



Pakistan

Annual Report 2014

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Company Information

Board of Directors

Mr. Rashid Abdulla
Chairman

Mr. Asad Abdulla
Chief Executive Officer

Mr. Zubair Palwala
Director

Mr. Ayaz Abdulla
Director

Mr. Munis Abdullah
Director

Mr. Tahir Saeed
Director

Mr. M. Salman Hussain Chawala
Director N.I.T. Nominee

Company Secretary

Mr. Aqnan Ahmed Feroze
Company Secretary

Audit Committee

Mr. Tahir Saeed
Chairman

Mr. Zubair Palwala
Member

Mr. Ayaz Abdulla
Member

CFO

Mr. Sohail Hashain Ahmed
Chief Financial Officer

HR. Remuneration

Mr. Ayaz Abdulla
Chairman

Mr. Zubair Palwala
Member

Mr. Asad Abdulla
Member

Legal Advisor

A.K. Brohi & Co.
Khalid Anwar & Co.
153-K, Block 2, PECHS, Karachi

Auditors

Baker Tilly Idress Qammar
Chartered Accountant
4th Floor, Central Hotel Building Civil Lines,
Merewether Road, Karachi

Bankers

Standard Chartered Bank Pakistan Ltd.
Habib Metropolitan Bank Limited
Habib Bank Limited
Sik Bank Limited

Registered Office

United Distributors Pakistan Limited
9th Floor, NIC Building, Abbasi Shaheed
Road, | Off: Shahrah-e-Faisal, Karachi
Web: www.udpl.com.pk

Registrar

Central Depository Company of Pakistan Ltd
CDC House # 99-B, Block 'B' S.M.C.H.S
Main Shahrah-e-Faisal, Karachi

Notice of Annual General Meeting

Notice is hereby given that the 32nd Annual General Meeting of **UNITED DISTRIBUTORS PAKISTAN LIMITED** will be held at The Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton, Karachi on Saturday October 25, 2014 at 2:00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the last Extra Ordinary General Meeting of the Company held on May 16, 2014.
2. To receive, consider and approve the Audited Financial Statement of the Company for the year ended June 30, 2014 together with the Directors' and Auditors' reports thereon.
3. To appoint Auditors and fix their remuneration for the year 2014-2015. The present Auditors Baker Tilly Mehmood Idrees Qamar, Chartered Accountants retire and being eligible, offer themselves for the re-appointment as auditors of the Company.

By Order of the Board



ADNAN AHMED FEROZE
Company Secretary

Karachi, October 03, 2014

NOTES

1. The share transfer books of the Company will remain closed from October 19, 2014 to October 25, 2014 (both days inclusive). Transfers (if any) should be received at the office of our Share Registrar M/s. Central Depository Company of Pakistan Limited, CDC House 99-B, Block B, S.M.C.H.S., Main Sharah-e- Faisal, Karachi., latest by the close of the business on October 18, 2014.
2. A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.
3. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
4. Members are requested to notify any change in their addresses immediately to the Company's Share Registrar.
5. In pursuance of Circular No. 1 of 2000 of SECP dated January 26th, 2000 beneficial owners of the shares registered in the name of Central Depository Company and / or their Proxies are required to produce their original Computerized National Identity Card (CNIC) or passport for identification purpose at the time of attending the meeting.
6. Proxy form must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of the CNIC or passport of the beneficial owner of the Proxy.
7. In case corporate entity, the Board of Director's resolution / power of attorney with the specimen signature of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Directors' Report

to the Shareholders

The Board of Directors of **UNITED DISTRIBUTORS PAKISTAN LIMITED (UDPL)** is pleased to present the Annual Report of the Company 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.

BUSINESS OVERVIEW

Your Company has continued to improve its performance over last years with increase in revenues, gross margins and reduction of operating cost. This performance achieved by the sale of better product mix, contribution of new products, enhancement of customer base, efficient utilization of resources and controlled expenses.

We are pleased to announce that your Company has recorded revenue of Rs.402.9 million as compared to Rs.369.8 million for the same period last year.

The gross profit for the year also increased significantly to Rs. 108.2 million reflecting an increase of Rs.41.9 million over last year. This attainment is derived from addition of new product segment i.e Macro Fertilizer which consists of high margin product and the Company is also able to increase margins of existing products along with reduction in trade discounts.

Your Company has utilized their resources efficiently thus resulting in reduction of operating expenses by 5.7% over the last year despite of the increase in revenue in the period under review.

FINANCIAL HIGHLIGHTS	(Restated)	
	2014	2013
	(Rupees in '000')	
Net sales	402,921	369,847
Gross profit	108,201	66,301
Profit before taxation	94,844	277,673
Profit after taxation	101,572	275,556
EPS in Rs.	8.23	23.58

Sales increase 8.94%

Gross Profit Increase 63.20%

Reduction in Expenses 5.70%

However, the profit after tax (PAT) as compared to the last year shows a decline, since the last year PAT included the gain on sale of investment of Rs.190.9 million which was not available in the current year.

EARNINGS PER SHARE

For the year under review number of ordinary shares increased from 9,183,000 to 18,367,800 due to issuance of right shares. However, according to the requirement of the International Financial Reporting Standards (IAS 33), the Earnings per Share (EPS) has been calculated taking effect of Right issue on weighted average number of shares which comes to 13,408,494 as on June 30th 2014. On this basis the EPS for the year is reported at Rs. 8.23 as compared to the last year restated EPS of Rs. 23.58.

SHARE OF ASSOCIATES

The associated companies post good profit for the year 2013-14 and the Company recorded share of profit of associate as per International Accounting Standard- IAS 28.

HOLDING COMPANY

International Brands Limited- IBL is the Holding Company of United Distributors Pakistan Ltd. As at June 30, 2014 IBL holds 13,169,774 shares of Rs 10 each.

Directors' Report

to the Shareholders

SUMMARY OF KEY OPERATING AND FINANCIAL DATA OF SIX YEARS AT A GLANCE

Below is a summary of key operating and financial results for six years and includes the financial results for the year under review:

	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
	(Rupees in Millions)					
Net sales	403	370	502	1,020	1,143	773
Cost of goods sold	(295)	(304)	(402)	(816)	(929)	(586)
Gross profit	108	66	101	204	215	187
Gross profit in percentage	26.8%	17.8%	20.1%	20.0%	18.8%	24.2%
Profit/(loss) after tax	102	276	61	(97)	(31)	78
Cash dividend	-	-	-	-	-	8.35
Bonus share	-	-	-	-	-	8.35
Bonus share in percentage	-	-	-	-	-	10%
Earning per share (in Rs.)	8.23	23.58	6.68	(10.52)	(3.42)	8.52

DIVIDEND

The Directors propose NIL dividend for the year ended June 30, 2014.

RIGHT SHARES

The Board of Directors of the Company in their meeting held on September 19, 2013 approved increase in paid up share capital of the company by way of further issuance of right shares at par value of Rs 10/- per share in the ratio of 1(one) share for every 1(one) share held i.e 100% right.

The main purpose of this issue is to increase the Company's existing equity and to utilize the funds for holding a good range of inventory, increase the sales force by adding new territories required to achieve the business objectives set out by the management.

EMPHASIS OF THE MATTER PARAGRAPH IN AUDITORS' REPORT

The auditors' in their report has drawn attention to Note # 7.3 that the Company is holding 6,715,062 shares of the holding company.

This was not a direct investment in the holding company. The shareholders in their meeting held on February 14, 2011, approved a special resolution for swapping of its investment from one of its associates to IBL, and the same was also approved through a scheme of arrangement approved by the Honorable High Court of Sindh.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

A value system in the Company is in place to ensure social and ethical conduct and to inculcate the spirit of ethical behavior, commitment to excellence and customer focused approach. The Directors consider it as a long term investment in the collective development of UDPL's human resource in particular and the society as a whole.

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

Directors' Report

to the Shareholders

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

As required under the Code of Corporate Governance 2012, the Directors are pleased to state as follows:

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and deviation from these if any has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the Listing Regulations.
- The management of the Company is committed to good corporate governance and appropriate steps are taken to comply with best practices.

EMPLOYEE'S BENEFIT SCHEMES

The Company provides terminal benefits to its employees in the form of provident fund. This funded benefit is maintained duly approved trusts. These trusts are managed by the trustees who get the funds audited.

The Trustees of the respective funds have informed the Company that as per the values of the investments of Rs.98,889 thousands (un audited) as at June 30th, 2014.

MEETINGS OF BOARD OF DIRECTORS

Seven meetings of the Board of Directors were held during the year ended June 30th, 2014. Attendance by each Director was as under:

S. No.	Name Of Directors	Number Of Meetings Attended
01.	Mr. Rashid Abdulla	7
02.	Mr. Asad Abdulla	7
03.	Mr. Munis Abdullah	1
04.	Mr. Ayaz Abdulla	5
05.	Mr. Zubair Palwala	7
06.	Mr. S. Nadeem Ahmed	5
07.	Mr. Tahir Saeed	1

We would like to extend our gratitude to Mr. Nadeem Ahmed and Abdullah Ghulam Ali who retired as Directors on completion of three years term and we welcome Mr. Tahir Saeed (Independent Director) and Mr. Salman Hussain Chawala (Director NIT nominee) on joining the Board.

Further, Leave of absence was granted to the Directors who could not attend some of the Board Meetings.

Directors' Report

to the Shareholders

AUDIT COMMITTEE

The Committee comprises of three members all of them are non- executive Directors including the Chairman of the Committee.

The terms of reference of the Committee have been determined by the Board of Directors in accordance with guidelines provided in the Listing Regulations and advised to the Committee for compliance. The Committee held four meetings during the year.

S. No.	Name Of Directors	Number Of Meetings Attended
01.	Mr. Ayaz Abdulla	4
02.	Mr. Zubair Palwala	4
03.	Mr. S. Nadeem Ahmed	3

We would like to extend our gratitude to Mr. S. Nadeem Ahmed who retired as member of audit committee on completion of 3 years term and we welcome Mr. Tahir Saeed on joining the audit committee.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Board in accordance with the Code of Corporate Governance has also constituted a Human Resource and Remuneration Committee, comprising of the following three Directors:

- Mr. Ayaz Abdulla
- Mr. Asad Abdulla
- Mr. Zubair Palwala

One meeting of the committee was held during the year which was attended by all members. The terms and reference of the committee includes but not limited to those as mentioned in the Code of Corporate Governance.

INTERNAL AUDITORS

The internal control framework has been effectively implemented through outsource the Internal Audit function to BDO Ebrahim & Co., Chartered Accountants which is independent of the External Audit function.

STATUTORY AUDITORS

The present auditors, Baker Tilly Mehmood Idrees Qamar and Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year ending June 30th, 2015 at a fee to be mutually agreed.

PATTERN OF SHAREHOLDING

Pattern of Shareholding of the Company as at June 30th, 2014, along with the necessary information is annexed to this report.

There were 1,395 shareholders on the record of the Company as at 30th June 2014.

Directors' Report

to the Shareholders

FUTURE OUTLOOK

We aim to keep on our journey of sustainable and profitable growth in future. Your company continues to maintain a strong positive outlook in agriculture sector of the country.

We continue to focus and invest on the fundamental strengths i.e. Our team, new brands, product registrations, revamping of formulation facility, enhance the customer base, and reduction in operating expenses that will help us to achieve the objective set out by the management.

ACKNOWLEDGMENTS

The Directors would like to express their gratitude to the Customer, Bankers and other Stakeholders for their continued support and encouragement and also place on record the appreciation of the valuable services rendered by the employees of the Company.

For and on behalf of the Board



ASAD ABDULLA
Chief Executive Officer

Karachi: September 23, 2014

Statement of Compliance

with Best Practices of Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (CCG), set out in the listing regulations of Stock exchanges 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 including independent directors or directors representing minority interests on its board of directors. At present the board includes:

Category	Name
Executive Director	Mr. Asad Abdulla
	Mr. Rashid Abdulla
	Mr. Munis Abdullah
Non-Executive Directors	Mr. Ayaz Abdulla
	Mr. Zubair Palwala
	Mr. M. Salman Hussain Chawala
Independent Director	Mr. Tahir Saeed

Independent directors meet the criteria of independence under code of corporate governance.

2. The directors have confirmed that none of them is serving as directors on more than seven listed companies, including this company.
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 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 decision 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 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 one of its director during the year.
10. There was no change in the position of Chief Financial Officer and Company Secretary.

Statement of Compliance

with Best Practices of Code of Corporate Governance

11. The directors' report for year ended June 30, 2014 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 director, 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 including Chairman of the committee, of whom all are non-executive directors.
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 three members including Chairman of the committee, of whom all are non-executive directors.
18. The board has outsourced the internal audit function to BDO Ebrahim & Chartered Accountants who are considered suitably qualified and experienced for the purpose and 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 exchanges.
23. We confirm that all other material principles enshrined in the CCG have been complied with except those that are not yet applicable.



ASAD ABDULLA
Chief Executive Officer

Review Report to the Members

on Statement of Compliance with Best Practices of Code of Corporate Governance



BAKER TILLY
MEHMOOD IDRIES
QAMAR
CHARTERED ACCOUNTANTS

Office: Central Head Building,
Civil Lines, Minto Avenue Road,
Karachi - Pakistan
Tel: +92 (021) 35644822-3
Fax: +92 (021) 35644111
Email: info@bakertilly.com

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 DISTRIBUTORS PAKISTAN LIMITED** to comply with the Listing Regulations of Stock Exchanges in Pakistan, 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 Stock Exchanges in Pakistan where the company is listed 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 cause 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.

Engagement Partner

MEHMOOD A. RAZZAK

Karachi

Date: September 23, 2014

Auditors' Report

to the Members



BAKER TILLY
MEHMOOD IDREES
QAMAR
CHARTERED ACCOUNTANTS

40, Block 7, Sector D, East Nazimabad,
Cantt. Road, Mehran Road,
Karachi - Pakistan
Tel: +92 (0)21 37444571, 3
Fax: +92 (0)21 37444571
Email: info@bakertilly.com.pk

We have audited the annexed balance sheet of **UNITED DISTRIBUTORS PAKISTAN 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, (hereinafter referred to as 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 that 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 book of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) In our opinion:
 - (i) The balance sheet and profit and loss account together with the notes thereon have been draw up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts, and are further in accordance with the 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 explanation given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan; and, given 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).

Without qualifying our report we draw your attention to the matters stated in note no. 7.3 of the financial statements. The company is holding 6,715,062 shares of International Brands Limited, the holding company, amounting to Rs. 83,663,000/-.

Engagement Partner

MEHMOOD A. RAZZAK

Karachi

Date: September 23, 2014

Balance Sheet

as at June 30, 2014

ASSETS

NON CURRENT ASSETS

Property, plant and equipment
Intangible assets
Long term investments
Long term loans - staff - secured

CURRENT ASSETS

Stock in trade
Trade debts
Taxation - net
Advances, deposits, prepayments and other receivables
Short term investment
Cash and bank balances

TOTAL ASSETS

EQUITY AND LIABILITIES

CAPITAL AND RESERVES

Share capital
General reserve
Unappropriated profit

Total Equity

LIABILITIES

NON CURRENT LIABILITIES

Liabilities against assets subject to finance lease
Diminishing musharakah financing
Retirement benefit obligation - gratuity
Deferred taxation

CURRENT LIABILITIES

Current portion of liabilities against assets subject to finance lease
Current portion of diminishing musharakah financing
Trade and other payables
Short term borrowings - secured
Taxation - net
Advance from dealers

Total Liabilities

Contingencies and commitments

TOTAL EQUITY AND LIABILITIES

The annexed notes 1 to 39 form an integral part of these financial statements.



ASAD ABDULLA
Chief Executive Officer

(Restated)

		2014	2013
		(Rupees in '000')	
Note			
5		38,054	36,896
6		594	1,078
7		463,220	369,734
8		-	15
		502,868	407,723
9		238,064	159,383
10		81,534	40,057
11		20,481	-
12		22,294	9,863
13		2,000	-
14		4,559	9,723
		348,932	219,026
		851,800	626,749
15		183,679	91,839
		28,548	30,000
		388,693	287,121
		600,920	408,960
16		3,517	9,248
17		9,341	-
18		-	3,853
19		5,853	8,061
		18,711	21,162
15		5,542	5,070
17		4,893	-
20		198,120	177,983
21		16,295	324
11		-	9,147
		7,319	4,103
		232,169	196,627
		250,880	217,789
22		-	-
		851,800	626,749



ZUBAIR PALWALA
Director

Profit and Loss Account

for the year ended June 30, 2014

			(Restated)
		2014	2013
	Note	(Rupees in '000')	
Sales	23	402,921	369,847
Cost of goods sold	24	(294,720)	(303,546)
Gross Profit		108,201	66,301
Selling expenses	25	(104,383)	(108,316)
Distribution expenses	26	(18,037)	(18,597)
Administrative and general expenses	27	(15,438)	(19,275)
		(137,858)	(146,188)
Operating (loss)		(29,657)	(79,887)
Other income	28	24,432	72,448
Finance cost	29	(8,722)	(26,174)
Other expenses - workers' welfare fund		-	(1,388)
Gain on disposal of investment		-	190,921
Share of profit of associates	7.1	108,791	121,753
Profit before taxation		94,844	277,673
Provision for taxation	30	15,464	(499)
Profit after taxation		110,308	277,174
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Share of (loss) of associates		(9,707)	(1,798)
Deferred tax impact relating to other comprehensive income		971	180
Total comprehensive income		101,572	275,556
Earnings per share - basic and diluted (Rupees)			
Company and associates	36.1	8.23	23.58
Company	36.2	0.11	13.22

The annexed notes 1 to 39 form an integral part of these financial statements.



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

Statement of Cash Flow

for the year ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

ADJUSTMENTS FOR NON - CASH CHARGES AND OTHER ITEMS:

Depreciation

Amortization of intangible assets

Provision for employee benefit

Profit on deposit account

Finance cost

(Gain) / loss on disposal of property, plant and equipment

Dividend received

(Gain) on disposal of investment

Share of profit of associates

Cash (used in) operating activities before working capital changes

(Increase) / Decrease in current assets

Increase / (Decrease) in current liabilities

Income tax - net

Finance cost paid

Gratuity paid

Net cash (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment

Purchase of intangible assets

Profit on deposit account

Dividend received

Proceeds from disposal of property, plant and equipment

Proceeds from disposal of investments

Short term investment

Long term loans received

Long term lease deposits

Net cash generated from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Short term borrowings - secured

Proceeds from issuance of right shares - net

Diminishing musharakah financing

Payment for liabilities against assets subject to finance lease

Net cash generated from / (used in) financing activities

Net (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

The annexed notes 1 to 39 form an integral part of these financial statements.



ASAD ABDULLA
Chief Executive Officer

(Restated)

2014

2013

Note

----- (Rupees in '000) -----

94,844

277,673

12,528

13,189

534

489

26

2,531

(287)

(1)

8,722

26,174

(17,425)

1,749

(3,826)

(71,699)

-

(190,921)

(198,791)

(121,753)

(198,499)

(340,242)

(13,656)

(62,569)

(12,590)

17,361

21,914

(89,804)

(104,331)

(135,012)

(15,401)

19,807

(9,264)

(45,190)

(1,896)

(4,145)

(28,961)

(29,528)

(130,892)

(164,540)

(20,737)

(1,254)

(50)

(436)

267

1

9,424

76,111

23,476

4,981

-

261,028

(2,000)

-

15

8

-

1,517

18,395

341,956

15,971

(196,587)

90,388

-

14,234

-

(5,260)

(11,620)

115,333

(208,207)

(5,154)

(30,791)

9,723

40,514

4,559

9,723

14



ZUBAIR PALWALA
Director

Statement of Changes in Equity

for the year ended June 30, 2014

	Issued, Subscribed and Paid-up Share Capital	General Reserves	Accumulated Profit/(Loss)	Total
	(Rupees in '000)			
Balance as at July 01, 2012	91,839	30,000	12,868	134,707
Effect of change in accounting policy - Restated	-	-	(1,448)	(1,448)
Deferred tax impact of changes in accounting policy	-	-	145	145
	-	-	(1,303)	(1,303)
Balance as at July 01, 2012	91,839	30,000	11,565	133,404
Profit for the year ended June 30, 2013	-	-	277,174	277,174
Other comprehensive loss for year ended June 30, 2013	-	-	(1,798)	(1,798)
Deferred tax impact relating to other comprehensive income	-	-	180	180
Total comprehensive income	-	-	275,556	275,556
Balance as at June 30, 2013	91,839	30,000	287,121	408,960
Right share issue	91,840	-	-	91,840
Share issue cost	-	(1,452)	-	(1,452)
Profit for the year ended June 30, 2014	-	-	110,308	110,308
Other comprehensive loss for year ended June 30, 2014	-	-	(9,707)	(9,707)
Deferred tax impact relating to other comprehensive income	-	-	971	971
Total comprehensive income	-	-	101,572	101,572
Balance as at June 30, 2014	183,679	28,548	388,693	600,920

The annexed notes 1 to 39 form an integral part of these financial statements.



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

Notes to the Financial Statements

for the year ended June 30, 2014

1. NATURE OF BUSINESS

- 1.1 United Distributors Pakistan Limited (UDPL) was incorporated in Pakistan as a public company limited by shares and is listed in all Stock Exchanges in Pakistan. The registered office of the company is situated at 9th Floor, NIC Building, Abbasi Shaheed Road, Karachi. Its principal business activities are manufacturing, trading and distribution of pesticides, fertilizers and other allied products.
- 1.2 In 2011 the IBL Group decided to adopt the holding company structure wherein International Brands Limited holds at least 55% shareholding in all the subsidiary companies. This restructuring was undertaken to provide the platform to manage the long term Group expansion strategy, corporate compliance, operational efficiency, financial arrangements and tax benefits, thereby, resulting in improved returns to the shareholders.

After the approval of the scheme of Arrangement by the Honorable Sindh High Court on May 25, 2011, International Brands Limited became the Group holding company. The Operating activities of the company were transferred to IBL Operations (Private) Limited and separate books were opened effective July 01, 2011. As a consequence of the above restructuring, United Distributors Pakistan Limited received 5,504,149 shares of International Brands Limited (the holding company).

2. SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

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 (IASB) and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) and 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, 2014

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 (amendments)	January 1, 2014
IFRIC 21	Leases - an interpretation on the accounting for leases 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 based 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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except that obligations under certain employee benefits and investments have been measured at fair value or fair market value.

3.2 PROPERTY, PLANT AND EQUIPMENT

OWNED ASSETS

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs.

Depreciation is provided on straight line method at rates mentioned below so as to write off the cost of property, plant and equipment over their estimated useful lives.

	Rates
Plant and machinery	10%
Office equipment	15%
Air conditioners	10%
Computers	33%
Furniture and fixture	15%
Motor vehicles	20%
Motor cycles	10%
Leasehold improvement	10%

Notes to the Financial Statements

for the year ended June 30, 2014

Depreciation on additions to property, plant and equipment is charged from the month in which property, plant and equipment is put to use. For disposal during the year depreciation is charged up to the end of month preceding the month in which property, plant and equipment is disposed off.

Subsequent costs are included in the assets carrying amount when it is probable that future economic benefits associated with the item will increase as a result of that expenditure, will flow to the Company and the cost can be measured reliably. Carrying amount of the replaced part is recognized. All other repairs and maintenance are charged to income during the year. Gains and losses on disposal of property, plant and equipment are included in the profit and loss account currently.

Capital work in progress is stated at cost less accumulated impairment losses, if any. Impairment tests for Property, Plant and Equipment are performed when there is an indication of impairment. When any such indication exists, an estimate of the asset's recoverable amount is calculated being the higher of the fair value of the asset less cost to sell and the asset's value in use.

If the carrying amount of the asset exceeds its recoverable amount, the property, plant and equipment is impaired and an impairment loss is charged to the profit and loss account so as to reduce the carrying amount of the property, plant and equipment to its recoverable amount.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Value in use is determined as the present value of the estimated future cash inflows expected to arise from the continued use of the property, plant and equipment in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future developments.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups, referred to as cash generating units are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Where conditions giving rise to impairment subsequently reverse, the carrying amount of the property, plant and equipment is increased to its revised recoverable amount but limited to the extent of initial cost of the property, plant and equipment.

3.3 ASSETS SUBJECT TO FINANCE LEASE

Assets acquired under finance lease are accounted for by recording the asset and the corresponding liability. These amounts are based on discounted value of minimum lease payments. Financial charges are allocated to the income in the period in a manner so as to provide a constant rate on outstanding liability. Depreciation is charged to income applying the same basis as of owned assets.

3.4 DIMINISHING MUSHARAKAH FINANCING PAYABLES

Diminishing Musharakah Financing is recognized initially at cost less attributable transaction cost. Subsequent to initial recognition, this is stated at original cost less principal repayments.

3.5 INVESTMENTS IN ASSOCIATES

As associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associate have been incorporated in these financial statements using the equity method of accounting on the basis of their latest available audited accounts. Under the equity method, investments in associates are carried in the balance sheet at cost as adjusted for post acquisition changes in the company's share of net assets of the associate, less any impairment in the value of investment. Losses of an associate in excess of the company's interest in that associate (which includes any long term interest that, in substance, form part of the company's net investment in the

Notes to the Financial Statements

for the year ended June 30, 2014

associate) are recognized only to the extent that the company has incurred legal or constructive obligation or made payment on behalf of the associate.

3.6 STOCK-IN-TRADE

Stock-in-trade is valued at lower of cost, determined on first-in first-out basis, and net realizable value. NRV signifies the estimated selling price in the ordinary course of business less estimated cost of completion and costs necessary to be incurred to make the sale.

Stock-in-transit is valued at cost accumulated to the balance sheet date. Provision is made for the slow moving and obsolete items based on management's judgement.

3.7 TRADE DEBTS

Trade debts are carried at nominal values less provisions for doubtful debts. Known bad debts, if any, are written off and provision is made against debts considered doubtful. Provision for doubtful debts is based on management's assessment of customer's credit worthiness.

3.8 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement, cash and cash equivalents comprise of current and deposits account with the commercial banks and cash in transit. Cash and cash equivalents are showed in the balance sheet at cost.

3.9 IMPAIRMENT

At each balance sheet date, the company reviews the carrying amounts of its tangible assets for indications of impairment loss. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless otherwise allowed.

3.10 EMPLOYEE BENEFITS

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company.

The accounting policies for defined contribution and benefit plan are given below:

(A) DEFINED CONTRIBUTION PLAN

The company operates an approved defined contributory provident fund scheme for all eligible employees who have completed the minimum qualifying period of service. Equal contributions are made by the Company and employees to the fund at the rate of 10% of the basic salary.

(B) DEFINED BENEFIT PLAN

The company was also operates an unfunded defined benefit gratuity scheme covering all employees who have completed the minimum qualifying service of fifteen years. Provision is made annually to cover the obligation under the scheme using actuarial valuation.

The Company's management has decided to discontinue the defined benefit plan with effect from December 31, 2012.

3.11 TAXATION

Taxation for the year comprises current and deferred tax. Taxation is recognized in the profit and loss account except to the extent that it relates to item recognized out side profit and loss account.

Notes to the Financial Statements

for the year ended June 30, 2014

CURRENT

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation on income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit/loss for the year if enacted. The charge for current tax also includes adjustments where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

DEFERRED

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. 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.

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 up to the balance sheet date. Deferred tax is charged or credited in the profit and loss account.

3.12 TRADE AND OTHER PAYABLES

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.13 PROVISIONS

Provisions are recognized, when, the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.14 REVENUE RECOGNITION

Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of Government levies, discounts and incentives.

Distribution fee is recognized on rendering of services to customers and is measured at the fair value of the consideration received or receivable.

3.15 FINANCE INCOME AND EXPENSE

Finance income comprises interest income on funds invested, delayed payments from customers, dividend income, exchange gain and changes in the fair value of financial assets at fair value through profit or loss. Income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Income on investments is recognized on time proportion basis taking into account the effective yield of such securities. Dividend income on equity investments is recognized when the right to receive the payment is established. Foreign currency gain and losses are reported on a net basis.

Finance cost comprises interest expense on borrowings. Markup and other charges on borrowings are charged to income in the period in which they are incurred.

Notes to the Financial Statements

for the year ended June 30, 2014

3.16 TRANSACTIONS WITH RELATED PARTIES

The company enters into transactions with related parties for purchase of goods and services. All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible. The Exceptions (if any) to the approval of the Board of Directors, made when it is in the interest of the company to do so.

3.17 FOREIGN CURRENCIES

Pak rupees is the functional currency of the Company.

Transactions in foreign currencies are accounted for in Pak rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the balance sheet date. Bills payable against imports covered by forward exchange contracts are converted at the contracted rates. Exchange gains/losses are recognized in income currently.

3.18 DIVIDEND PAYABLE

Dividend is recognized as a liability in the period in which it is declared.

3.19 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(A) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(B) LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the balance sheet.

(C) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date. These comprise investment in shares.

(D) HELD TO MATURITY

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity.

Notes to the Financial Statements

for the year ended June 30, 2014

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

FINANCIAL LIABILITIES

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

Financial liabilities carried on the balance sheet include Medium term finances, short term finances under markup arrangements and trade and other payables.

3.20 OFF SETTING

A financial asset and a financial liability is offset and the net amount reported in the balance sheet if the company has a legally enforceable right to set-off the recognized amounts and also intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4. RESTATEMENT IN ASSOCIATED COMPANY ACCOUNTS

During the year, one of the company's associate namely FMC united (Private) Limited has made certain restatements in its financial statements due to which the share of profit of associates and deferred tax expense for the year ended June 30, 2013 has decreased by Rs. 10,308,000/- and Rs. 1,031,000/- (2012: Rs. 1,448,000/- and Rs. 145,000/-) respectively. The effect on balance sheet is decrease in investment in associates and deferred tax liability by Rs. 10,308,000/- and Rs. 1,031,000/- (2012: Rs. 1,448,000/- and Rs. 145,000) respectively. As a result the net decrease in equity amounts to Rs. 9,277,000/- (2012: 1,303,000/-).

Notes to the Financial Statements

for the year ended June 30, 2014

5. PROPERTY, PLANT AND EQUIPMENT

	Plant & Machinery	Office Equipment	Air Conditioners	Computers	Furniture & Fixtures	Motor Vehicles	Motor Cycles	Leasehold Improvements	Sub-Total	Motor Vehicles Leased	Sub-Total	Total
(Rupees in '000)												
Year ended June, 30, 2013												
Opening net book value	3,724	9,078	538	892	3,463	7,095	887	1,730	23,508	15,116	15,116	38,624
Additions	184	110	39	135	18	798	-	-	1,254	16,837	16,837	18,191
Transfers												
Cost/Revalued amount	-	-	-	-	-	25,185	-	-	25,185	(25,185)	(25,185)	-
Accumulated depreciation	-	-	-	-	-	(14,329)	-	-	(14,329)	14,329	14,329	-
Disposals												
Cost/Revalued amount	(1,283)	(6,946)	(184)	(1,820)	(857)	(3,647)	(415)	(1,489)	(16,543)	(803)	(809)	(17,452)
Accumulated depreciation	498	3,730	134	1,783	477	2,865	214	476	10,388	634	634	13,721
	(784)	(3,246)	(150)	(137)	(138)	(842)	(201)	(1,014)	(6,555)	(178)	(178)	(6,730)
Depreciation charge	(742)	(885)	(81)	(638)	(691)	(4,992)	(134)	(139)	(8,318)	(4,871)	(4,871)	(13,189)
Closing net book value	2,352	1,058	443	354	2,411	12,917	655	557	20,745	16,151	16,151	36,896
At June 30, 2013												
Cost	6,797	8,134	987	2,208	4,146	43,620	1,153	769	62,913	18,274	18,274	81,189
Accumulated depreciation	(4,445)	(2,076)	(554)	(1,941)	(1,737)	(33,703)	(498)	(205)	(42,170)	(2,123)	(2,123)	(44,293)
Net book value	2,352	1,058	443	355	2,411	12,917	655	557	20,745	16,151	16,151	36,896
Year ended June, 30, 2014												
Opening net book value	2,352	1,058	443	355	2,411	12,917	655	557	20,745	16,151	16,151	36,896
Additions	511	144	140	522	-	19,380	-	-	20,737	-	-	20,737
Transfers												
Cost/Revalued amount	-	-	-	-	-	1,337	-	-	1,337	(1,337)	(1,337)	-
Accumulated depreciation	-	-	-	-	-	(832)	-	-	(802)	802	802	-
	-	-	-	-	-	535	-	-	535	(535)	(535)	-
Disposals												
Cost/Revalued amount	-	(221)	(171)	(268)	(22)	(28,335)	(175)	-	(29,132)	-	-	(29,132)
Accumulated depreciation	-	172	121	268	18	22,446	54	-	23,081	-	-	23,081
	-	(49)	(50)	-	(4)	(5,687)	(51)	-	(6,051)	-	-	(6,051)
Depreciation charge	(641)	(311)	(80)	(322)	(87)	(6,827)	(117)	(76)	(8,985)	(3,543)	(3,543)	(12,528)
Closing net book value	2,222	842	493	555	1,790	20,118	483	481	26,981	12,073	12,073	39,054
At June 30, 2014												
Cost	7,808	1,057	1,000	2,550	4,126	56,302	1,048	762	55,857	18,937	18,937	72,794
Accumulated depreciation	(5,086)	(2,215)	(513)	(1,995)	(2,336)	(15,984)	(565)	(281)	(28,876)	(4,864)	(4,864)	(33,740)
Net book value	2,222	842	483	555	1,790	20,118	483	481	26,981	12,073	12,073	39,054

5.1 DEPRECIATION FOR THE YEAR HAS BEEN ALLOCATED TO

Selling expenses	25
Distribution expenses	26
Administrative and general expenses	27
Processing cost	24.2

Note

	2014	2013
(Rupees in '000')		
	10,581	10,019
	310	486
	770	1,412
	867	1,272
	12,528	13,189

Notes to the Financial Statements

for the year ended June 30, 2014

5.2 PARTICULAR OF DISPOSAL OF FIXED ASSETS

Assets	Mode of Disposals	Particulars of Buyers	Cost	Acc. Dep	W.D.V	Sale Proceed
(Rupees in '000')						
Office Equipment	Scrapped	Various Buyers	221	172	49	81
Air Conditioners	Scrapped	Various Buyers	171	121	50	68
Computers	Scrapped	Various Buyers	268	268	-	15
Furniture and Fixtures	Scrapped	Various Buyers	22	18	4	7
Motor Vehicles	Negotiation	Nusrat Iqbal	1,424	894	530	1,265
	Negotiation	Nusrat Iqbal	830	540	290	657
	Negotiation	Nusrat Iqbal	474	474	-	455
	Negotiation	Nusrat Iqbal	655	655	-	610
	Negotiation	Nusrat Iqbal	809	688	121	670
	Negotiation	Muhammad Shahid C/o Wahid	805	537	268	610
	Negotiation	Manzar Hussain C/o Nadeem	1,404	1,194	210	1,150
	Insurance Claim	Nusrat Iqbal	952	952	-	850
	Negotiation	Munir Ahmed Jalbani	850	553	297	800
	Negotiation	Nusrat Iqbal	1,608	402	1,206	1,460
	Negotiation	Nusrat Iqbal	1,100	825	275	810
	Negotiation	Nusrat Iqbal	309	755	54	710
	Negotiation	Nusrat Iqbal	805	590	215	660
	Negotiation	Nusrat Iqbal	809	755	54	640
	Negotiation	Nusrat Iqbal	805	604	201	702
	Negotiation	Nusrat Iqbal	805	604	201	713
	Negotiation	Imran Siddique - TSM Hyd	650	650	-	450
	Negotiation	Shahid Aziz C/o Abdullah	830	650	180	665
	Negotiation	Shahid Aziz C/o Abdullah	808	795	13	605
	Negotiation	Muhammad Younus	604	585	19	625
	Negotiation	Nusrat Iqbal	805	644	161	600
	Negotiation	Nusrat Iqbal	830	650	180	660
	Negotiation	Nusrat Iqbal	830	650	180	615
	Negotiation	Nusrat Iqbal	805	644	161	635
	Negotiation	Ellahi Buksh C/o Wahid	805	657	148	590
	Negotiation	Muhammad Ismail C/o Farooq	809	809	-	700
	Negotiation	Irfanuddin Raja	805	657	148	655
	Negotiation	Irfanuddin Raja	830	664	166	630
	Negotiation	Naeem Mustata	805	657	148	650
	Negotiation	Zahid Aziz C/o Usman Shahid	830	678	152	680
	Negotiation	Zahid Aziz C/o Usman Shahid	830	678	152	630
	Negotiation	Ellahi Buksh C/o Wahid	664	664	-	530
	Negotiation	Khalid Mehmood	850	694	156	600
Motor Cycles		Taric Ali	52	29	23	5
		Abdul Ghaflar Mughal - Quetta	64	25	39	18
2014			29,132	23,081	6,051	23,476
2013			17,452	10,721	6,730	4,981

Notes to the Financial Statements

for the year ended June 30, 2014

		2014	2013
	Note	(Rupees in '000')	
6. INTANGIBLE ASSETS			
Cost		1,078	1,131
Additions during the year		50	436
Amortization charged during the year		(534)	(489)
		594	1,078
7. LONG TERM INVESTMENTS			
Balance at beginning of the year		369,734	324,297
Share of undistributed income for the year-net	7.1	103,193	117,341
Share of other comprehensive (loss) of associate		(9,707)	(1,798)
Disposal of Pioneer Seeds Pakistan Limited shares		-	(70,106)
		463,220	369,734
7.1 Share of profit of associated companies		108,791	121,753
Dividend of pioneer		-	70,117
Dividend received	28	(5,598)	(74,529)
		103,193	117,341
7.2 Share of profit of associated companies are based on the latest available audited financial statements.			
7.3 THE COMPANY'S INTEREST IN ASSOCIATED COMPANIES ARE AS FOLLOWS			
IBL HealthCare Limited - Quoted			
521,315 (2013: 453,318) (Specie dividend) ordinary shares of Rs. 10 each		9,811	7,118
Cost Rs. 4,533,180 (2013: Rs. 4,533,180)			
Quoted market value as at June 30, 2014: Rs. 44,833,090			
(2013: Rs. 17,792,731)			
FMC United (Private) Limited			
1,639,418 (2013: 1,639,418) fully paid ordinary shares of Rs. 10 each		369,746	278,953
Cost Rs. 16,394,180 (2013: Rs. 16,394,180)			
Net Assets value based on latest audited accounts as at Dec. 31, 2013:			
Rs. 374,434,520 (2012: Rs. 283,642,274)			
		379,557	286,071
Investments Available for Sale			
International Brands Limited - Unquoted			
6,715,062 (2013: 5,504,149) fully paid ordinary Shares of Rs 10 each		83,663	83,663
Cost Rs. 83,663,056 (2013: Rs. 83,663,056)			
		463,220	369,734

Notes to the Financial Statements

for the year ended June 30, 2014

- 7.4 THE COMPANY'S SHARE IN ASSETS, LIABILITIES, REVENUES AND PROFIT OF ASSOCIATED COMPANIES BASED ON THE MOST RECENT AVAILABLE FINANCIAL STATEMENTS IS AS FOLLOWS:

	Assets	Liabilities	Turnover	Profit After Tax	Holding %	Position	Chief Executive Officers
	(Rupees in '000')						
June 30, 2014							
IBL HealthCare Limited	610,555	88,660	910,004	148,837	2.27%	As on June 30, 2014	Mr. Mufti Zia ul Islam
FMC United (Private) Limited	3,780,831	2,844,744	4,681,933	263,543	40.00%	As on December 31, 2013	Mr. Farooq Shahid
June 30, 2013							
IBL HealthCare Limited	497,474	124,864	864,152	100,616	2.27%	As on June 30, 2013	Mr. Mufti Zia ul Islam
FMC United (Private) Limited - Restated	3,010,492	2,301,384	4,181,483	298,680	40.00%	As on December 31, 2012	Mr. Farooq Shahid

- 7.5 Although, the company has less than 20 percent shareholding in IBL HealthCare Limited, this company has been treated as associate since the company has representation on its Board of Directors.

8. LONG TERM LOANS - STAFF - SECURED

Considered good

To employees

Current portion

	2014	2013
Note	(Rupees in '000')	
	527	648
	(527)	(633)
	-	15

- 8.1 Reconciliation of carrying amount of loans to executives and other employees:

	Balance as at July 01, 2013	Disbursements During the Year	Repayments During the Year	Balance as at June 30, 2014
	(Rupees in '000')			
Due from:				
Employees	648	443	564	527
	648	443	564	527

- 8.2 This represents interest free loans to employees for staff welfare in accordance with the Company's employment policy, repayable as per the terms of arrangement over the period of 1-3 years.

Notes to the Financial Statements

for the year ended June 30, 2014

8.3 Maximum aggregate amount outstanding at the end of any month during the year against loan was Rs. 681,990 (2013: Rs. 663,490).

9. STOCK IN TRADE

Finished goods
Raw materials
Packing materials
Stock in transit
Provision for obsolete stock

	2014	2013
Note	(Rupees in '000')	
	180,109	138,552
	52,858	22,267
	14,622	9,252
	-	8,780
9.1	(9,525)	(19,468)
	238,064	159,383

9.1 PROVISION FOR OBSOLETE STOCK

Opening balance
Provision made during the year

Inventory written off against provision

19,468	14,846
(8,520)	14,947
10,948	29,793
(1,423)	(10,325)
9,525	19,468

10. TRADE DEBTS

Considered good - secured
Considered good - unsecured

4,825	4,030
56,709	36,027
61,534	40,057

10.1 TRADE DEBTS

Upto 03 months
03 to 06 months
More than 06 months

55,726	37,680
5,808	1,981
-	396
61,534	40,057

11. TAXATION - NET

Advance income tax
Provision for taxation

71,529	56,128
(51,048)	(65,275)
20,481	(9,147)

Notes to the Financial Statements

for the year ended June 30, 2014

12. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		2014	2013
	Note	(Rupees in '000')	
Loans and advances - Unsecured, considered good:			
Employees	12.1	2,457	2,568
Advance to suppliers		-	3,000
Advance against expenses		173	413
		2,630	5,981
Deposits:			
Rent deposit		2,766	2,701
Prepayments:			
Prepaid rent		648	149
Prepaid insurance		87	87
Prepaid expenses		-	10
Prepaid import		10	32
		745	278
Other receivables:			
Related party balance	12.2	1,854	458
Sales tax (net)		13,524	-
Others		775	445
		16,153	903
		22,294	9,863

12.1 Includes current portion of long term loans amounting to Rs. 0.527 million (2013: Rs. 0.633 million).

12.2 This represents receivable from IBL Operations (Private) Limited, The Searle Company Limited, Habbit and International Franchises (Private) Limited (Dunkin Donuts) in respect of claims and recoverable expenses for the year ended June 30, 2014.

13. SHORT TERM INVESTMENT

		2014	2013
	Note	(Rupees in '000')	
Short term investment at fair value through profit and loss	13.1	2,000	-

13.1 Investment made in Al-Meezan mutual fund.

14. CASH AND BANK BALANCES

Cash in transit	2,729	7,360
Cash at Bank - current accounts	1,830	2,363
	4,559	9,723

Notes to the Financial Statements

for the year ended June 30, 2014

15. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

2014	2013		2014	2013
----- (Number of Shares in '000') -----		Note	----- (Rupees in '000') -----	
25,000	10,000		250,000	100,000

ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2014	2013		2014	2013
----- (Number of Shares in '000') -----		Note	----- (Rupees in '000') -----	
5,000	5,000	Ordinary share of Rs. 10 each fully paid in cash.	50,000	50,000
4,184	4,184	Ordinary shares issued as fully paid bonus shares	41,839	41,839
9,184	-	Right shares issued	91,840	-
18,368	9,184		183,679	91,839

15.1 International Brands Limited is the holding company, which holds 71.7% shares (2013: 71.7%) in United Distributors Pakistan Limited.

15.2 During the year, the Company issued 9,183,900 ordinary shares by way of 100% right issue (i.e. one share for every one share held) Rs. 10/- at par.

16. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

MINIMUM LEASE PAYMENTS

	JUNE 2014			JUNE 2013		
	Minimum Lease Payments	Principal	Financial Charges	Minimum Lease Payments	Principal	Financial Charges
	----- (Rupees in '000') -----					
Not later than one year	6,371	5,542	829	6,441	5,070	1,371
Later than one year but not later than five years	3,794	3,517	277	10,047	9,248	799
	10,165	9,059	1,106	16,488	14,318	2,170

The Company has entered into finance lease agreements with leasing companies and modarabas for financing to acquire motor vehicles. Payments under these agreements include finance charges based on 3/6 month KIBOR ranging from 11.30 % to 12.65 % (2013: 12% to 21.77%) per annum, which are used as discounting factors and are payable in monthly installments. The Company can exercise purchase option by adjusting the amount of security deposits at the expiry of the lease period.

Notes to the Financial Statements

for the year ended June 30, 2014

	2014	2013
17. DIMINISHING MUSHARAKAH FINANCING PAYABLE	Note	(Rupees in '000')
Musharakah financing	14,234	-
Due within one year	(4,893)	-
	9,341	-
17.1 These facilities will mature in 2016 and 2018 and are secured against demand promissory note and post dated cheques. The share of profit payable on this facility is based on six months KIBOR + 1.75%.		
18. RETIREMENT BENEFIT OBLIGATION - GRATUITY		
Carrying amount	-	3,853
The company has discontinued gratuity scheme with effect from December 31, 2012.		
19. DEFERRED TAXATION		
Debit/ (Credit) balance arising in respect of temporary differences:		
Property, plant and equipment	(2,595)	(5,278)
Long term investments	33,716	26,512
Stock in trade	(3,238)	(6,813)
Staff retirement benefits	-	(1,349)
Carried forward tax loss	(18,950)	-
Lease assets obligations	(3,080)	(5,011)
	5,853	8,061
20. TRADE AND OTHER PAYABLES		
Creditors	157,048	132,125
Accrued liabilities	36,234	40,244
Payable to related parties	-	2,102
Tax deducted at source	366	201
Provident fund payable	327	-
Gratuity payable	1,983	-
Unclaimed dividend	595	595
Sales tax payable	-	606
Interest accrued on short term borrowing	179	722
Workers' welfare fund	1,388	1,388
	198,120	177,983
21. SHORT TERM BORROWINGS - SECURED		
Running finances	21.1	16,295
		16,295
		324
		324

21.1 The Company obtained running finance facilities from Standard Chartered Bank Pakistan Limited and Habib Metropolitan Bank Limited at interest of KIBOR + 2.5% & KIBOR + 2% (2013: KIBOR + 3% & KIBOR + 2%) respectively. These facilities have been secured by way of hypothecation on current and fixed assets of the company and personal guarantee of directors.

Notes to the Financial Statements

for the year ended June 30, 2014

22. CONTINGENCIES AND COMMITMENTS

Letter of credit issued by various bank on behalf of the Company in ordinary course of business outstanding at the year end amounting to Rs 11.94 million (June 30, 2013: Rs NIL).

23. SALES

Gross sales (inclusive of GST)
Sales tax
Discount

	2014	2013
Note	----- (Rupees in '000) -----	
	482,286	460,334
	(69,614)	(63,232)
	(9,751)	(27,255)
	402,921	369,847

24. COST OF GOODS SOLD

Opening stock of finished goods
Purchases of finished goods
Cost of goods manufactured
Goods available for sale

Closing stock of finished goods
Stock write off
(Reversal of) / Provision for obsolete stock

	24.1	138,552	153,960
		18,736	28,891
		327,484	254,625
		484,772	437,476
	9	(180,109)	(138,552)
		(1,423)	(10,325)
		(8,520)	14,947
		294,720	303,546

24.1 COST OF GOODS MANUFACTURED

Opening Stock

Raw material
Packing materials
In transit

Add: Purchases

Raw material - imported
Raw material - local
Packing materials

Available for consumption

Closing Stock

Raw materials
Packing materials
In transit

Raw and packing materials consumed

Processing costs

		22,267	53,223
		9,252	15,520
		8,780	-
		40,299	68,743
		203,001	130,148
		100,971	62,890
		37,192	22,240
		341,164	215,278
		381,463	284,021
	9	(52,858)	(22,267)
	9	(14,622)	(9,252)
	9	-	(8,780)
		(67,480)	(40,299)
		313,983	243,722
	24.2	13,501	10,903
		327,484	254,625

Notes to the Financial Statements

for the year ended June 30, 2014

24.2 PROCESSING COST

Salaries, wages and benefits
Rent, rate and taxes
Repair and maintenance
Utilities
Depreciation
Others

Note

2014

2013

----- (Rupees in '000') -----

5,297

4,480

3,645

2,793

534

664

760

860

5.1

867

1,272

2,398

834

13,501

10,903

25. SELLING EXPENSES

Salaries, allowances and benefits
Staff provident fund
Staff gratuity
Distribution freight
Vehicle running expenses
Depreciation
Amortization of Software
Commission and incentives
Travelling, boarding and lodging
Sales promotion and advertisement
Communication
Entertainment
Product registration and renewals
Research and development
Software development expenses
Insurance
Rent, rates and taxes
Utilities
Repair and maintenance
Printing and stationery
Fee, subscription and periodicals
Others

5.1

44,310

41,888

1,074

857

-

607

16,696

15,899

18,807

13,742

10,581

10,019

200

200

2,532

2,732

3,420

2,627

1,363

14,798

1,468

1,315

518

564

1,516

1,228

-

150

-

8

576

547

(11)

170

292

237

244

201

143

146

117

209

537

172

104,383

108,316

26. DISTRIBUTION EXPENSES

Salaries, allowances and benefits
Staff provident fund
Staff gratuity
Rent, rates and taxes
Depreciation
Safety and security
Utilities
Communication
Vehicle running expenses
Repair and maintenance
Travelling, boarding and lodging
Printing and stationery
Entertainment
Fee, subscription and periodicals
Others

5.1

8,139

8,172

392

374

26

1,355

5,098

4,641

310

486

888

926

567

587

592

568

892

503

469

425

259

242

129

86

262

205

14

15

-

12

18,037

18,597

Notes to the Financial Statements

for the year ended June 30, 2014

27. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2014	2013
		(Rupees in '000')	
Salaries, allowances and benefits		5,666	6,555
Staff provident fund		308	358
Staff gratuity		-	506
Rent, rates and taxes		1,200	1,391
Depreciation	5.1	770	1,412
Amortization of software cost		334	289
Legal and professional charges		1,783	2,343
Travelling and conveyance		726	1,494
Communication		369	348
Vehicle running expenses		850	545
Printing and stationery		361	222
Auditors' remuneration	27.1	541	459
Utilities		203	419
Entertainment		176	195
Repair and maintenance		297	384
Fee, subscription and periodicals		1,312	164
Advertisement		206	59
Software development		316	343
Training and development		20	35
Safety and security		-	5
Loss from disposal of property, plant and equipment		-	1,749
		15,438	19,275

27.1 AUDITORS' REMUNERATION

Annual audit fee	300	300
Half year review & audit fee	200	100
Out of pocket expenses	41	59
	541	459

28. OTHER INCOME

Income from financial assets:

Profit on bank deposits	267	1
Dividend received from holding company	3,826	1,582
Dividend received from associated companies	-	70,117
	4,093	71,700

Income from non financial assets:

Gain from disposal of property, plant and equipment	17,425	-
Others	2,914	748
	20,339	748
	24,432	72,448

Notes to the Financial Statements

for the year ended June 30, 2014

29. FINANCE COST

Finance charges on leases
Bank charges and commission
Mark up on short term borrowings
Diminishing Musharakah financing
Additional charges on letter of credit mark up
Exchange fluctuations

	2014	2013
Note	(Rupees in '000')	
	1,408	1,256
	1,228	454
	2,062	21,183
	914	-
	-	1,514
	3,110	1,767
	8,722	26,174

30. PROVISION FOR TAXATION

Current tax
Prior year tax
Deferred tax
Tax effect on loss surrendered to The Searle Company Limited

	4,904	31,589
	(19,131)	643
	(1,237)	4,265
	-	(35,998)
30.1	(15,464)	499

30.1 TAX CHARGE RECONCILIATION

Accounting profit

Tax at applicable rate of 35% for the year

Tax effect of:

Amounts admissible for tax purposes - net
Income chargeable at reduced rate
Income chargeable under Final Tax Regime
Taxable temporary differences
Loss surrender to group company
Prior years
Minimum tax
Others

94,844	277,673
34%	35%
-	97,185
-	(43,611)
-	(25,689)
-	7,776
-	4,265
-	(35,998)
-	643
-	-
-	(4,072)
-	499

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

31. TRANSACTIONS WITH RELATED PARTIES

Related party comprises 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:

31.1 BY VIRTUE OF INVESTMENT IN HOLDING COMPANY AND COMMON DIRECTORSHIP

International Brands Limited
Dividend received

3,826	1,582
-------	-------

Notes to the Financial Statements

for the year ended June 30, 2014

	2014	(Restated) 2013
Note	----- (Rupees in '000') -----	
31.2 BY VIRTUE OF INVESTMENT IN ASSOCIATES AND COMMON DIRECTORSHIP		
FMC UNITED (PRIVATE) LIMITED		
Dividend received	4,918	3,279
Share of profit for the year	105,417	119,472
Share of other comprehensive (loss)	(9,707)	(1,798)
THE SEARLE COMPANY LIMITED		
Claimable expense charged by The Searle Company Limited	-	375
Claimable expenses charged by UDPL	746	264
Sale of assets	-	281
Receivable against group tax relief	-	35,998
Current account receipts / (payments)	944	38,399
Current account (receivable) / payable	(260)	(458)
PIONEER SEEDS PAKISTAN LIMITED		
Proceed against disposal of investment	-	261,028
Dividend received	-	70,117
IBL HEALTHCARE LIMITED		
Claimable expenses charged by IBL HealthCare Limited	-	1,552
Share of profit	3,374	2,281
Dividend received	680	1,133
Claimable account receipts	-	1,564
IBL OPERATIONS (PRIVATE) LIMITED		
Claimable expense charged by UDPL	2,895	3,392
Claimable expenses charged by IBL	1,617	3,722
Current account receipts / (payments)	(2,410)	(3,562)
Current account (receivable) / payable	(1,586)	2,102
INTERNATIONAL FRANCHISES (PVT.) LTD (DUNKIN DONUTS)		
Claimable expenses charged by UDPL	31	-
Current account (Receipts) / Payments	(26)	(5)
Current account (Receivable) / payable	(5)	-
HABBIT		
Claimable expenses charged by UDPL	33	32
Claimable expenses charged by Habbit	30	94
Current account (Receipts) / Payments	-	63
Current account (Receivable) / payable	(3)	-

Notes to the Financial Statements

for the year ended June 30, 2014

32. REMUNERATION OF DIRECTOR AND EXECUTIVES

Managerial remuneration

Basic salary
Allowances
Bonus
Company's contribution to provident fund
Gratuity fund

Number of persons

DIRECTOR		EXECUTIVES	
2014	2013	2014	2013
(Rupees in '000')			
-	1,207	7,158	3,866
-	864	4,260	2,843
-	173	511	179
-	121	660	362
-	1,156	-	2,016
-	3,521	12,589	9,266
-	1	10	5

32.1 A sum of Rs. 35,000/- (2013: Rs. 17,000) was paid to five directors being fee for attending the Board of Directors' meeting. The above does not include remuneration, if any, paid to or provided for in respect of Directors and Executive by any associated companies.

32.2 Directors and Executives are provided with free use of Company maintained cars. They are also entitled for medical facility to the extent of reimbursement of actual expenditure and other benefits in accordance with their terms of employment.

32.3 There was no remuneration paid to Chief Executive Officer and remaining Directors since the same has been paid to them by the other related parties in the capacity of Directors and Chief Executive Officer of that company.

33. PLANT CAPACITY / UTILIZATION

Liquid (Bottles)
Powder (Sachet)
Granular Plant

Installed Capacity per annum Ltr/Kg (based on eight hours)	2014 Actual Production (Units)	2013 Actual Production (Units)
(Units in '000')		
4,844	495	497
789	158	253
1,014	110	239
6,647	763	989

Notes to the Financial Statements

for the year ended June 30, 2014

34. FINANCIAL ASSETS AND LIABILITIES

INTEREST / MARK-UP RATE RISK EXPOSURE

INTEREST / MARK-UP RATE RISK EXPOSURE	JUNE 30, 2014							
	Interest / mark-up bearing			Non-Interest / mark-up bearing				
	Maturity upto one year	Maturity from one to five year	Sub Total	Maturity upto one year	Maturity from one to five year	Equity Instrument	Sub Total	Total
Financial assets	(Rupees in '000')							
Investments	2,000	-	2,000	-	-	463,220	463,220	465,220
Advances, deposits and other receivables	-	-	-	18,919	-	-	18,919	18,919
Trade debts	-	-	-	61,534	-	-	61,534	61,534
Cash and bank balances	-	-	-	4,559	-	-	4,559	4,559
	2,000	-	2,000	85,012	-	463,219	548,232	550,232
Financial liabilities								
Staff retirement obligation	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	5,542	3,517	9,059	-	-	-	-	9,059
Diminishing musharaka financing	4,893	9,341	14,234	-	-	-	-	14,234
Trade and other payables	-	-	-	198,120	-	-	198,120	198,120
Short term borrowing	16,295	-	16,295	-	-	-	-	16,295
	26,730	12,858	39,588	198,120	-	-	198,120	237,708

INTEREST / MARK-UP RATE RISK EXPOSURE

INTEREST / MARK-UP RATE RISK EXPOSURE		JUNE 30, 2013						
Interest / mark-up bearing				Non-Interest / mark-up bearing				
Maturity upto one year	Maturity from one to five year	Sub Total	Maturity upto one year	Maturity from one to five year	Equity Instrument	Sub Total	Total	
(Rupees in '000')								
Financial assets								
Long term investments	-	-	-	-	369,734	369,734	369,734	
Advances, deposits and other receivables	-	-	3,604	-	-	3,604	3,604	
Trade debts	-	-	40,057	-	-	40,057	40,057	
Cash and bank balances	-	-	9,723	-	-	9,723	9,723	
	-	-	53,384	-	369,734	423,118	423,118	
Financial liabilities								
Staff retirement obligation	-	-	-	3,853	-	3,853	3,853	
Liabilities against assets subject to finance lease	5,070	9,248	14,318	-	-	-	14,318	
Trade and other payables	-	-	177,983	-	-	177,983	177,983	
Short term borrowing	324	-	324	-	-	-	324	
	5,394	9,248	14,642	177,983	3,853	-	181,836	
							196,478	

The effective interest / mark-up rates for monetary financial assets / liabilities are mentioned in the respective notes to the accounts.

EXPOSURE TO CREDIT RISK

The Company attempts to control credit risk associated with the carrying amount of its receivables by reducing credit sales limits and securing credits through bank and personal guarantees.

EXPOSURE TO CURRENCY RATE RISK

The Company attempts to reduce exposure to risk of currency rates by monitoring currency market changes and if appropriate entering into forward cover agreements with banks. Assets amounting to Rs. NIL (2013: Rs. NIL) are exposed to currency rate risk.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of all financial instruments reflected in the financial statements approximates their fair values.

34.1 There have been no more than five years balances of financial assets and liabilities as at June 30, 2014.

Notes to the Financial Statements

for the year ended June 30, 2014

35. PROVIDENT FUND

The following information is based on Un-audited financial statements of the fund as at June 30, 2014.

	2014	2013
Note	(Rupees in '000')	
Size of fund	99,712	68,227
Fair value of investment	98,889	65,523
Percentage of Investment made	99.17%	96.04%

35.1 The cost of above investment amount to Rs. 24,448,495 (2013: Rs 22,330,341).

35.2 Break up of value of investment is as follows:

	2014	2013	2014	2013
			(Rupees in '000')	
PROVIDENT FUND-MANAGEMENT				
Size of fund	23.49%	27.32%	14,864	11,765
Fair value of investment	75.46%	70.98%	47,748	30,571
Percentage of Investment made	1.05%	1.71%	666	735
			63,278	43,071
PROVIDENT FUND-STAFF				
Mutual Funds	20.04%	18.42%	7,302	4,635
Government Securities - National Investment Trust	79.53%	73.75%	28,975	18,551
Bank accounts	0.43%	7.83%	157	1,970
			36,434	25,156
			99,712	68,227

36. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

36.1 COMPANY AND ASSOCIATES

Profit after tax	110,308	277,174
Weighted average ordinary shares (Numbers)	13,408	11,755
Earnings per share	8.23	23.58

36.2 COMPANY

Profit after tax	110,308	277,174
Share of profit of associates	(108,791)	(121,753)
Profit of company	1,517	155,421
Weighted average ordinary shares (Numbers)	13,408	11,755
Earnings per share	0.11	13.22

*Earning per share previously reported at Rs. 31.01 and Rs. 17.31 of Company and Associates and Company respectively has been restated due to issuance of right shares and restatement made in accounts.

Notes to the Financial Statements

for the year ended June 30, 2014

37. NUMBER OF EMPLOYEES

Total number of employees at year end 95 (2013: 102).

The average number of employees during the year is 99 (2013: 96).

38. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the board of directors of the Company and authorized for issue on September 23, 2014.

39. FIGURES

Figures have been rounded off to the nearest rupee in thousand.

Some of the previous year figures have been reclassified to facilitate better presentation in the current year.



ASAD ABDULLA
Chief Executive Officer



ZUBAIR PALWALA
Director

Pattern of Shareholding

as at June 30, 2014

CATEGORIES OF SHAREHOLDER

DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN

Categories Of Shareholders	Shareholders	Shares Held	% age
Rashid Abdulla	2	1,506	0.01
Zubair Palwala	1	1,264	0.01
Munis Abdullah	1	1,264	0.01
Asad Abdulla	1	6,930	0.04
Ayaz Abdulla	1	1,264	0.01
Tahir Saeed	1	500	0.00

ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES

First UDL Modaraba	2	786,126	4.28
International Brands Ltd.	2	13,169,774	71.70

EXECUTIVES	-	-	-
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PUBLIC SECTOR COMPANIES AND CORPORATIONS	4	712	0.00
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BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS	4	74,503	0.41
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MUTUAL FUNDS

CDC - Trustee National Investment (Unit) Trust	1	904,776	4.93
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GENERAL PUBLIC

a. Local	1362	3,206,600	17.46
b. Foreign	-	-	-

FOREIGN COMPANIES	1	278	0.00
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OTHERS	12	212,303	1.16
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Totals	1395	18,367,800	100.00
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Share holders holding 5% or more

	Shares Held	Percentage
International Brands Ltd.	13,169,774	71.70

Pattern of Shareholding

as at June 30, 2014

DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN

S.No.	Folio No.	Name of Shareholder	Number of Shares	% age
01.	2	Rashid Abdulla	242	0.00
02.	03277-11384	Rashid Abdulla	1,264	0.01
03.	02113-1037	Zubair Palwala	1,264	0.01
04.	02113-2829	Munis Abdullah	1,264	0.01
05.	03277-20909	Asad Abdulla	6,930	0.04
06.	03277-21385	Ayaz Abdulla	1,264	0.01
07.	07179-5250	Tahir Saeed	500	0.00
7			12,728	0.07

ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES

01	2529	First UDL Modaraba	63	0.00
02	03277-1651	First UDL Modaraba	786,063	4.28
03	03277-2937, 2347	International Brands Ltd.	13,169,774	71.70
			4	13,955,900
				75.98

EXECUTIVE

NIL	-	-
-	-	-

PUBLIC SECTOR COMPANIES AND CORPORATIONS

01.	33	National Bank of Pakistan Trustee Wing	200	0.00	
02.	1799	Industrial Development Bank of Pakistan (ICP Unit)	200	0.00	
03.	00083-36	IDBL (ICP Unit)	58	0.00	
04.	03889-28	National Bank of Pakistan	254	0.00	
			4	712	0.00

BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS

01.	2640	Crescent Investment Bank Ltd.	347	0.00	
02.	2520	Crescent Standard Modaraba	11,600	0.06	
03.	2666	First IBL Modaraba	21,199	0.12	
04.	03277-78335	Trustee National Bank of Pakistan Employees Pension Fund	41,357	0.23	
			4	74,503	0.41

MUTUAL FUNDS

01.	14902-21	CDC - Trustee National Investment (Unit) Trust	904,776	4.93
		1	904,776	4.93

Pattern of Shareholding

as at June 30, 2014

GENERAL PUBLIC FOREIGN

S.No.	Folio No.	Name Of Shareholder	Number Of Shares	% age
		NIL	-	-
			-	-

FOREIGN COMPANIES

01.	2351	Boston Safe Deposit & Trust Co	278	0.00
		1	278	0.00

OTHERS

01.	01917-33	Prudential Securities Limited	11	0.00
02.	03277-3397	Pakistan Memon Educational & Welfare SOC	6,510	0.04
03.	03277-45147	Edujee Dinshaw (Pvt.) Limited	22,959	0.12
04.	03277-82127	Trustee National Bank of Pakistan Emp Benevolent Fund Trust	1,451	0.01
05.	03293-38	S.H. Bukhari Securities (Pvt) Limited	222	0.00
06.	05546-26	Stock Master Securities (Private) Ltd.	500	0.00
07.	05587-48203	Stock Master Securities (Pvt.) Ltd	50	0.00
08.	05868-28	Cliktrade Limited	99	0.00
09.	06569-23	Amin Tai Securities (Private) Limited	52,500	0.29
10.	06684-29	Mohammad Munir Mohammad Ahmed Khanani Securities (Pvt.) Ltd.	125,500	0.68
11.	10181-24	Horizon Securities Limited	1	0.00
12.	14241-22	Fikree'S (Smc-Pvt) Ltd.	2,500	0.01
		12	212,303	1.15

GENERAL PUBLIC LOCAL

		1362	3,206,600	17.46
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TOTAL

		1395	18,367,800	100.00
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Pattern of Shareholding

as at June 30, 2014

No. of Shareholders	Shareholdings Slab			Total Shares Held
803	1	to	100	10,704
246	101	to	500	69,046
99	501	to	1000	82,149
162	1001	to	5000	358,386
34	5001	to	10000	271,905
13	10001	to	15000	152,846
4	15001	to	20000	76,298
7	20001	to	25000	156,244
4	25001	to	30000	112,500
4	30001	to	35000	126,973
1	35001	to	40000	37,500
2	40001	to	45000	82,357
1	45001	to	50000	46,000
1	50001	to	55000	52,500
1	55001	to	60000	59,990
1	70001	to	75000	74,000
1	75001	to	80000	76,346
2	125001	to	130000	254,074
1	145001	to	150000	150,000
1	165001	to	170000	169,000
1	200001	to	205000	200,932
1	250001	to	255000	250,500
1	360001	to	365000	360,157
1	475001	to	480000	477,712
1	785001	to	790000	786,063
1	900001	to	905000	904,776
1	12965001	to	12970000	12,968,842
1395				18,367,800

Proxy Form

The Company Secretary

United Distributors Pakistan Limited

9th floor, NIC Building, Abbasi Shaheed Road,

Karachi.

I / We _____
son / daughter / wife / husband of _____
shareholder of **United Distributors Pakistan Limited** holding _____
ordinary shares hereby appoint _____
who is my _____ [state relationship (if any) with the proxy; required by Government regulations]
and the son / daughter / wife / husband of _____, (holding _____
ordinary shares in the Company under Folio No. _____) [required by Government] as my / our proxy, to
attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 25, 2014
and / or any adjournment thereof.

Signed this _____ day of _____ 2014.

Signature on Revenue
Stamp of Rs. 5/-

Witnesses: (A)

Signature _____

Name _____

Address _____

CNIC / Passport No. _____

Signature of Member(s)

Witnesses: (B)

Signature _____

Name _____

Address _____

CNIC / Passport No. _____

Folio No. _____

CDC Participation I.D. No. _____

Sub Account No. _____

IMPORTANT:

- The member is requested:
 - To affix Revenue Stamp of Rs. 5/- at the place indicated above.
 - To sign across the revenue Stamp in the same style of signature as is registered with the Company.
 - To write down his Folio Number.
- In order to be valid, this proxy must be received at the registered office of the Company at least 48 hours before the time fixed for the Meeting, duly completed in all respects.
- CDC Shareholders or their proxies should bring their original Computerized National Identity Card or Passport along with the Participant's ID Number and their Account Number to facilitate their identification. Detailed procedure is given in the Notes to the Notice of AGM.



Pakistan


AFFIX
CORRECT
POSTAGE

The Company Secretary
United Distributors Pakistan Limited
9th floor, NIC Building, Abbasi Shahced Road,
Off: Shahrah-e-Faisal, Karachi.

Core Values

- "Seeking Allah's pleasure in all that we do"
- "Committing ourselves to enhancing Pakistan's image"
- "Serving the needs of our customers with passion, dedication
& by honoring our word"
- "Striving for excellence in rural & urban marketing"
- "Constantly upgrading our knowledge & skills to become
better professionals"
- "Enriching our work environment with high levels of
performance, participation & creativity"
- "Upholding the spirit of individual & collective accountability"
- "Rewarding quality performance"
- "Nurturing openness, trust & support to guide our business policies,
individual & team conduct"
- "Enhancing shareholder value through long-term profitability
& improving performance ratios"

Spirit of Growth



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