

Health comes First



Directors' Report

The Directors are pleased to present the report together with the un-audited financial statements of the company for the quarter ended September 30, 2014.

The interim financial information is submitted in accordance with the section 245 of the Companies Ordinance, 1984.

SUMMARY OF FINANCIAL PERFORMANCE

	Sep. 2014	Sep. 2013
	Rupees in thousands	
Revenue	290,193	245,564
Gross profit	123,749	88,044
Gross profit as a percentage of revenue	42.6%	35.8%
Operating expenses	38,844	33,165
Operating profit	84,905	54,879
Profit before taxation	84,689	55,608
Profit after taxation	78,793	45,179

Despite unfavorable economic conditions and difficult law and order situation in the country, the performance of your company is excellent in terms of sales and profitability. The results for the quarter under review showed an increase in turnover by 18.2% as compared to last year. The gross profit also rose to 42.6% as compared to 35.8% for the same period last year.

FUTURE OUTLOOK

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

ACKNOWLEDGEMENT

We thank the customers for their faith in our products and their continuing patronage.

We also take this opportunity to thank our suppliers, bankers and distributors for providing their valuable support.

Moreover we appreciate the efforts of our staff who remained committed to deliver the growth of your company.

For and on behalf of the Board



Mufti Zia ul Islam
Chief Executive Officer

Karachi
October 21, 2014

Condensed Interim Balance Sheet

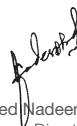
As At September 30, 2014

		Sep 30, 2014 Unaudited	Jun 30, 2014 Audited
	Note	-----Rupees in '000'-----	
Assets			
Non-current assets			
Property, plant and equipment	4	1,110	1,545
Investment property		123,588	123,588
Intangible assets		12,236	14,131
Long term loans and advances		21	376
		<u>136,955</u>	<u>139,640</u>
Current assets			
Stock in trade		193,871	207,676
Trade debts-unsecured		255,754	177,571
Short term loans and advances		768	631
Short term investments		115,899	41,042
Advances, deposits, prepayments and other receivables		19,234	13,997
Taxation		4,764	4,633
Cash and bank balances		35,451	25,360
		<u>625,741</u>	<u>470,910</u>
Total assets		<u><u>762,696</u></u>	<u><u>610,550</u></u>
Equity and liabilities			
Share capital and reserves			
Authorised share capital	5	500,000	500,000
Issued, subscribed and paid-up share capital	5	230,000	230,000
Unappropriated profit		370,483	291,690
Total equity		<u>600,483</u>	<u>521,690</u>
Liabilities			
Non-current liabilities			
		-	-
Current liabilities			
Trade and other payables		162,213	88,860
		<u>162,213</u>	<u>88,860</u>
Contingencies and commitments	6		
Total liabilities		<u>162,213</u>	<u>88,860</u>
Total equity and liabilities		<u><u>762,696</u></u>	<u><u>610,550</u></u>

The notes 1-8 are an integral part of these condensed interim financial statements.



Mufti Zia ul Islam
Chief Executive Officer



Syed Nadeem Ahmed
Director

Condensed Interim Profit And Loss Account

For The Period Ended September 30, 2014

	Sep 30, 2014	Sep 30, 2013
	Unaudited	
	-----Rupees in '000'-----	
Revenue	290,193	245,564
Cost of sales	(166,444)	(157,520)
Gross profit	123,749	88,044
Selling and distribution expenses	(28,556)	(26,705)
Administrative expenses	(9,065)	(4,201)
Amortization of intangible assets	(1,223)	(2,259)
Operating profit	84,905	54,879
Other operating income	1,271	2,201
Other charges	(1,041)	(1,045)
Finance cost	(446)	(427)
Profit before income tax	84,689	55,608
Income tax expense	(5,896)	(10,429)
Profit for the period	78,793	45,179
Earnings per share (Rupees)	3.43	(Re-stated) 1.96

The notes 1-8 are an integral part of these condensed interim financial statements.


Mufti Zia ul Islam
Chief Executive Officer


Syed Nadeem Ahmed
Director

Condensed Interim Statement Of Comprehensive Income

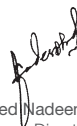
For The Period Ended September 30, 2014

	Sep, 30 2014	Sep, 30 2013
	Unaudited -----Rupees in '000'-----	
PROFIT FOR THE PERIOD	78,793	45,179
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>78,793</u>	<u>45,179</u>

The notes 1-8 are an integral part of these condensed interim financial statements.



Mufti Zia ul Islam
Chief Executive Officer



Syed Nadeem Ahmed
Director

Condensed Interim Statement Of Changes In Equity

For The Period Ended September 30, 2014

	Issued, subscribed and paid-up share capital	Unappropriated profit	Total
	-----Rs in '000'-----		
Balance as at July 1, 2013	200,000	172,610	372,610
Profit for the period	-	45,179	45,179
Balance as at September 30, 2013 (unaudited)	<u>200,000</u>	<u>217,789</u>	<u>417,789</u>
Balance as at July 1, 2014	230,000	291,690	521,690
Profit for the period	-	78,793	78,793
Balance as at September 30, 2014 (unaudited)	<u>230,000</u>	<u>370,483</u>	<u>600,483</u>

The notes 1-8 are an integral part of these condensed interim financial statements.


Mufti Zia ul Islam
Chief Executive Officer


Syed Nadeem Ahmed
Director

Condensed Interim Statement Of Cash Flows

For The Period Ended September 30, 2014

	Sep, 30 2014	Sep, 30 2013
	Unaudited	
Note -----Rupees in '000'-----		
Cash flows from operating activities		
Profit before income tax	84,689	55,608
Adjustments for non-cash and other items:		
Depreciation	124	990
Gain on disposal of property, plant and equipment	(739)	-
Amortization of intangibles	1,223	2,258
Impairment of intangibles	673	-
Unrealized gain on investments classified as fair value through profit and loss	(857)	-
Reversal of provision for staff retirement gratuity	-	(5,520)
Cash flows before working capital changes	85,113	53,336
Changes in working capital		
Stock in trade	13,805	(25,066)
Trade debts	(78,183)	(45,689)
Short term loans and advances	(137)	(434)
Advances, deposits, prepayments and other receivables	(5,237)	(1,527)
Trade and other payables	73,479	36,193
	3,727	(36,523)
Cash generated from operations	88,840	16,813
Long term loans	355	(317)
Income tax paid	(6,027)	(10,429)
Net cash flows from operating activities	83,168	6,067
Cash flows from investing activities		
Purchase of property, plant & equipment	(98)	-
Short term investments	(74,000)	-
Sale proceeds from sale of property, plant and equipment	1,147	-
Net cash flows from investing activities	(72,951)	-
Cash flows from financing activities		
Liabilities against assets subject to finance lease	-	(314)
Gratuity paid	(126)	-
Dividends paid	-	-
Net cash flows from financing activities	(126)	(314)
Net increase / (decrease) in cash and cash equivalents	10,091	5,753
Cash and cash equivalents at the beginning of the period	25,360	15,139
Cash and cash equivalents at the end of the period	7 35,451	20,892

The notes 1-8 are an integral part of these condensed interim financial statements.



Mufti Zia ul Islam
Chief Executive Officer



Syed Nadeem Ahmed
Director

Notes to the Condensed Interim Financial Statements

For the period ended September 30, 2014

1 General information

The Company was incorporated in Pakistan as a Private Limited Company on July 14, 1997. In November 2008 the Company was converted into Public Limited Company and its shares have been listed on Karachi Stock Exchange. The address of its registered office is 9th Floor, N.I.C. Building, Abbasi Shaheed Road, Karachi. The principal business activities of the Company are marketing, selling and distribution of healthcare products.

The Company is the subsidiary of The Searle Company Limited.

These condensed interim financial statements were approved for issue on October 21, 2014.

2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard No. 34, "Interim Financial Reporting" and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi Stock Exchange.

3 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended June 30, 2014, as described in those annual financial statements.

4 Property, plant and equipment

Following additions to, and disposals from Property, plant and equipment were made during the period:

	Sep 30, 2014	June 30, 2014
	-----Rs in '000'-----	
Additions		
- Office equipments at cost	98	409
Disposals		
- Owned vehicles at book value	408	3,971
- Leased vehicles at book value	-	1,079
	408	5,050
5 Authorized capital		
50,000,000 (June 2014: 50,000,000) ordinary shares of Rs.10 each	500,000	500,000
Issued, subscribed and paid-up share capital		
23,000,000 (June 2014: 23,000,000) fully paid ordinary shares of Rs. 10 each	230,000	230,000

6 Contingencies and commitments

Letter of credit outstanding as on September 30, 2014 amounted to Rs.98.2 million (June 2014: Rs. 53.9 million) while the amount remaining unutilized was Rs.166.8 million (June 2014: 211.1 million).

Notes to the Condensed Interim Financial Statements

For the period ended September 30, 2014

Sep 30, 2014 June 30, 2014
-----Rs in '000'-----

7 Cash and cash equivalents

Cash and bank balance	35,451	25,360
-----------------------	--------	--------

8 Related party transactions

The Company is controlled by The Searle Company Limited, which owns 50% of the Company's shares. The remaining 50% of the shares are widely held. IBL Operations (Private) Limited is an associated company on the basis of common directorship and equity holding of 20%.

Related Party	Nature of relationship	Nature of transaction	Sep 30, 2014 ----- (Rs in '000) -----	Sep 30, 2013
The Searle Company Limited	Holding	Share of employees costs and expenses	75	798
		Sale of goods	132	-
IBL Operations (Private) Limited	Associate	Rent expense	539	1,101
		Sale of goods	236,556	188,789
Habitt	Associate	Rent income	1,307	1,188
Dunkin Donuts	Associate	Rent income	145	132

Related Party	Nature of relationship	Balance	Sep 30, 2014 ----- (Rs in '000) -----	June 30, 2014
The Searle Company Limited	Holding	Current account balance	1,417	1,342
		Customer account balance	113	36
IBL Operations (Private) Limited	Associate	Current account balance	(6,632)	(6,092)
		Customer account balance	232,665	153,305
Habitt	Associate	Current account balance	3,389	2,953



Mufti Zia ul Islam
Chief Executive Officer



Syed Nadeem Ahmed
Director

IBL HealthCare Limited

9th Floor, N.I.C. Building, Abbasi Shaheed Road,
Off: Shahrah-e-Faisal, Karachi-75530
www.iblhc.com