



Moving FORWARD

UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2022

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Munis Abdullah	Chairman
Mr. Hasan Tariq Khan	Independent Director
Ms. Tayyaba Rasheed	Independent Director
Mr. Syed Nadeem Ahmed	Chief Executive Officer
Mr. Zubair Razzak Palwala	Non-Executive Director
Mr. Syed Qaiser Abbas	Non-Executive Director
Mr. Rizwan Ahmad	Executive Director

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Hasan Tariq Khan	Chairman
Mr. Syed Nadeem Ahmed	Member
Mr. Syed Qaiser Abbas	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 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, DMMCHS,
Shahrah-e-Faisal, Karachi-75530
Tel: 37170183,
Fax: 35635530, 35682772

SHARE REGISTRAR

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

WEBSITE

www.ubrands.biz

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors of United Brands Limited are pleased to present Directors' review report together with the consolidated condensed interim financial information (unaudited) of the Company for six months period ended December 31, 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 distribution 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

	DECEMBER 31, 2022	DECEMBER 31, 2021
	(Rupees in thousand)	
Revenue	705,380	1,235,065
Gross profit	111,776	163,872
Gross margin (% of revenue)	15.8%	13.2%
Operating expenses	(137,376)	(193,344)
Finance cost	(24,027)	(16,857)
Loss for the period	(55,604)	(51,336)

FINANCIAL OVERVIEW

The revenue of the Company has decreased significantly by 43% during the current period. This is primarily due to unavailability of imported products such as Kellogg's, Pringles, Ovaltine and Schick etc. Molfix and Candyland business were also discontinued as they were incurring losses.

Operating expenses to Sales Ratio has deteriorated due to increase in fuel prices, labor minimum wage, vehicle rentals and utility rates landing the Company in operating loss. Finance cost has also increased due to rise in KIBOR rate 6.5%.

LOSS PER SHARE

Loss per share for six months period ended December 31, 2022 is PKR (0.61) (Dec 31, 2021: PKR (0.56))

DIRECTORS' REPORT TO THE MEMBERS

FUTURE OUTLOOK

Owing to stringent import restriction the business of United Brands was adversely affected. This was further exacerbated by rising costs and interest rates to unsustainable levels, effectively pushing the bottom line in red. As part of the future strategy to overcome the adverse business conditions, the board and management of the company have started to prioritize and replace the imported brands with locally manufactured brands while paying close attention to cost control and cost pass on polices. This should gradually sustain the volumes and is likely to improve the bottom line in the coming years.

ACKNOWLEDGMENT

The Directors would like to express their gratitude to the customers, principals, management and employees, and all other stakeholders for their continued support.

Karachi.

Date: February 23, 2023



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director

فی حصص نقصان:

31 دسمبر، 2022 کو ختم ہونے والے چھ ماہ کی مدت کے لئے فی حصص نقصان پی کے آر (0.61) (31 دسمبر، 2021: پی کے آر (0.56)) ہے۔

مستقبل پر ایک نظر:

درآمد کی سخت پابندی کی وجہ سے یونائیٹڈ برانڈز کا کاروبار بری طرح متاثر ہوا۔ اس کو بڑھتے ہوئے اخراجات اور سود کی شرحوں سے غیر مستحکم سطحوں کی طرف سے مزید بڑھ گیا، جس سے نجی لائن کو مؤثر طریقے سے سرخ رنگ میں دھکیل دیا گیا۔ منفی کاروباری حالات پر قابو پانے کے لئے مستقبل کی حکمت عملی کے ایک حصے کے طور پر، کمپنی کے بورڈ اور انتظامیہ نے درآمد شدہ برانڈز کو مقامی طور پر تیار کردہ برانڈز کے ساتھ ترجیح دینا اور ان کی جگہ لینا شروع کر دی ہے جبکہ لاگت پر قابو پانے اور پالیسیوں پر لاگت کے گزرنے کی پالیسی پر گہری توجہ دی ہے۔ اس سے آہستہ آہستہ حجم کو برقرار رکھنا چاہئے اور آنے والے سالوں میں نیچے کی لکیر کو بہتر بنانے کا امکان ہے۔

اعتراف:

ڈائریکٹرز صارفین، پرنسپلز، انتظامیہ اور ملازمین اور دیگر تمام اسٹیک ہولڈرز کے ساتھ ان کی مسلسل مدد کے لئے اظہار تشکر کرنا چاہتے ہیں۔

کراچی۔

۲۳ فروری ۲۰۲۳



زیر رزاق پاولا
ڈائریکٹرز



سید ندیم احمد
چیف ایگزیکٹو آفیسر

ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر، 2022 کو ختم ہونے والی چھ ماہ کی مدت کے لئے کمپنی کی مختصر عبوری غیر آڈٹ شدہ مالی حسابات کے ساتھ مل کر ڈائریکٹرز کی جائزہ رپورٹ پیش کرنے پر خوش ہیں۔ یہ مختصر عبوری غیر آڈٹ شدہ مالی حسابات کمپنیز ایکٹ، 2017 کے سیکشن 228 کے مطابق تیار کیا گیا۔

بنیادی سرگرمیاں:

کمپنی کی بنیادی سرگرمیاں صارفین کے سامان اور اس سے وابستہ مصنوعات کی تجارت اور تقسیم ہیں۔ کمپنی نے حال ہی میں ٹیلی کام کی مصنوعات کے لئے تقسیم کی خدمات کی پیش کش شروع کر دی ہے۔

ماہانہ ادارہ کی بنیادی سرگرمیاں بنیادی طور پر نقل و حمل اور گودام، تجارت اور سامان کی تقسیم اور بجلی کے سامان تیار کرنے پر مشتمل ہیں۔

مالیاتی کارکردگی کا جائزہ:

	DECEMBER 31, 2022	DECEMBER 31, 2021
(Rupees in thousand)		
Revenue	705,380	1,235,065
Gross profit	111,776	163,872
Gross margin (% of revenue)	15.8%	13.2%
Operating expenses	(137,376)	(193,344)
Finance cost	(24,027)	(16,857)
Loss for the period	(55,604)	(51,336)

مالی جائزہ:

موجودہ مدت کے دوران کمپنی کی آمدنی میں 43 فیصد کمی واقع ہوئی ہے۔ اس کی بنیادی وجہ درآمد شدہ مصنوعات جیسے کیلوگ، پرنکوز، اوولٹائن اور شملک وغیرہ کی عدم دستیابی کی وجہ سے ہے۔ موٹکس اور کینڈی لینڈ کے کاروبار کو بھی بند کر دیا گیا تھا کیونکہ انہیں نقصان ہو رہا تھا۔

آپریٹنگ اور فروخت کے اخراجات بڑھ گئے ہیں جس کی وجہ ایندھن کی قیمتیں، مزدوری کی کمی سے کم اجرت، گاڑیوں کے کرائے اور یوٹیلیٹی کی شرح میں اضافہ ہیں جنہوں نے کمپنی کو نقصان میں گرا دیا۔ کیپور کی شرح میں 6.5% کے اضافے کی وجہ سے بھی مالیات کی لاگت میں اضافہ ہوا ہے۔



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of United Brands Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of United Brands Limited as at December 31, 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss, and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

Chartered Accountants
Karachi

Date: February 28, 2023

UDIN: RR202210073L6QE3lw5

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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

UNCONSOLIDATED
FINANCIAL STATEMENTS

UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Note	(Unaudited) December 31 2022	(Audited) June 30, 2022
ASSETS			
Non-current assets			
----- Rupees in '000 -----			
Property and equipment		5,245	6,522
Intangible assets		20	52
Investment in subsidiary		25,000	25,000
Long-term deposits		412	412
		<u>30,677</u>	<u>31,986</u>
Current assets			
Inventories	5	290,621	555,170
Trade and other receivables	6	286,555	347,161
Prepayments, advances and deposits	7	20,335	5,512
Taxation - payments less provision		32,592	37,464
Tax refunds due from Government - sales tax	8	44,696	72,729
Accrued interest		962	363
Cash and bank balances		106,987	106,813
		<u>782,748</u>	<u>1,125,212</u>
Total assets		<u>813,425</u>	<u>1,157,198</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated loss		(984,168)	(928,564)
		<u>(66,168)</u>	<u>(10,564)</u>
LIABILITIES			
Non-current liabilities			
Long term borrowing	9	-	-
Deferred income - Government grant		-	-
		<u>-</u>	<u>-</u>
Current liabilities			
Trade and other payables	10	603,503	889,038
Short-term financing	11	261,021	253,034
Current portion of deferred income - Government grant		-	267
Current portion of long-term borrowings	9	-	14,672
Unclaimed dividend		353	353
Accrued mark-up		14,716	10,398
		<u>879,593</u>	<u>1,167,762</u>
Total Liabilities		<u>879,593</u>	<u>1,167,762</u>
Contingency and commitments	12		
Total equity and liabilities		<u>813,425</u>	<u>1,157,198</u>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim 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
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

	Quarter ended		Half year ended	
	December 31 2022	December 31 2021	December 31 2022	December 31 2021
	Note ← Rupees '000 →			
Revenue from contracts with customers 13	291,221	612,214	705,380	1,235,065
Cost of sales	(247,691)	(524,645)	(593,604)	(1,071,193)
Gross profit	43,530	87,569	111,776	163,872
Marketing and distribution expenses	(30,351)	(84,593)	(89,985)	(153,537)
Administrative and general expenses	(18,086)	(24,085)	(19,684)	(46,839)
Loss allowance on trade receivables	(12,384)	-	(12,384)	-
Other operating expenses 14	(22,876)	(1,150)	(29,772)	(4,387)
Other income 15	6,436	11,392	14,449	11,419
Loss from operations	(33,731)	(10,867)	(25,600)	(29,472)
Finance costs 16	(12,896)	(5,489)	(24,027)	(16,857)
Loss before income tax	(46,627)	(16,356)	(49,627)	(46,329)
Income tax expense	(3,074)	(1,558)	(5,977)	(5,007)
Loss for the period	(49,701)	(17,914)	(55,604)	(51,336)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(49,701)	(17,914)	(55,604)	(51,336)
Basic and diluted loss per share (Rupees)	(0.54)	(0.20)	(0.61)	(0.56)

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim 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

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

	Share Capital	Accumulated Loss	Total
----- Rupees in '000 -----			
Balance as at July 1, 2021	918,000	(862,939)	55,061
Total comprehensive loss for the half year ended December 31, 2021	-	(51,336)	(51,336)
Balance at December 31, 2021 (unaudited)	918,000	(914,275)	3,725
Balance as at July 01, 2022	918,000	(928,564)	(10,564)
Total comprehensive loss for the half year ended December 31, 2022	-	(55,604)	(55,604)
Balance at December 31, 2022 (unaudited)	918,000	(984,168)	(66,168)

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim 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

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

	December 31 2022	December 31 2021
	Note	----- Rupees in '000 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	17 26,227	62,555
Income taxes paid	(1,105)	(11,256)
Finance costs paid	(19,709)	(6,513)
Net cash generated from operating activities	<u>5,413</u>	<u>44,786</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Interest received	<u>1,446</u>	<u>924</u>
Net cash generated from investing activity	<u>1,446</u>	<u>924</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(14,672)	(14,672)
Obtained / repayment of short-term financing (net)	7,987	(24,311)
Net cash used in financing activities	<u>(6,685)</u>	<u>(38,983)</u>
Net increase in cash and cash equivalents	174	6,727
Cash and cash equivalents at beginning of the period	<u>74,721</u>	<u>59,319</u>
Cash and cash equivalents at end of the period	18 <u>74,895</u>	<u>66,046</u>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim 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 STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Companies 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 registered office of the Company is situated on the 2nd Floor, One IBL Center, Block no. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahra-e-Faisal, Karachi.

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

The Company's principal activities are trading and distribution of consumer goods and allied products. During the period, the Company has entered into distribution agreements whereby the Company will distribute a variety of products of Livvel and Dipitt brands.

- 1.1 Management prepared these financial statements on a going concern basis, which assumes the realisation of assets and the satisfaction of liabilities in the normal course of business. As at December 31, 2022, the Company had net deficit of Rs. 66.17 million (June 2022: Rs. 10.56 million), net current liability position of Rs. 96.85 million (June 2022: Rs. 42.55 million) and operating cashflows of Rs. 5.41 million (December 2021: Rs. 44.79 million). For the half year ended December 31, 2022, the Company has incurred a loss of Rs. 55.60 million (December 2021: Rs. 51.34 million). Furthermore, the prevalent economic conditions of the country including depleting foreign exchange reserves and high inflation is impacting the overall business activity including imports.

The Company has been closely monitoring the cash flows and forecasts on a monthly basis. Management performed analysis over their cash flow forecast to factor in the impact of a decline in both revenue and collection from customers. The Company will continue to receive support for at least the next twelve months from the date of issuance of these financial statements, if needed, from the Ultimate Parent Company. Based on above analysis and support from the Ultimate Parent Company, management has adequate financing lines to be able to maintain liquidity in order to repay its creditors in the foreseeable.

2. BASIS OF PREPARATION

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2022. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting standards that not yet effective

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these unconsolidated financial statements.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual unconsolidated financial statements as at and for the year ended June 30, 2022.

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2022.

(Unaudited) December 31, 2022	(Audited) June 30, 2022
----------------------------------------------	-------------------------------

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

5. INVENTORIES

Raw and packing materials:
- in hand

28,837	30,447
---------------	--------

Finished goods - manufactured:
- in hand

6,963	11,367
--------------	--------

Trading good:

- in hand - note 5.1

249,307	501,466
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- in transit

5,514	11,890
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254,821	513,356
----------------	---------

290,621	555,170
----------------	---------

5.1 As at December 31, 2022 stock of trading goods has been written down by Rs. 9.29 million (June 2022: Rs. 336.06 million) to arrive at its net realisable value.

(Unaudited) December 31, 2022	(Audited) June 30, 2022
----------------------------------------------	-------------------------------

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

6. TRADE AND OTHER RECEIVABLES

Trade receivables - note 6.1

179,051	259,740
----------------	---------

Other receivables - note 6.2

107,504	87,421
----------------	--------

286,555	347,161
----------------	---------

6.1 Trade receivables

Considered good

- Related parties

2,791	1,148
--------------	-------

- Others

176,260	258,592
----------------	---------

- Considered doubtful

40,335	65,278
---------------	--------

219,386	325,018
----------------	---------

Less: Loss allowance on doubtful
receivables - note 6.1.1

(40,335)	(65,278)
-----------------	----------

179,051	259,740
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UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

- 6.1.1 During the period, the Company has written off receivables amounting to Rs. 37.33 million (June 2022: Nil).

(Unaudited) December 31, 2022	(Audited) June 30, 2022
----------------------------------------------------------	-------------------------------

6.2 Other receivables

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

- Considered good
- Related parties
- Others - note 6.2.1

14,980	8,989
92,524	78,432
107,504	87,421

- 6.2.1 These represent receivable from principals in respect of stock claims, expenses and other receivables.

(Unaudited) December 31, 2022	(Audited) June 30, 2022
----------------------------------------------------------	-------------------------------

7. PREPAYMENTS, ADVANCES AND DEPOSITS

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

- Prepayments
Advances
Deposits - note 7.1

550	1,085
4,942	4,427
14,843	-
20,335	5,512

- 7.1 This represents the amount paid to commercial banks against the letter of credit amounting to Rs. 14.84 million (June 30, 2022: Rs. Nil) as per the BPRD Circular No. 09 of 2022 issued by the SBP under the Banking Companies Ordinance, 1962 for the import of goods.

8. TAX REFUND DUE FROM GOVERNMENT - SALES TAX

This includes an amount of Rs. 70.64 million relating to the sales tax paid in the prior periods for which no input was claimed due to a dispute with the Collector of Customs. The Collector of Customs raised an issue in relation to the payment of Federal Excise Duty (FED) on the import of goods made by the Company during the month of June 2020. However, due to restrictions placed on the "release of the said consignment" due to the FED payment dispute, the sales tax paid could not be adjusted by the Company in that month. The Company had paid sales tax amounting to Rs. 42.43 million and Rs. 28.21 million in the months of June 2020 and June 2021 respectively for the above-mentioned consignment. Since the sales tax has been paid in relation to the taxable supplies to be made, the Company intends to claim the same. The Company has requested Customs Department to issue a letter to the Federal Board of Revenue (FBR) requesting it to allow the claim of input sales tax in the subsequent sales tax periods for the aforementioned amount. During the period, the Company has filed a refund claim adjustment with FBR.

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

	(Unaudited) December 31, 2022	(Audited) June 30, 2022
	----- Rupees in '000 -----	
9. LONG-TERM BORROWING		
Balance at beginning of the period	14,672	41,915
Less:		
- Repayments	(14,761)	(29,550)
Unwinding of discount on salary refinancing	89	2,307
Less: Current maturity shown under short-term borrowings	-	(14,672)
Balance at end of the period	<u>-</u>	<u>-</u>
Current portion	-	14,672
Long-term portion	-	-
	<u>-</u>	<u>14,672</u>

10. TRADE AND OTHER PAYABLES

These include Rs. 306.68 million (June 30, 2022: Rs. 304.94 million) payable to related parties.

11. SHORT-TERM FINANCING

11.1 These represent short term loans obtained under financing arrangement from commercial banks. These are secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between February and May 2023.

The arrangements carry a mark-up of 2% above six months KIBOR (June 30, 2022: 0.15% to 2% above six months KIBOR) per annum.

11.2 The Company also has an available running finance facility under mark-up arrangements from a commercial bank amounted to Rs. 35 million (June 30, 2022: Rs. 35 million). The arrangements are secured by way of pari passu charge over the inventories and receivables of the Company with 25% margin.

The arrangement carries mark-up at the rate of 2.25% above one month KIBOR (June 30, 2022: 2.25% above one month KIBOR) to be determined on monthly basis.

12. CONTINGENCY AND COMMITMENTS

12.1 Contingency

There have been no significant changes during the period in the contingencies reported in the annual audited financial statements for the year ended June 30, 2022.

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

12.2 Commitments

The facilities for opening letter of credit and guarantees as at December 31, 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 unutilised as at reporting date for letter of credit and guarantees were Rs. 185.35 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 and also the Parent Company has pledged 421,000 shares of The Searle Company Limited against the above mentioned letter of guarantee facilities.

	(Unaudited) December 31, 2022	(Unaudited) December 31, 2021
13. REVENUE FROM CONTRACTS WITH CUSTOMERS		
	----- Rupees in '000 -----	
Gross revenue from sale of goods	872,516	1,526,020
Revenue from services	2,131	-
Less:		
- Trade discounts	(15,990)	(41,981)
- Sales return	(28,142)	(37,117)
- Sales tax	(124,890)	(211,857)
- Provincial sales tax	(245)	-
	705,380	1,235,065
14. OTHER OPERATING EXPENSES		
Provision for expired and damaged stock	12,289	4,387
Loss on the closure of business with Hayat Kimiya	17,483	-
	29,772	4,387
15. OTHER INCOME		
Income from financial assets		
Profit on savings accounts	23	160
Profit on Term Deposit Receipts	2,022	719
Income from non-financial assets		
Deferred income recognised on government grant	267	1,372
Insurance claim	10,060	-
Scrap sales	2,077	9,168
	14,449	11,419

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

	(Unaudited) December 31, 2022	(Unaudited) December 31, 2021
16. FINANCE COSTS		
	----- Rupees in '000 -----	
Exchange loss - net	91	328
Bank charges	1,697	2,608
Finance charges on short-term financing	22,150	12,332
Interest expense including impact of unwinding	89	1,589
	<u>24,027</u>	<u>16,857</u>
17. CASH GENERATED FROM OPERATIONS		
Loss before income tax	(49,627)	(46,329)
Adjustments for non-cash charges and other items		
Depreciation and amortisation	1,309	1,410
Deferred income - Government grant	(267)	(1,372)
Profit on Term Deposit Receipts	(2,022)	(719)
Profit on savings accounts	(23)	(160)
Unwinding of discount on salary refinancing	89	1,589
Finance costs	23,938	12,333
Provision for doubtful debts	12,384	-
	<u>35,408</u>	<u>13,081</u>
	(14,219)	(33,248)
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Inventories	264,549	(61,157)
Trade and other receivables	48,222	29,242
Prepayments, advances and deposits	(14,823)	(32,602)
Tax refunds due from Government - sales tax	28,033	26
	325,981	(64,491)
Increase / (decrease) in current liabilities:		
Trade and other payables	(285,535)	160,294
Cash generated from operations	<u>26,227</u>	<u>62,555</u>
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>74,895</u>	<u>66,046</u>
19. TRANSACTIONS WITH RELATED PARTIES		
19.1 Related parties comprise the parent company, subsidiary companies, associated companies or undertakings, directors of the Company, key management personnel and staff retirement funds.		

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

The Company continues to have a policy whereby transactions with related parties are entered into at mutually agreed terms and conditions. Remuneration of key management personnel are in accordance with their terms of engagement.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Head of Departments to be its key management personnel. There are no transactions with key management personnel other than those disclosed in these condensed interim financial statements or as per their terms of employment / entitlement.

Nature of relationship	Nature of transactions	(Unaudited)	(Unaudited)
		December 31, 2022	December 31, 2021
		Rupees '000	
i. Holding company	- Corporate shared services	-	6,000
ii. Associated companies	- Purchases	19,506	40,469
	- Sale of goods	1,835	674
	- Funds received	76,646	107,748
	- Shared costs - note 19.2 cross charged from IBL Operations (Private) Limited	23,359	40,129
	cross charged to IBL Operations (Private) Limited	72,144	42,054
iii. Employees' provident fund	Contribution paid	1,702	253
iv. Key management personnel	Salaries and other employee benefits	9,416	11,631
	Fee for attending meetings to Directors	54	75

19.2 The Company has an agreement with IBL Operations (Private) Limited - associated company, for sharing of expenses relating to sales and administrative infrastructure.

19.3 There are certain assets in the books of an associated company IBL Operations (Private) Limited which are being commonly used by both the companies.

20. DATE OF AUTHORISATION FOR ISSUE


These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on February 23, 2023.



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 DECEMBER 31, 2022

	Note	(Unaudited) December 31 2022	(Audited) June 30 2022
----- Rupees in '000 -----			
Non - Current assets			
Property and equipment		10,833	12,300
Intangible assets		272	68
Long - term deposits		8,637	3,212
		<u>19,742</u>	<u>15,580</u>
Current assets			
Inventories	5	420,265	665,626
Trade and other receivables	6	750,926	613,829
Prepayments , deposits and advances	7	65,433	58,848
Taxation - payments less provisions		4,680	38,757
Tax refunds due from Government - sales tax	8	8,705	58,750
Accrued interest		962	363
Cash and bank balances		129,853	149,685
		<u>1,380,824</u>	<u>1,585,858</u>
Total assets		<u>1,400,566</u>	<u>1,601,438</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated losses		(861,763)	(787,414)
		<u>56,237</u>	<u>130,586</u>
Liabilities			
Non current - Liabilities			
Long-term borrowings	9	-	-
Deferred income - Government grant		-	-
		<u>-</u>	<u>-</u>
Current liabilities			
Trade and other payables	10	1,068,239	1,192,128
Short term Financing	11	261,021	253,034
Current portion of deferred income - Government grant		-	267
Current portion of Long-term borrowings		-	14,672
Accrued mark-up		14,716	10,398
Unclaimed dividend		353	353
		<u>1,344,329</u>	<u>1,470,852</u>
Total liabilities		<u>1,344,329</u>	<u>1,470,852</u>
CONTINGENCY AND COMMITMENTS			
Total equity and liabilities	12	<u>1,400,566</u>	<u>1,601,438</u>

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim 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
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

	Note	Quarter ended		Half year ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
----- Rupees '000 -----					
Revenue from contracts with customers	13	574,629	821,388	1,263,500	1,656,028
Cost of sales and services		(532,908)	(695,391)	(1,120,975)	(1,396,502)
Gross profit		41,721	125,997	142,525	259,526
Marketing and distribution expenses		(66,817)	(114,124)	(119,517)	(183,777)
Administrative and general expenses		2,152	(9,057)	(19,684)	(46,839)
Loss allowance on trade receivables		(12,384)	-	(12,384)	-
Other operating expenses	14	(26,452)	(1,150)	(38,225)	(4,715)
Other income	15	9,575	12,281	18,613	12,605
(Loss) / profit from operations		(52,205)	13,947	(28,672)	36,800
Finance cost	16	(13,437)	(5,885)	(24,777)	(17,600)
(Loss) / profit before Income tax		(65,642)	8,062	(53,449)	19,200
Income tax expense		(9,543)	(9,315)	(20,900)	(22,635)
Loss for the period		(75,185)	(1,253)	(74,349)	(3,435)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(75,185)	(1,253)	(74,349)	(3,435)
Basic and diluted loss per share (Rupees)		(0.82)	(0.01)	(0.81)	(0.04)

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim 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

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

		Half Year ended	
		December 31 2022	December 31 2021
CASH FLOWS FROM OPERATING ACTIVITIES	Note	----- Rupees in '000 -----	
Cash (used in) / generated from operations	17	(4,412)	122,222
Income tax		13,177	(21,969)
Finance cost paid		(21,058)	(12,356)
Net cash (used in) / generated from operating activities		(12,293)	87,897
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of equipment		(587)	(1,471)
Interest received		-	1,584
Net cash (used in) / generated from investing activities		(587)	113
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for long term borrowing		(14,672)	(14,455)
Receipts / (repayment) of short term borrowing		7,720	(59,700)
Net cash used in financing activities		(6,952)	(74,155)
Net (decrease) / increase in cash and cash equivalents		(19,832)	13,855
Cash and cash equivalents at beginning of the period		149,685	133,800
Cash and cash equivalents at end of the period	18	129,853	147,655

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim 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

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

	Share Capital	Accumulated Loss	Total
----- Rupees in '000 -----			
Balance as at July 1, 2021	918,000	(809,170)	108,830
Total comprehensive loss for the half year ended December 31, 2021	-	(3,435)	(3,435)
Balance at December 31, 2021 (unaudited)	918,000	(812,605)	105,395
Balance as at July 1, 2022	918,000	(787,414)	130,586
Total comprehensive loss for the half year ended December 31, 2022	-	(74,349)	74,349
Balance at December 31, 2022 (unaudited)	918,000	(861,763)	56,237

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim 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 STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

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 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.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company for the half year ended December 31, 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.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

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.

3. SIGNIFICANT ACCOUNTING POLICIES

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.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim 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.

5. INVENTORIES

Raw and packaging materials:

- in hand
- in transit

Finished goods:

- manufactured
- assembled
- trading goods
 - in hand
 - in transit

(Unaudited) December 31 2022	(Audited) June 30 2022
----- Rupees in '000 -----	
158,481	90,678
-	-
158,481	90,678
6,963	21,832
-	-
249,307	541,226
5,514	11,890
420,265	665,626
6. TRADE AND OTHER RECEIVABLES	
491,610	508,805
259,316	105,024
750,926	613,829
7. PREPAYMENTS AND ADVANCES	
1,753	39,251
48,837	19,597
14,843	-
65,433	58,848

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

8. TAX REFUND DUE FROM GOVERNMENT - SALES TAX

This includes an amount of Rs. 70.64 million relating to the sales tax paid in the prior periods for which no input was claimed due to a dispute with the Collector of Customs. The Collector of Customs raised an issue in relation to the payment of Federal Excise Duty (FED) on the import of goods made by the Company during the month of June 2020. However, due to restrictions placed on the "release of the said consignment" due to the FED payment dispute, the sales tax paid could not be adjusted by the Company in that month. The Company had paid sales tax amounting to Rs. 42.43 million and Rs. 28.21 million in the months of June 2020 and June 2021 respectively for the above-mentioned consignment. Since the sales tax has been paid in relation to the taxable supplies to be made, the Company intends to claim the same. The Company has requested Customs Department to issue a letter to the Federal Board of Revenue (FBR) requesting it to allow the claim of input sales tax in the subsequent sales tax periods for the aforementioned amount. During the period, the Company has filed a refund claim adjustment with FBR.

9. LONG-TERM BORROWING

	(Unaudited) December 31 2022	(Audited) June 30 2022
----- Rupees in '000 -----		
Balance at beginning of the period	14,672	41,915
Less:		
- Repayments	(14,761)	(29,550)
Unwinding of discount on salary refinancing	89	2,307
Less: Current maturity shown under short-term borrowings	-	(14,672)
Balance at end of the period	-	-
Current portion	-	14,672
Long-term portion	-	-
	-	14,672

10. TRADE AND OTHER PAYABLES

These include Rs. 306.68 million (June 30, 2022: Rs. 304.94 million) payable to related parties.

11. SHORT-TERM FINANCING

11.1 These represent short term loans obtained under financing arrangement from commercial banks. These are secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between February and May 2023.

The arrangements carry a mark-up of 2% above six months KIBOR (June 30, 2022: 0.15% to 2% above six months KIBOR) per annum.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

- 11.2 The Company also has an available running finance facility under mark-up arrangements from a commercial bank amounted to Rs. 35 million (June 30, 2022: Rs. 35 million). The arrangements are secured by way of pari passu charge over the inventories and receivables of the Company with 25% margin.

The arrangement carries mark-up at the rate of 2.25% above one month KIBOR (June 30, 2022: 2.25% above one month KIBOR) to be determined on monthly basis.

12. CONTINGENCY AND COMMITMENTS

12.1 Contingency

- 12.1.1 There have been no significant changes during the period in the contingencies reported in the annual audited financial statements for the year ended June 30, 2022.

12.2 Commitments

The facilities for opening letter of credit and guarantees as at December 31, 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 as at reporting date for letter of credit and guarantees were Rs. 286 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 the Company's current assets and also the Parent Company has pledged 421,000 shares of The Searle Company Limited against the above mentioned letter of guarantee facilities.

	(Unaudited) December 31 2022	(Unaudited) December 31 2021
13. REVENUE FROM CONTRACT WITH CUSTOMERS	----- Rupees in '000 -----	
Gross sales	1,123,438	1,684,483
Service Income	363,144	333,149
Less:		
- Trade Discounts	(51,075)	(58,856)
- Sales returns	(46,872)	(40,830)
- Sales tax	(124,890)	(211,857)
- Provincial Sales tax	(245)	(50,061)
	1,263,500	1,656,028
14. OTHER OPERATING EXPENSES		
Provision for expired and damaged stock	14,678	4,387
Exchange loss	-	328
Loss on the closure of business with Hayat Kimiya	17,483	-
Others	6,064	-
	38,225	4,715

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

	(Unaudited) December 31 2022	(Unaudited) December 31 2021
15. OTHER INCOME		
	----- Rupees in '000 -----	
Income from financial assets		
Profit on savings accounts	1,019	819
Profit on Term Deposit Receipts	2,022	719
Income from non-financial assets		
Exchange gain	3,168	527
Deferred income recognised on government grant	267	1,372
Insurance claim	10,060	-
Scrap sales	2,077	9,168
	18,613	12,605
16. FINANCE COSTS		
Exchange loss - net	91	328
Bank charges	2,447	3,351
Finance charges on short-term financing	22,150	12,332
Interest expense including impact of unwinding	89	1,589
	24,777	17,600
17. CASH GENERATED FROM OPERATIONS		
(Loss) / profit before Income tax	(53,449)	19,200
Adjustment for non-cash charges and other items		
Depreciation	1,850	2,355
Finance costs	24,777	17,600
Interest income	-	(1,538)
	26,627	18,417
	(26,822)	37,617
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Inventories	245,361	(69,424)
Trade and other receivables	(137,097)	(59,146)
Prepayments , deposits and advances	(12,010)	(38,168)
Tax refunds due from government - sales tax	50,045	21,588
	146,299	(145,150)
(Decrease) / increase in trade and other payables	(123,889)	229,755
Cash (used in) / generated from operations	(4,412)	122,222

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022 - UNAUDITED

	(Unaudited) December 31 2022	(Unaudited) December 31 2021
	----- Rupees in '000 -----	
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	129,853	147,655

19. RELATED PARTY TRANSACTIONS

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

Nature of relationship	Nature of transactions	December 31, 2022	December 31, 2021
----- Rupees '000 -----			
Holding company	- Corporate Service Charges	-	6,000
Associated companies	- Shared costs	19.1	
	cross charged from IBL Operations	23,359	40,129
	cross charged to IBL Operations	72,144	42,054
	- Sale of goods	1,835	674
	- Funds received	76,646	107,748
	- Purchase of goods	19,506	40,469
Employees' provident fund	Contribution paid	1,702	253
Key management personnel	Salaries and other employee benefits	9,416	11,631
	Fee for attending meetings to Directors	54	75

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

20. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on February 23, 2023.



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director



Shariq Ahmed
Chief Financial Officer

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