



Moving FORWARD

First Quarter ended
September 30, 2022 (Un-audited)

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Munis Abdullah
Mr. Hasan Tariq Khan
Ms. Tayyaba Rasheed
Mr. Syed Nadeem Ahmed
Mr. Zubair Razzak Palwala
Mr. Syed Qaiser Abbas
Mr. Rizwan Ahmad

Chairman
Independent Director
Independent Director
Chief Executive Officer
Non-Executive Director
Non-Executive Director
Executive Director

AUDIT COMMITTEE

Ms. Tayyaba Rasheed
Mr. Zubair Razzak Palwala
Mr. Hasan Tariq Khan

Chairperson
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Hasan Tariq Khan
Mr. Syed Nadeem Ahmed
Mr. Syed Qaiser Abbas

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

Mr. Shariq Ahmed

COMPANY SECRETARY

Mr. Farooq Akbar

INTERNAL AUDITORS

Grant Thornton Anjum Rahman, Chartered Accountants

EXTERNAL AUDITORS

A.F. Ferguson & Company, Chartered Accountants

LEGAL ADVISOR

Abdul Karim Khan & Company

BANKERS

Habib Bank Limited
Bank Al Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
Silkbank Limited
Meezan Bank Limited
Al Baraka Bank Limited
Habib Metropolitan Bank Limited

REGISTERED OFFICE

2nd Floor, One IBL Center, Block no. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society,
Main Shahrah-e-Faisal, Karachi-75530 Tel: 37170183.

SHARE REGISTRAR

CDS Share Registrar Services Limited, CDC House, 99-B Block-B, SMCHS
Shahra-e-Faisal, Karachi - 74400

WEBSITE

www.ubrandz.biz

DIRECTORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY

The Board of Directors of United Brands Limited are pleased to present Directors' report together with the consolidated condensed interim financial information (unaudited) of the Company for the quarter ended September 30, 2022. This consolidated condensed interim financial information (unaudited) is prepared in accordance with Section 228 of the Companies Act, 2017.

Principal Activities

The principal activities of the Company are trading and distribution of consumer goods and allied products. The company has recently started offering services for telecom products.

The principal activities of the Subsidiary comprise primarily of transportation and warehousing, trading and distribution of goods and assembling of electrical goods.

SUMMARY OF FINANCIAL PERFORMANCE

	September 30, 2022	September 30, 2021
	(Rupees in '000)	
Revenue	688,871	834,640
Gross profit	100,804	133,529
Gross profit (% of revenue)	14.6%	16%
Operating expenses	(77,271)	(110,676)
Finance cost	(11,340)	(11,715)
Profit/(Loss) for the period	836	(2,182)

FINANCIAL OVERVIEW

Due to the discontinuation of Molfix and Candyland, the company's revenue falls by 17% from the prior period.

Due to the aforementioned reason and the inflated gasoline prices, which have a substantial impact on labor and logistical expenses, gross profits have decreased by 1.4%.

The cessation of business lines and the alteration in the allocation matrix of infrastructure costs from IBL Operations (Private) Limited resulted in a 30% reduction in operating expenses.

EARNINGS PER SHARE

Earnings/(Loss) per share for quarter ended September 30, 2022 is PKR 0.01 (Sep 30, 2021: PKR (0.02)).

FUTURE OUTLOOK

Because the distribution of imported goods is being badly impacted by the overall economic situation of the country, the company is revising its business plan. Due to its commitment to boosting profitability, the business is actively negotiating with new principles that have local production.

DIRECTORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY

ACKNOWLEDGMENT

The Directors appreciate the support of all the stakeholders, including the customers, managers, employees, and others.

Karachi.

Date: October 26, 2022



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director

کمپنی کے شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

یونائیٹڈ برانڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز کو ۳۰ ستمبر ۲۰۲۲ کو ختم ہونے والی سہ ماہ کے لیے کمپنی کی مستحکم مجموعی عبوری مالیاتی معلومات (غیر آڈٹ شدہ) کے ساتھ ڈائریکٹرز کی رپورٹ پیش کرنے پر خوشی ہے۔ مستحکم مجموعی عبوری مالیاتی معلومات (غیر آڈٹ شدہ) کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۲۲۸ کے مطابق تیار ہوئے ہیں۔

بنیادی سرگرمیاں:

کمپنی کی بنیادی سرگرمیاں اشیائے صرف اور متعلقہ مصنوعات کی تجارت اور تقسیم ہیں۔ کمپنی نے حال ہی میں ٹیلی کام مصنوعات کے لیے خدمات پیش کرنا شروع کی ہیں۔ ذیلی ادارے کی بنیادی سرگرمیاں بنیادی طور پر نقل و حمل اور گودام، سامان کی تجارت اور تقسیم اور برقی سامان کی جوڑائی اور ترتیبی شامل ہیں۔

مالیاتی کارکردگی کا جائزہ:

	September 30, 2022	September 30, 2021
	(Rupees in thousand)	
Revenue	688,871	834,640
Gross profit	100,804	133,529
Gross profit (% of revenue)	14.6%	16%
Operating expenses	(77,271)	(110,676)
Finance cost	(11,340)	(11,715)
Profit/(Loss) for the period	836	(2,182)

مالی جائزہ:

Molfix اور Candyland کے بند ہونے کی وجہ سے، کمپنی کی آمدنی میں سابقہ مدت سے 17% فیصد کمی آئی ہے۔

مذکورہ بالا وجہ اور پیٹرول کی بڑھتی ہوئی قیمتوں کی وجہ سے، جس کا لیبر اور لاجسٹک اخراجات پر کافی اثر پڑتا ہے، مجموعی منافع میں 1.4% کی کمی واقع ہوئی ہے۔

کاروباری لائنوں کے خاتمے اور IBL آپریشنز (پرائیویٹ) لمیٹڈ کی جانب سے انفراسٹرکچر کے اخراجات کے مختص میٹرکس میں تبدیلی کے نتیجے میں آپریٹنگ اخراجات میں 30% فیصد کمی واقع ہوئی۔

فی حصص آمدنی

۳۰ ستمبر ۲۰۲۲ کو ختم ہونے والی تین ماہ کی مدت میں فی حصص آمدنی میں 0.01 روپے رہی۔ (۳۰ ستمبر ۲۰۲۱: 0.02) روپے ہے۔

مستقبل پر ایک نظر:

چونکہ درآمدی سامان کی تقسیم ملک کی مجموعی اقتصادی صورتحال سے بری طرح متاثر ہو رہی ہے، کمپنی اپنے کاروباری منصوبے پر نظر ثانی کر رہی ہے۔ منافع کو بڑھانے کے اپنے عزم کی وجہ سے، کاروبار مقامی پیداوار والے نئے اصولوں کے ساتھ فعال طور پر بات چیت کر رہا ہے۔

اعتراف

ڈائریکٹرز تمام اسٹیک ہولڈرز بشمول صارفین، مینیجرز، ملازمین اور دیگر کے تعاون کی تعریف کرتے ہیں۔

کراچی۔

تاریخ: ۲۶ اکتوبر ۲۰۲۲



زعیر رزاق پالوالا

ڈائریکٹر



سید ندیم احمد

چیف ایگزیکٹو

UNCONSOLIDATED FINANCIAL STATEMENTS

UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

		Unaudited September 30, 2022	Audited June 30, 2022
ASSETS			
Non-current assets	Note	----- Rupees in '000 -----	
Property and equipment		5,862	6,522
Intangible assets		32	52
Investments in subsidiary		25,000	25,000
Long - term deposits		411	412
		31,305	31,986
Current assets			
Inventories	4	407,860	555,170
Trade and other receivables	5	334,720	347,161
Prepayments and advances	6	19,715	5,512
Taxation - payments less provision		26,404	37,464
Tax refunds due from Government - sales tax		39,792	72,729
Accrued interest		363	363
Cash and bank balances		59,509	106,813
		888,363	1,125,212
Total assets		919,668	1,157,198
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital		918,000	918,000
Accumulated losses		(934,467)	(928,564)
		(16,467)	(10,564)
Liabilities			
Current liabilities			
Trade and other payables		653,258	889,038
Short term borrowing		272,242	253,034
Current portion of deferred income - Government grant		267	267
Current portion of long term borrowing		-	14,672
Accrued mark-up		10,015	10,398
Unclaimed dividend		353	353
		936,135	1,167,762
Total liabilities		936,135	1,167,762
CONTINGENCY AND COMMITMENTS	9	-	-
Total equity and liabilities		919,668	1,157,198

The annexed notes 1 to 11 form an integral part of these condensed interim unconsolidated financial statements.


 Syed Nadeem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Note	Quarter ended	
		September 30, 2022	September 30, 2021
		----- Rupees in '000 -----	
Revenue from contracts with customers	7	414,159	622,851
Cost of sales		(345,913)	(546,548)
Gross profit		68,246	76,303
Marketing and distribution expenses		(59,634)	(68,944)
Administrative and general expenses		(1,598)	(22,754)
Other operating expenses		(6,896)	(3,565)
Other income		8,013	27
Profit / (loss) from operations		8,131	(18,933)
Finance cost		(11,131)	(11,040)
(Loss) before Income tax		(3,000)	(29,973)
Income tax expense		(2,903)	(3,449)
(Loss) for the period		(5,903)	(33,422)
Other comprehensive income		-	-
Total comprehensive (loss)		(5,903)	(33,422)
		(Rupees)	
Basic and diluted (loss) / earning per share		(0.06)	(0.36)

The annexed notes 1 to 11 form an integral part of these condensed interim unconsolidated financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
CASH FLOWS - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

		Quarter ended	
		September 30, 2022	September 30, 2021
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) operations	8	(48,463)	(79,479)
Income tax paid		8,157	1,611
Finance cost paid		(11,514)	(3,380)
Net cash inflow / (outflow) from operating activities		51,820	(81,248)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of equipment		(21)	(20)
Net cash outflow from investing activities		(21)	(20)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from short term financing		19,208	20,906
Payment for long-term borrowings		(14,671)	-
Net cash generated from financing activities		4,537	20,906
Net decrease in cash and cash equivalents		(47,304)	(60,362)
Cash and cash equivalents at the beginning of the period		106,813	91,411
Cash and cash equivalents at the end of the period		59,509	31,049

The annexed notes 1 to 11 form an integral part of these condensed interim unconsolidated financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Share Capital - Issued, subscribed and paid up capital	Accumulated Loss	Total Equity
----- Rupees in '000 -----			
Balance as at July 1, 2021	918,000	(862, 939)	55,061
Total comprehensive (loss) for the quarter	-	(33,422)	(33,422)
Balance at September 30, 2021	918,000	(896,361)	21,639
Balance as at July 1, 2022	918,000	(928,564)	(10,564)
Total comprehensive (loss) for the quarter	-	(5,903)	(5,903)
Balance as at September 30, 2022	918,000	(934,467)	(16,467)

The annexed notes 1 to 11 form an integral part of these condensed interim unconsolidated financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Company Act, 1913. The company was renamed as UDL Industries Limited on March 16, 1987 under the Companies Ordinance, 1984. The Company was again renamed as United Brands Limited, a public limited company on April 5, 2006 under the Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange.

The Company is a subsidiary of International Brands (Private) Limited, which is also the Company's ultimate parent.

The principal activities of the Company are trading and distribution of consumer goods and allied products. The company has recently started offering services for telecom products.

The geographical locations and addresses of Company's business units are as under:

Registered office of the Company is situated at 2nd Floor, One IBL Center, Block No. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi; and

The Company has various sale offices and distribution warehouses. Detailed list provided in audited financial statements for the year ended 30 June 2022 note no. 35.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These condensed interim unconsolidated financial statements of the Company for the quarter ended September 30, 2022 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statement of the Company for the year ended June 30, 2022. These condensed interim unconsolidated financial statements are unaudited.

2.2 Accounting policies

The accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2022.

3. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim unconsolidated financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

However, management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim unconsolidated financial statements.

Estimates and judgments made by the management in the preparation of these condensed interim unconsolidated financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2022.

4. INVENTORIES

Raw and packaging materials:

- in hand
- in transit

Finished goods - manufactured:

- in hand

Trading goods:

- in hand
- in transit

**Unaudited
September
30, 2022**

Audited
June
30, 2022

----- Rupees in '000 -----

29,007

30,447

-

-

29,007

30,447

-

11,367

378,853

501,466

-

11,890

378,853

513,356

407,860

555,170

5. TRADE AND OTHER RECEIVABLES

Trade receivables

Other receivables

232,611

259,740

102,109

87,421

334,720

347,161

6. PREPAYMENTS AND ADVANCES

Prepayments

Advances

1,276

1,085

18,439

4,427

19,715

5,512

**Unaudited
September
30, 2022**

Unaudited
September
30, 2021

----- Rupees in '000 -----

7. REVENUE

Gross Sales

Service Income

Trade Discounts

Sales Return

470,733

650,905

475

-

(11,257)

(20,824)

(45,792)

(7,230)

414,159

622,851

Net Sales

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Unaudited September 30, 2022	Unaudited September 30, 2021
----- Rupees in '000 -----		
8. CASH GENERATED FROM OPERATIONS		
(Loss) before Income tax	(3,000)	(29,973)
Adjustment for non-cash charges and other items		
Depreciation	701	706
Finance cost	11,131	11,040
	11,832	11,746
	8,832	(18,227)
Effect on cash flow due to working capital changes (Increase) / Decrease in current assets:		
Inventories	147,310	(42,945)
Trade and other receivables	12,441	(130,219)
Prepayments and advances	(14,203)	(726)
Tax refunds due from government - sales tax	32,937	15,081
	178,485	(158,809)
Increase / (Decrease) in trade and other payables	(235,780)	97,557
Cash (used in) operations	(48,463)	(79,479)

9. CONTINGENCY AND COMMITMENTS

9.1.1 Contingency

During the year ended June 30, 2020, the Deputy Commissioner Inland Revenue issued a notice of demand under section 137(2) of the Income Tax Ordinance, 2001 (the Ordinance) dated January 31, 2020 for recovery of tax amounting to Rs. 94.66 million created pursuant to Order dated January 31, 2020 passed under section 122(1) for tax year 2018. The Company has filed a Constitutional Petition No. D-1421 of 2020 before the Honorable High Court of Sindh. The Honorable High Court of Sindh has restrained the Deputy Commissioner Inland Revenue from enforcing the impugned income tax demand till the decision of Commissioner Inland Revenue (Appeals-II). The appeal was heard on December 16, 2021 and is now reserved for order. The management based on the opinion of its tax advisor is confident that the outcome will be in favor of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

9.1.2 During the year, the Assistant / Deputy Commissioner Inland Revenue issued an order dated December 30, 2021 for recovery of withholding tax along with default surcharge amounting to Rs. 156.55 million under section 161 (1) on account of short deduction of tax at the time of making certain payments for the tax year 2018. During the year, the Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The Appeal is currently pending to be heard before CIRA. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favor of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

9.1.3 During the year, the Assistant / Deputy Commissioner Inland Revenue issued an order dated March 30, 2022 for recovery of withholding tax along with default surcharge amounting to Rs. 200.04 million under section 161(1) on account of short deduction of tax at the time of making certain payments for the tax year 2019. During the year, the Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The Appeal is currently pending to be heard before CIRA. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favor of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

9.2 Commitments

The facilities for opening letter of credit and guarantees as at Sep 30, 2022 amounted to Rs. 200 million (June 30, 2022: Rs. 200 million) and Rs. 132.09 million (June 30, 2022: Rs. 132.09 million) respectively. The amount remaining unutilized at the quarter end for letter of credit and guarantees was Rs. 188 million (June 30, 2022: Rs. 200 million) and Nil (June 30, 2022: Nil) respectively.

The facilities are secured by way of pari passu charge against hypothecation of the Company's current assets. The Parent Company has pledged 421,000 shares of The Searle Company Limited against letter of guarantees.

10. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties during the period:

Nature of relationship	Nature of transactions	September 30, 2022	September 30, 2021
		----- Rupees in '000 -----	
Holding company	- Corporate Service Charges	-	3,000
Associated companies	- Shared expenses	10.1 7,098	1,455
	- Sale of goods	1,008	95
	- Purchase of goods	9,500	-
	- Logistic Cost	2,876	763

10.1 The Company has an agreement with IBL Operations (Private) Limited regarding sharing of expenses relating to sales and administrative infrastructure.

11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on October 26, 2022.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

		Unaudited September 30, 2022	Audited September 30, 2022
	Note	----- Rupees in '000 -----	
Non-current assets			
Property and equipment		11,391	12,300
Intangible assets		290	68
Long - term deposits		8,636	3,212
		<u>20,317</u>	<u>15,580</u>
Current assets			
Inventories	4	525,740	665,626
Trade and other receivables	5	783,411	613,829
Prepayments , deposits and advances	6	73,648	58,848
Taxation - payments less provisions		-	38,757
Tax refunds due from Government - sales tax		20,009	58,750
Accrued interest		363	363
Cash and bank balances		72,813	149,685
		<u>1,475,984</u>	<u>1,585,858</u>
Total assets		<u>1,496,301</u>	<u>1,601,438</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated losses		(786,578)	(787,414)
		<u>131,422</u>	<u>130,586</u>
Liabilities			
Current liabilities			
Trade and other payables		1,079,915	1,192,128
Short term borrowings		272,242	253,034
Taxation - payments less provisions		2,087	-
Current portion of deferred income - Government grant		267	267
Current portion of Long-term borrowings		-	14,672
Accrued mark-up		10,015	10,398
Unclaimed dividend		353	353
		<u>1,364,879</u>	<u>1,470,852</u>
Total liabilities		<u>1,364,879</u>	<u>1,470,852</u>
CONTINGENCY AND COMMITMENTS	9	-	-
Total equity and liabilities		<u>1,496,301</u>	<u>1,601,438</u>

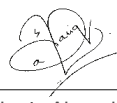
The annexed notes 1 to 11 form an integral part of these condensed interim consolidated financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

Quarter ended	
September 30, 2022	September 30, 2021
----- Rupees in '000 -----	
688,871	834,640
(588,067)	(701,111)
100,804	133,529
(52,700)	(69,653)
(21,836)	(37,782)
(11,773)	(3,565)
9,038	324
23,533	22,853
(11,340)	(11,715)
12,193	11,138
(11,357)	(13,320)
836	(2,182)
-	-
836	(2,182)
(Rupees)	
0.01	(0.02)

	Note
Revenue from contracts with customers	7
Cost of sales and services	
Gross profit	
Marketing and distribution expenses	
Administrative and general expenses	
Other operating expenses	
Other income	
Profit from operations	
Finance cost	
Profit before Income tax	
Income tax expense	
Profit / (loss) for the period	
Other comprehensive income	

Total comprehensive income / (loss)

Basic and diluted earning / (loss) per share

The annexed notes 1 to 11 form an integral part of these condensed interim consolidated financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
CASH FLOWS - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

		Quarter ended	
		September 30, 2022	September 30, 2021
Note		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
8	Cash (used) in operations	(93,429)	(51,585)
	Income tax	29,487	9,571
	Finance cost paid	(11,723)	(4,630)
	Net cash outflow from operating activities	(75,665)	(46,644)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Payment for acquisition of equipment	(319)	(379)
	Net cash outflow from investing activities	(5,743)	(379)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Payment for long term borrowing	(14,672)	-
	Receipts from short term borrowing	19,208	5,546
	Net cash generated from / (used in) financing activities	4,536	5,546
	Net decrease in cash and cash equivalents	(76,872)	(41,477)
	Cash and cash equivalents at the beginning of the period	149,685	133,800
	Cash and cash equivalents at the end of the period	72,813	92,323

The annexed notes 1 to 11 form an integral part of these condensed interim consolidated financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Share Capital - Issued, subscribed and paid up capital	Accumulated Loss	Total Equity
	----- Rupees in '000 -----		
Balance as at July 1, 2021	918,000	(809,170)	108,830
Total comprehensive (loss) for the quarters	-	(2,182)	(2,182)
Balance at September 30, 2021	<u>918,000</u>	<u>(811,352)</u>	<u>106,648</u>
Balance as at July 1, 2022	918,000	(787,414)	130,586
Total comprehensive Income for the quarter	-	836	836
Balance at September 30, 2022	<u>918,000</u>	<u>(789,578)</u>	<u>131,422</u>

The annexed notes 1 to 11 form an integral part of these condensed interim consolidated financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 CORPORATE AND GENERAL INFORMATION

1.1 The Group consists of:

Holding Company - United Brands Limited (the Holding Company)

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Company Act, 1913. The Company was renamed as UDL Industries Limited on March 16, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was again renamed as United Brands Limited, a public limited Company on April 5, 2006 under the repealed Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange.

The Holding Company is a subsidiary of International Brands (Private) Limited, which is also the Holding Company's Ultimate Parent.

The principal activities of the Holding Company are trading and distribution of consumer goods and allied products. The Holding Company has recently started offering services for telecom products.

Registered office of the Company is situated at 2nd Floor, One IBL Center, Block No. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi; and

The Company has various sale offices and distribution warehouses. Detailed list is provided in audited financial statements for the year ended 30 June 2022 note no. 34.

Subsidiary companies are companies in which the Company owns over 50% of voting rights or companies directly or indirectly controlled by the Company. As at June 30, 2022, the Company owns 100% ordinary shares of IBL Logistics (Private) Limited (IBLPL).

Subsidiary Company - IBL Logistics (Private) Limited (IBLPL)

IBLPL is a Private Limited Company incorporated and registered under the Companies Act, 2017 on April 23, 2018.

The principal activities of the subsidiary company comprises primarily of transportation and warehousing, trading and distribution of goods and assembling of electrical goods.

The geographical locations and addresses of the subsidiary's business units are as under:

- The registered office of the IBLPL is situated at 2nd Floor, One IBL Center, Block No.7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah -e-Faisal, Karachi.
- The Company has a warehouse situated at Plot No. C-126, Sector 6-F, Mehran Town, Korangi, Karachi.
- Pepsi North East Warehouse, Dera Gujran Near Quaid-e-Azam Interchange.
- IBL Pepsi Warehouse RB 241 Dhudhanwala Ghaziabad Near Machli Form Stop Lower Canal Road, Jarranwala Road, Faisalabad; and"
- Ferozpur Road, Opposite Pak Arab Society, Near Medix Hospital, Lahore.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.

Basis of preparation

2.1

These condensed interim consolidated financial statements of the Company for the quarter ended September 30, 2022 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and provisions of

and directives issued under the Companies Act, 2017. In case where requirements differ, the

UNITED BRANDS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

provisions of or directives issued under the Companies Act, 2017 have been followed.

These condensed interim consolidated financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statement of the Company for the year ended June 30, 2022. These condensed interim consolidated financial statements are unaudited.

2.2 The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2022.

3. **ACCOUNTING ESTIMATES AND JUDGMENTS**
The preparation of consolidated financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

However, management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim consolidated financial statements.

Estimates and judgments made by the management in the preparation of these condensed interim consolidated financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2022.

	Unaudited September 30, 2022	Audited June 30, 2022
4. INVENTORIES		
Raw and packaging materials:	----- Rupees in '000 -----	
- in hand	96,006	90.678
- in transit	-	-
	96,006	90,678
Finished goods:		
- manufactured	-	21,832
- trading goods		
- in hand	429,734	541,226
- in transit	-	11,890
	525,740	665,626
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	681,302	508,805
Other receivables	102,109	105,024
	783,411	613,829

UNITED BRANDS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Unaudited September 30, 2022	Audited June 30, 2022
	----- Rupees in '000 -----	
6. PREPAYMENTS AND ADVANCES		
Prepayments	2,741	39,251
Advances	70,907	19,597
	<u>73,648</u>	<u>58,848</u>
	Unaudited September 30, 2022	Unaudited September 30, 2021
	----- Rupees in '000 -----	
7. REVENUE FROM CONTRACT WITH CUSTOMERS		
Gross sales	572,773	715,602
Service Income	184,483	153,782
Less:		
- Trade Discounts	(21,062)	(27,514)
- Sales returns	(47,323)	(7,230)
	<u>688,871</u>	<u>834,640</u>
8. CASH GENERATED FROM OPERATIONS		
Profit / (loss) before Income tax	12,193	(2,182)
Adjustment for non-cash charges and other items		
Depreciation	1,006	1,183
Finance cost	11,340	11,715
	<u>12,346</u>	<u>12,898</u>
	<u>24,539</u>	<u>10,716</u>
Effect on cash flow due to working capital changes		
Decrease in current assets:		
Inventories	139,886	(34,542)
Trade and other receivables	(169,582)	(181,147)
Prepayments , deposits and advances	(14,800)	(10,829)
Tax refunds due from government - sales tax	38,741	26,153
	(5,755)	(200,365)
(Decrease) / increase in trade and other payables	(112,213)	138,064
Cash (used) in operations	<u>(93,429)</u>	<u>(51,585)</u>

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

9. CONTINGENCY AND COMMITMENTS

9.1 Contingency

9.1.1 During the year ended June 30, 2020, the Deputy Commissioner Inland Revenue issued a notice of demand under section 137(2) of the Income Tax Ordinance, 2001 (the Ordinance) dated January 31, 2020 for recovery of tax amounting to Rs. 94.66 million created pursuant to Order dated January 31, 2020 passed under section 122(1) for tax year 2018. The Holding Company has filed a Constitutional Petition No. D-1421 of 2020 before the Honorable High Court of Sindh. The Honorable High Court of Sindh has restrained the Deputy Commissioner Inland Revenue from enforcing the impugned income tax demand till the decision of Commissioner Inland Revenue (Appeals-II). The appeal was heard on December 16, 2021 and is now reserved for order. The management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Holding Company. Therefore, no provision has been made in these consolidated financial statements.

9.1.2 During the year, the Assistant / Deputy Commissioner Inland Revenue issued an order dated December 30, 2021 for recovery of withholding tax along with default surcharge amounting to Rs. 156.55 million under section 161 (1) on account of short deduction of tax at the time of making certain payments for the tax year 2018. During the year, the Holding Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The Appeal is currently pending to be heard before CIRA. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Holding Company. Therefore, no provision has been made in these consolidated financial statements.

9.1.3 During the year, the Assistant / Deputy Commissioner Inland Revenue issued an order dated March 30, 2022 for recovery of withholding tax along with default surcharge amounting to Rs. 200.04 million under section 161(1) on account of short deduction of tax at the time of making certain payments for the tax year 2019. During the year, the Holding Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The Appeal is currently pending to be heard before CIRA. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Holding Company. Therefore, no provision has been made in these consolidated financial statements.

9.2 Commitments

The facilities for opening letter of credit and guarantees as at September 30, 2022 amounted to Rs. 300 million (June 30, 2022: Rs. 300 million) and Rs. 132.09 million (June 30, 2022: Rs. 132.09 million) respectively. The amount remaining unutilised at the quarter end for letter of credit and guarantees was Rs. 240 million (June 30, 2022: Rs.246.94 million) and Nil (June 30, 2022: Nil) respectively.

The facilities are secured by way of pari passu charge against hypothecation of Company's stocks and receivables.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM

FINANCIAL INFORMATION - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

10. RELATED PARTY TRANSACTIONS


The following transactions were carried out with related parties during the period:

Nature of relationship	Nature of transactions		September 30, 2022	September 30, 2021
Holding company	- Corporate Service Charges		-	3,000
Associated companies	- Shared expenses	10.1	7,098	1,455
	- Sale of goods		1,008	95
	- Purchase of goods		9,500	-

10.1 The Company has an agreement with IBL Operations (Private) Limited regarding sharing of expenses relating to sales and administrative infrastructure.

11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on October 26, 2022.


Syed Nadeem Ahmed
Chief Executive Officer


Zubair Razzak Palwala
Director


Shariq Ahmed
Chief Financial Officer



2nd Floor, One IBL Centre,
Block No. 7 & 8, DMMCHS,
Shahrah-e-Faisal, Karachi.
www.ubbrands.biz