501	to	1000	12,954
34	1001	to	5000	82,131
7	5001	to	10000	45,750
2	10001	to	15000	26,900
1	15001	to	20000	16,900
1	20001	to	25000	20,750
1	25001	to	30000	26,300
1	40001	to	45000	43,700
1	50001	to	55000	52,300
1	70001	to	75000	71,060
1	75001	to	80000	79,050
1	10300001	to	10305000	10,302,175
340				10,800,000

Pattern of Shareholding

As of June 30, 2014

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Directors and their spouse(s) and minor children				
1	596	RASHID ABDULLA	5,350	0.05
2	808	FAISAL ABDULLA	1,800	0.02
3	817	ZUBAIR PALWALA	500	0.00
4	818	SYED NADEEM AHMED	500	0.00
5	842	SYED QAISAR ABBAS NAQVI	500	0.00
6	03277-20909	ASAD ABDULLA	2,500	0.02
7	03277-21385	AYAZ ABDULLA	2,500	0.02
			7	13,650
				0.13
Associated companies, undertakings and related parties				
1	770	INTERNATIONAL BRANDS LTD	79,050	0.73
2	03277-2937	INTERNATIONAL BRANDS LTD.	10,302,175	95.39
			2	10,381,225
				96.12
Executive				
			NIL	-
			-	-
Public sector companies and corporations				
1	00083-36	IDBL (ICP UNIT)	1,650	0.02
2	03889-28	NATIONAL BANK OF PAKISTAN	4	0.00
3	03889-44	NATIONAL BANK OF PAKISTAN	3,000	0.03
			3	4,654
				0.04
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds				
1	03277-1651	FIRST UDL MODARABA	71,060	0.66
2	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	733	0.01
			2	71,793
				0.67
Mutual Funds				
			NIL	-
			-	-
General Public Foreign				
			NIL	-
			-	-
General Public Local				
			324	3.02
Others				
1	812	NAEEM'S SECURITIES (PVT) LTD.	2,000	0.02
2	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	26	0.00
			2	2,026
				0.02
Total			340	10,800,000
				100.00

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 50th Annual General Meeting of the Company to
be held on _____ and at any adjournment thereof
as witness my / our hand this _____ day of _____ 2014.

Signature of member : _____

Folio Number : _____

Number of Share held : _____

Signature and Address of Witness:

Please Affix
Revenue Stamp

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**

8th Floor, NIC Building, Abbasi
Shaheed Road, Karachi-75530
Tel: 35683944-6, 35675111-7,
Fax: 35635530, 35862772
www.ubrandz.biz