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First Quarterly Report

UNAUDITED ACCOUNTS SEPTEMBER 30, 2015 QUICE FOOD INDUSTRIES LIMITED

If undelivered, please return to:

QUICE FOOD INDUSTRIES LIMITED

WS7, Madina Palace, Mezzanine Floor,
Faran Co-operative Society, Dhoraji Colony,
Karachi-74800, Pakistan.
Phone : 021-34857177-79



Where Taste Begins..



Company information

Board of Directors

Mr. Muhammad Atif
Mr. Muhammad Siraj
Mr. Salman Haroon
Mr. Aamir Altaf
Mr. Muhammad Riaz
Mr. Qazi Muhammad Imran
Mr. Sardar Iftikhar Ahmed

Chief Executive
Director
Director
Director
Director
Director
Director

Company Secretary

Mr. Iqbal Shahid

Bankers

Allied Bank Limited
Habib Bank Limited
Meezan Bank Limited
United Bank Limited

Auditors

M/s. Aslam Malik & Co.
Chartered Accountants

Audit Committee

Mr. Sardar Iftikhar Ahmed
Mr. Muhammad Siraj
Mr. Salman Haroon

Chairman
Member
Member

Legal Advisor

M/s. Ahmed & Qazi
Advocates & Legal Consultants

Share Registrar

M/s. Technology Trade (Private) Limited

Registered Office

WS7, Mezzanine Floor, Madina Palace,
Faran Co-operative Housing Society,
Dhorajee Colony, KARACHI.

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**QUICE FOOD INDUSTRIES LIMITED
DIRECTOR'S REVIEW**

The Directors are pleased to submit the reviewed condensed interim financial information of the Company for the first quarter ended September 30, 2015.

BUSINESS REVIEW

During first quarter, the Company's revenue cut down by 29.92%. This viewed slowdown in consumer demand as the Company's business is subject to seasonal fluctuation, with demand of its product increasing in the summer season and in the month of Ramadan and other events. The Company reported revenue of Rs. 18.349 million, decline by Rs. 7.835 million over corresponding period and declared net loss of Rs. 10.299 million.

	Un-Audited September 30, 2015	Un-Audited September 30, 2014
	-----Rupees "000"-----	
Financial Results		
Net sales	18,349	26,184
Gross profits	4,534	10,104
Depreciation	2,766	2,610
Pre-tax profits	(10,182)	(709)
After-tax profits	(10,299)	(776)
	-----Rupees "000"-----	
	Un-Audited September 30, 2015	Audited June 30, 2015
	-----Rupees "000"-----	
Retained earnings	(338,385)	(328,751)
Appropriation		
Dividend	Nil	Nil
Basic Earning per share	<u>(0.131)</u>	<u>0.023</u>

We uphold an optimistic outlook on the economy due to improving macroeconomic indicators and declining commodity prices. We will continue our force to grow in category by making significant brand investment. We continue to apply a rigorous approach to supply chain costs and savings. Cost rationalization initiatives across the entire spectrum of business will continue to remain our priority.

We continue confident of maintaining a strong performance for upcoming season with pointed focus on key growth parameters.

BUSINESS RISKS AND FUTURE OUTLOOK

We expect the uncertainty in current local and Global environment to continue in the near future. However, the business is fully equipped to deal with these challenges and we will continue to invest, innovate and stand committed to creating value for our stakeholders.

Strong emphasis will be placed to revamp distribution structure and brand communication combined with innovation to restart market growth. In the wake of challenges, we stand committed to continue to create value of shareholders by continually investing, innovating and improving our operations.

In closing, we would like to place on record our appreciation for the commitment, devotion to duty and hard work of the officers and workers of all categories.

May Allah give us the courage to face the challenges ahead. A'meen

Karachi
October 31, 2015

MUHAMMAD ATIF
Chief Executive



**QUICE FOOD INDUSTRIES LIMITED
BALANCE SHEET - (Un-audited)
AS AT 30 SEPTEMBER 2015**

	Note	Un-audited 30 September 2015 Rupees	Audited 30 June 2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	5	363,112,072	361,564,572
Long term deposits		<u>1,785,200</u>	<u>1,099,000</u>
		364,897,272	362,663,572
CURRENT ASSETS			
Stores and spares		154,083	29,433
Stock-in-trade		61,693,742	68,637,956
Trade debts		93,253,230	119,860,066
Short term investments		114,602,855	114,602,855
Advances, deposits, prepayments & other receivables		48,989,447	38,873,688
Taxation - net		1,866,645	1,090,460
Cash and bank balances		11,393,672	6,526,599
		<u>331,953,675</u>	<u>349,621,057</u>
		<u>696,850,947</u>	<u>712,284,629</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
105,100,000 (June 2015: 105,100,000) ordinary shares of Rupees 10 each		<u>1,051,000,000</u>	<u>1,051,000,000</u>
Issued, subscribed and paid up share capital			
98,461,828 (June 2015: 98,461,828) ordinary shares of Rupees 10 each		984,618,280	984,618,280
Reserves		<u>(338,384,929)</u>	<u>(328,750,959)</u>
Total equity		646,233,351	655,867,321
Surplus on revaluation of property, plant and equipment		25,930,306	26,595,186
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred liabilities - Provision for gratuity		2,967,861	2,704,421
CURRENT LIABILITIES			
Trade and other payables		21,719,428	27,117,701
		<u>24,687,289</u>	<u>29,822,122</u>
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		<u>696,850,947</u>	<u>712,284,629</u>

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR



QUICE FOOD INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	QUARTER ENDED	
	30 September 2015	30 September 2014
	Rupees	Rupees
SALES	18,348,848	26,184,388
COST OF SALES	(13,815,016)	(16,080,081)
GROSS PROFIT	4,533,832	10,104,307
DISTRIBUTION AND SELLING COST	(11,255,867)	(6,892,953)
ADMINISTRATIVE EXPENSES	(4,972,183)	(4,585,984)
	(16,228,050)	(11,478,937)
OPERATING LOSS	(11,694,218)	(1,374,630)
OTHER OPERATING INCOME	1,518,336	675,141
LOSS FROM OPERATIONS	(10,175,882)	(699,489)
FINANCE COST	(6,378)	(9,069)
LOSS BEFORE TAXATION	(10,182,261)	(708,558)
TAXATION	(116,589)	(67,325)
LOSS AFTER TAXATION	(10,298,850)	(775,883)
LOSS PER SHARE- (RUPEES)	(0.13)	(0.01)

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR



QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	QUARTER ENDED	
	30 September 2015	30 September 2014
	Rupees	Rupees
LOSS AFTER TAXATION	(10,298,850)	(775,883)
Other comprehensive income that cannot be classified through profit and loss	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(10,298,850)	(775,883)

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR



QUICE FOOD INDUSTRIES LIMITED
CASH FLOW STATEMENT (Un-audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	QUARTER ENDED	
	30 September 2015	30 September 2014
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(10,182,261)	(708,558)
Adjustment for non cash items:		
Depreciation	2,766,110	2,884,094
Provision for gratuity	263,440	223,418
	<u>3,029,550</u>	<u>3,107,512</u>
Net cash (used)/inflow from operations before working capital changes	(7,152,711)	2,398,954
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(124,650)	
Stock-in-trade	6,944,214	6,822,218
Trade debts	26,606,836	60,870,976
Short term investments	-	(15,000,000)
Advances, deposits, prepayments & other receivables	(10,115,759)	(3,658,785)
Taxation - net	(892,774)	(288,942)
	<u>22,417,866</u>	<u>48,745,466</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(5,398,273)	(8,628,140)
Net working capital changes	<u>17,019,593</u>	<u>40,117,326</u>
Net cash inflows from operating activities	9,866,883	42,516,280
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(4,313,610)	(214,195,392)
Long term deposits	(686,200)	-
Net cash used in investing activities	(4,999,810)	(214,195,392)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued other than right	-	262,612,777
Discount	-	(52,522,556)
Net cash inflows from financing activities	-	210,090,221
Net increase in cash and cash equivalents	4,867,073	38,411,109
Cash and cash equivalents at the beginning of the period	6,526,599	1,974,023
Cash and cash equivalents at the end of the period	<u>11,393,672</u>	<u>40,385,132</u>

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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QUICE FOOD INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	RESERVES				SHAREHOLDERS' EQUITY	
	SHARE CAPITAL	Premium on issue of capital	Discount on issue of capital	Accumulated loss	Total	SHAREHOLDERS' EQUITY
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2014 - (Audited)	522,005,500	6,875,000	(190,266,000)	(58,758,750)	(242,149,750)	279,855,750
Issue of shares other than right	262,612,777	-	-	-	-	262,612,777
Discount on issue of shares other than right	-	-	(52,522,556)	-	(52,522,556)	(52,522,556)
Incremental depreciation transferred to retained earnings	-	-	-	735,740	735,740	735,740
Comprehensive loss for the period ended	-	-	-	(775,883)	(775,883)	(775,883)
Balance as at 30 September 2014 - (Un-audited)	<u>784,618,277</u>	<u>6,875,000</u>	<u>(242,788,556)</u>	<u>(58,798,893)</u>	<u>(294,712,449)</u>	<u>489,905,828</u>
Balance as at 30 June 2015 - (Audited)	984,618,280	6,875,000	(282,788,556)	(52,837,403)	(328,750,959)	655,867,321
Incremental depreciation transferred to retained earnings	-	-	-	664,880	664,880	664,880
Comprehensive loss for the period ended	-	-	-	(10,298,850)	(10,298,850)	(10,298,850)
Balance as at 30 September 2015 - (Un-audited)	<u>984,618,280</u>	<u>6,875,000</u>	<u>(282,788,556)</u>	<u>(62,471,373)</u>	<u>(338,384,929)</u>	<u>646,233,351</u>

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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QUICE FOOD INDUSTRIES LIMITED
NOTES TO THE QUARTERLY FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

1. The Company and its operations

1.1 The Company was incorporated in Pakistan on 12 March 1990 as a Private Limited Company and was converted into Public Limited Company on 13 December 1993. The Company was listed on Karachi and Islamabad Stock Exchange(s) on 02 August 1994 and on 18 July 1995 respectively. Its registered office has been transferred to Karachi with effect from 15 November 2011. Principal activities of the Company are manufacturing and sale of Jam, Jelly, Syrups, Custard powder, Pickles, Essence, Juices and Aerated drinks and its Allied Products. Currently, the Company operates its units in SWAT and HUB. Under section 247 of the constitution of Pakistan Swat area is exempted from all taxes.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

This financial information have been prepared under the historical cost convention except for staff retirement benefits that is determined under actuarial valuation annually and lease hold improvements and plant and machinery that are stated at revalued amount in accordance with the criteria laid down under International Accounting Standard (IAS) 16 'Property, Plant and Equipment'. This quarterly financial information, except for cash flow information, has been prepared under the accrual basis of accounting.

2.3 This financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

3. Accounting policies

The accounting policies and method of computation adopted in preparation of this quarterly financial information are the same as those applied in preparation of the annual financial statements of the Company for the year ended 30 June 2015.

4. Critical accounting estimates and judgments

Judgments and estimates made by the management in preparation of this quarterly financial information are the same as those applied to the annual financial statements for the year ended 30 June 2015.

5. Property, plant and equipment

Operating Assets - note 5.1
 Capital Work-in-Progress

	Un-audited 30 September 2015 Rupees	Audited 30 June 2015 Rupees
Operating Assets - note 5.1	194,299,632	195,745,992
Capital Work-in-Progress	168,812,440	165,818,580
	<u>363,112,072</u>	<u>361,564,572</u>



	Un-audited 30 September 2015 Rupees	Audited 30 June 2015 Rupees
5.1 Opening book value	195,745,992	83,823,939
Add:		
Cost of additions during the period / year	1,319,750	124,119,093
Less:		
Disposal during the period - net	-	(973,764)
Depreciation charged during the period / year	<u>(2,766,110)</u>	<u>(11,223,276)</u>
	<u>194,299,632</u>	<u>195,745,992</u>

6. Contingencies and Commitments

6.1 Contingencies

6.1.1 The contingencies in this quarterly financial information are the same as those existed in preparation of the annual financial statements of the Company for the year ended 30 June 2015.

6.2 Commitments

There were no capital or other commitments at the balance sheet date (30 June 2015: Nil).

7. Seasonality

The Company's business is subject to seasonal fluctuation, with demand of its product increasing in the summer season and in the month of Ramadan and other events. Therefore, revenues and profits are not necessary indicative of results to be expected for the full years.

8. Date of Authorization

This condensed interim financial information was approved by the Board of Directors and authorized for issue on October 31, 2015.

9. General

- No significant reclassification / rearrangement of corresponding figures has been made in this condensed interim financial information.

- Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR