



Notes to the Financial Statements (Un-audited) for the quarter ended September 30, 2007

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on September 30, 1986 as a public limited company under the Companies Ordinance, 1984 (the Ordinance) and is quoted on Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi.

The principal business of the Company is manufacture and sale of food and plastic products and trading in food and personal care products.

2. BASIS OF PREPARATION

These financial statements are un-audited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the these quarterly financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2007.

	Quarter ended September 30, 2007	Year ended June 30, 2007
	— Rupees in thousand —	

4. FIXED ASSETS - PROPERTY, PLANT AND EQUIPMENT

Opening book value	59,498	58,031
Add: Additions during the period/year CWIP	6,183 (3,232)	10,265 3,232
	<u>62,449</u>	<u>71,528</u>
Disposals during the period/year	-	770
Depreciation charged during the period/year	3,220	11,260
	<u>3,220</u>	<u>12,030</u>
	<u>59,229</u>	<u>59,498</u>

4.1 Additions during the period/year are as follows:

Building	5,523	-
Plant & machinery	97	76
Office & electric equipment	72	45
Computers	317	677
Tools & equipment	115	277
Furniture & fixtures	-	211
Vehicles	59	8,979
Total additions during the period/year	<u>6,183</u>	<u>10,265</u>



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for the quarter ended September 30, 2007

		September 30, 2007	June 30, 2007
	Note	— Rupees in thousand —	
5 SHORT TERM INVESTMENTS			
Available-for-sale	5.1	192,530	246,247
Held-to-maturity	5.2	25,000	25,000
		<u>217,530</u>	<u>271,247</u>
5.1 Available for sale at fair value			
NAFA Cash Fund		35,753	35,231
UTP Income Fund		53,554	52,286
UBL United Growth and Income Fund		56,729	55,442
HBL Income Fund		20,685	20,238
KASB Liquid Fund		-	36,519
MCB Dynamic Cash Fund		25,809	25,206
Atlas Income Fund		-	21,325
		<u>192,530</u>	<u>246,247</u>
5.2 This represents investment in musharika deposit with a modaraba having maturity of one month with an option of roll forward and carrying profit @ 10% per annum (June 2007: 10% per annum)			
6. CASH AND BANK BALANCES			
Cash at banks in:			
Current accounts		1,921	16,882
Saving accounts		133,201	75,324
		135,122	92,206
Cash in hand		186	247
		<u>135,308</u>	<u>92,453</u>
7. CONTINGENCIES AND COMMITMENTS			
7.1 Contingencies			
a. The status of the contingency which was reported in note 17.1 to the financial statements for the year ended June 30, 2007 has remained unchanged.			
b. Guarantees			
There is a contingent liability in respect of indemnities given to banks for guarantees issued by them in the normal course of business aggregating to Rs.1.354 million (June 30, 2007: Rs. 1.354 million).			
7.2 Commitments			
Acceptances and letters of credit		64,949	7,590
Capital commitments		-	2,137
Lease rentals payable		24	60



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July-September 2007 July-September 2006
— Rupees in thousand —

8. COST OF SALES

Cost of goods manufactured	129,142	91,201
Purchase of trading goods	-	1,629
Opening stock of finished goods (including trading goods)	30,474	33,178
	<u>159,616</u>	<u>126,008</u>
Closing stock of finished goods (including trading goods)	17,669	19,030
	<u>141,947</u>	<u>106,978</u>

9. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxaton	<u>25,440</u>	<u>14,195</u>
	Number of shares	
Weighted average number of ordinary shares outstanding during the period	<u>7,862,400</u>	<u>7,862,400</u>
Earnings per share - basic and diluted	<u>Rs. 3.24</u>	<u>Rs. 1.81</u>

10. TRANSACTIONS WITH RELATED PARTIES

The related parties include associates, group companies, trade mark licensor, staff retirement funds, directors and key management personnel. Transactions with related parties are as follows:

Group Companies	Sale of goods and services	227	301
	Purchase of goods and services	8,622	5,018
	Rent and allied expenses	553	1,044
	Insurance premium	2,125	197
	Insurance commission	-	127
	Due from related parties	519	163
Staff retirement benefits plans	Due to related parties	4,003	3,113
	Contribution to staff retirement benefit	364	419
Key management personnel	Payable to provident fund	251	10
	Remuneration and benefits	3,216	3,073



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July-September 2007 July-September 2006
—— Rupees in thousand ——

Licensor of product in respect of which the Company has exclusive trademark rights	Royalty on sale of licensed products	13,206	6,493
Other related parties	Purchase of goods and services	9,345	23,232

The company enters into transaction with related parties for the purchase of raw materials, services, royalty charges and rent and allied expenses which are charged between related parties on the basis of mutually agreed terms.

11. DATE OF AUTHORISATION FOR ISSUE

The Board of Directors of the Company authorised these financial statements for issue on October 24, 2007.

12. GENERAL

Amounts have been rounded off to the nearest thousand rupees unless otherwise stated.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director



CLOVER PAKISTAN LIMITED

LAKSON SQUARE BUILDING NO.2, SARWAR SHAHEED ROAD, KARACHI-74200, PAKISTAN.