

THE FRONTIER SUGAR MILLS & DISTILLERY LIMITED
BALANCE SHEET AS AT 31 DECEMBER, 2008

	<u>Unaudited</u> Dec.31 2008 (Rupees in thousand)	<u>Audited</u> Sep.30 2008		<u>Unaudited</u> Dec.31 2008 (Rupees in thousand)	<u>Audited</u> Sep.30 2008
EQUITY AND LIABILITIES			ASSETS		
CAPITAL AND RESERVES			NON-CURRENT ASSETS		
Authorised capital	20,000	20,000	Property, plant and equipment	25,636	26,291
Issued, subscribed and paid-up capital	14,000	14,000	Long term investments	15,987	17,482
			Long Term Loan to an Associated Company	33,333	33,333
General reserve	134,000	134,000	Long term security deposits	92	92
Fair value reserve on available-for-sale investments	9,852	11,347		75,048	77,198
Accumulated loss	1,403	2,218	CURRENT ASSETS		
	159,255	161,565	Stores and spares	33,609	33,603
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	15,155	15,197	Stock-in-trade	2,097	2,097
NON-CURRENT LIABILITIES			Trade debtors	29	29
Staff retirement benefits-gratuity	10,938	11,485	Advances	17,018	17,565
CURRENT LIABILITIES			Deposits and prepayments	48	48
Trade and other payables	4,210	4,221	Profit accrued on deposits and loan to Associate	5,488	3,539
Accrued mark-up	233	233	Other receivables	2,188	1,338
Unclaimed dividends	572	572	Income tax refundable and tax deducted at source	5,167	5,071
Taxation	103	103	Bank balances	49,774	52,888
	5,118	5,129		115,418	116,178
CONTINGENCIES AND COMMITMENTS					
	190,466	193,376		190,466	193,376

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

CHIEF EXECUTIVE

DIRECTOR

THE FRONTIER SUGAR MILLS & DISTILLERY LIMITED
PROFIT AND LOSS ACCOUNT - (UNAUDITED)
FOR THE 1ST. QUARTER ENDED 31 DECEMBER, 2008

	01 Oct,08 to 31 Dec,08	01 Oct,07 to 31 Dec,07
Note	(Rupees in thousand)	
FIXED PRODUCTION OVERHEADS	1,757	4,904
ADMINISTRATIVE EXPENSES	1,791	1,983
OPERATING LOSS	(3,548)	(6,887)
OTHER OPERATING INCOME	7 2,694	395
	(854)	(6,492)
 FINANCE COST	 3	 11
LOSS BEFORE / AFTER TAXATION	(857)	(6,503)
	 ----- Rupees -----	
LOSS PER SHARE - Basic	(0.61)	(4.65)

- Appropriations have been reflected in the statement of changes in equity.
- The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

THE FRONTIER SUGAR MILLS & DISTILLERY LIMITED
CASH FLOW STATEMENT - (UNAUDITED)
FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2008

	31-Dec., 2008	31-Dec., 2007
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	(857)	(6,503)
Adjustments for:		
Depreciation	655	726
Staff retirement benefits - gratuity (Net)	(547)	87
Interest / profit on bank deposits	(1,949)	(336)
Profit on short term investment	0	(56)
Finance cost	3	11
CASH OUTFLOW FROM OPERATING ACTIVITIES		
- Before working capital changes	(2,695)	(6,071)
Decrease / (increase) in current assets		
Stores and spares	(6)	170
Advances	547	829
Deposits and prepayments	0	269
Other receivables	(850)	(39)
Increase in trade and other payables	(11)	1,152
	(320)	2,381
CASH OUTFLOW FROM OPERATING ACTIVITIES - before taxation	(3,015)	(3,690)
Taxes paid	(96)	(19)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(3,111)	(3,709)
CASH FLOW FROM INVESTING ACTIVITIES		
Short term investment	0	56
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost - paid	(3)	(11)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,114)	(3,664)
CASH AND CASH EQUIVALENTS - At the beginning of the period	52,888	56,916
CASH AND CASH EQUIVALENTS - At the end of the period	49,774	53,252

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

CHIEF EXECUTIVE

DIRECTOR

**THE FRONTIER SUGAR MILLS & DISTILLERY LIMITED
STATEMENT OF CHANGES IN EQUITY - (UNAUDITED)
FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2008**

	Share capital	General reserve	Fair value reserve on available- for-sale investments	Accumulated Loss	31 December 2008 Total
	----- Rupees in thousand -----				
Balance as at 30 September, 2007	14,000	184,000	14,134	(40,671)	171,463
Loss for the year ended 30 September, 2008	0	0	0	(8,800)	(8,800)
Transfer From General Reserve		(50,000)		50,000	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current year -net of deferred taxation	0	0	0	1,689	1,689
Fair value loss on available-for-sale investments for the year ended 30 September, 2008	0	0	(2,787)	0	(2,787)
Balance as at 30 September, 2008	14,000	134,000	11,347	2,218	161,565
Loss for the period ended 31 December, 2008				(857)	(857)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current period -net or deferred taxation				42	42
Fair value gain on available-for-sale investments for the period ended 31 December, 2008			(1,495)		(1,495)
Balance as at 31 December, 2008	14,000	134,000	9,852	1,403	159,255

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

CHIEF EXECUTIVE

DIRECTOR

THE FRONTIER SUGAR MILLS & DISTILLERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS.
FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2008 (UN-AUDITED)

1. CORPORATE INFORMATION

The Company was incorporated on 31 March, 1938 as a Public Company and its shares are quoted on Karachi and Islamabad Stock Exchanges. It is principally engaged in manufacture and sale of white sugar. The Company's Mills and Registered Office are located at Takht-I-Bhai, Mardan (N.W.F.P).

The Company is a Subsidiary of The Premier Sugar Mills & Distillery Company Limited.

2. BASIS OF PREPARATION.

The Company has been suffering losses and its accumulated loss aggregated Rs. 48.639 million as at balance sheet date. Further, the company during the current period has not carried out manufacturing operations due to non-availability of raw materials. These financial statements, however have been prepared on 'going concern basis' on the assumption that the

Company will achieve satisfactory levels of profitability in the foreseeable future and will also continue as manufacturing concern.

These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Islamabad and Karachi Stock Exchanges. These financial statements are un-audited.

The accounting policies and methods of computation adopted are the same as those applied in the preparation of the previous published financial statements.

3 TAXATION

- 3.1** The returns for Tax Year 2003 to 2007 have been filed after complying with all the provisions of the Ordinance. Accordingly, the declared returns are deemed to be assessment orders under the law subject to selection of audit or pointing out of deficiency by the Commissioner.
- 3.2** There has been no change in other taxation matters since the date of preceding published annual financial statement of the Company.

4 CONTINGENCIES AND COMMITMENTS.

- 4.1 Guarantee given by a bank on behalf of the company outstanding as at 31 December, 2008 was for Rs. NIL (30 September, 2008: Rs.1.143 milion).
- 4.2 No commitments were outstanding as at 31 December, 2008.
- 4.3 There has been no significant change in other contingencies since the date of preceding published annual financial statements of the Company.

	Un-audited 31 Dec., 2008	Audited 30 Sep., 2008
5 PROPERTY, PLANT & EQUIPMENT		
	(Rupees in thousand)	
Opening book value	26,291	29,207
Depreciation charge for the period / year	(655)	(2,916)
Closing book value	<u>25,636</u>	<u>26,291</u>

	Un-audited 31 Dec., 2008	Audited 30 Sep., 2008
6. LONG TERM INVESTMENTS		
Available-for-sale(Quoted)		
Ibrahim Fibres Limited		
438,250 (2005:438,250) Ordinary shares of Rs.10 each	6,135	6,135
Add:- Adjustment arising from re-measurement of fair value	9,852	11,347
Market value as at	<u>15,987</u>	<u>17,482</u>

7. OTHER OPERATING INCOME

Income for the current period mainly includes profit on bank saving deposit accounts and loans to associated undertakings.

8. TRANSACTION WITH RELATED PARTIES

The Company has related party relationship with its Holding Company, Associated Companies, employee benefit plans, its directors and key management personnel Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with Holding Company and Associated Companies during the period / year were as follows.

	Un-audited 31 Dec., 2008 (Rupees in thousand)	Audited 30 Sep., 2008
Sale of goods	0	919
Purchase of goods & services	0	99

9. DATA OF AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 24 January, 2009 by the Board of directors of the Company

10. GENERAL

Figures:

- in the financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise

- Corresponding figures have neither been re-arranged nor classified.