



Moving FORWARD

QUARTER AND NINE MONTHS ENDED
MARCH 31, 2023 (Un-audited)

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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 SHAREHOLDERS

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 nine months period ended March 31, 2023. 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

	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
Revenue	1,070,733	1,780,720
Gross profit	164,711	238,285
Gross margin (% of revenue)	15.4%	13.4%
Operating expenses	(187,045)	(285,609)
Finance cost	(36,085)	(24,278)
Loss for the period	(66,768)	(80,348)

FINANCIAL OVERVIEW

The revenue of the Company has decreased significantly by 40% during the current period. This is primarily due to unavailability of stock of imported portfolio like 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 by 10.25% as compared to comparative period last year.

LOSS PER SHARE

Loss per share for nine months period ended March 31, 2023 is PKR (0.73) (Mar 31, 2022: PKR (0.88)).

DIRECTORS' REPORT TO THE SHAREHOLDERS

FUTURE OUTLOOK

Owing to stringent import restrictions, 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 policies. 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, employees, and other stakeholders for their continued support.

Karachi.

Date: April 26, 2023



Syed Nadeem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director

ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2023ء کو ختم ہونے والی نو 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۔
ماتحت 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:

	Mar 31, 2023	Mar 31, 2022
	(Rupees in thousand)	
Revenue	1,070,733	1,780,720
Gross profit	164,711	238,285
Gross margin (% of revenue)	15.4%	13.4%
Operating expenses	(187,045)	(285,609)
Finance cost	(36,085)	(24,278)
Loss for the period	(66,768)	(80,348)

مالی جائزہ:

موجودہ مدت کے دوران کمپنی کی آمدنی میں 40% کی نمایاں کمی واقع ہوئی ہے۔ اسکی بنیادی وجہ درآمد شدہ مصنوعات جیسے کیلوگ، پنگو، اوولٹائن، اور شکک وغیرہ کی عدم دستیابی کی وجہ سے ہے۔ موٹوٹکس اور کیٹیڈی 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، مزدوروں کی کم از کم اجرت، گاڑیوں کے کرائے اور پمپنگ میں اضافہ ہیں جنہوں نے کمپنی کو نقصان میں گرا دیا۔ کیبورکی شرح میں 10.25% کے اضافے کی وجہ سے بھی مالیت کی لاگت میں اضافہ ہوا ہے۔

فی حصص نقصان:

31 مارچ 2023 کو ختم ہونے والی نوماہ کی مدت میں فی حصص نقصان میں (0.73) روپے۔ (31 مارچ 2022: (0.88) روپے) ہے۔

مستقبل پر ایک نظر:

درآمد کی سخت پابندیوں 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 مزید بڑھ گیا، جس سے مخلی لائن کو موثر 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 چاہیے اور آنے والے سالوں میں نیچے کی لکیر کو بہتر بنانے کا امکان ہے

اعتراف:

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

کراچی

۲۶ اپریل ۲۰۲۳ء



رضوان احمد

ڈائریکٹر



سید ندیم احمد

چیف ایگزیکٹو آفیسر

UNCONSOLIDATED
FINANCIAL STATEMENTS


UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
ASSETS			
Non-current assets			
	Note	----- Rupees in '000 ----	
Property and equipment		4,672	6,522
Intangible assets		11	52
Investment in subsidiary		25,000	25,000
Long-term deposits		411	412
		<u>30,094</u>	<u>31,986</u>
Current assets			
Inventories	5	306,089	555,170
Trade and other receivables	6	289,699	347,161
Prepayments, advances and deposits	7	24,212	5,512
Taxation - payments less provision		30,976	37,464
Tax refunds due from Government - sales tax	8	18,781	72,729
Accrued interest		962	363
Cash and bank balances		69,124	106,813
		<u>739,843</u>	<u>1,125,212</u>
Total assets		<u>769,937</u>	<u>1,157,198</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated loss		(995,332)	(928,564)
		<u>(77,332)</u>	<u>(10,564)</u>
LIABILITIES			
Non-current liabilities			
Long term borrowing		-	-
Deferred income - Government grant		-	-
		-	-
Current liabilities			
Trade and other payables	9	559,903	889,038
Short-term financing	10	258,730	253,034
Current portion of deferred income - Government grant		-	267
Current portion of long-term borrowings		-	14,672
Unclaimed dividend		353	353
Accrued mark-up		28,283	10,398
		<u>847,269</u>	<u>1,167,762</u>
Total Liabilities		<u>847,269</u>	<u>1,167,762</u>
Contingency and commitments	11		
Total equity and liabilities		<u>769,937</u>	<u>1,157,198</u>

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


Syed Nabeem Ahmed
Chief Executive Officer


Rizwan Ahmad
Director


Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - (UNAUDITED)

	Quarter ended		Nine months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Note	----- Rupees in '000 -----			
Revenue from contracts with customers 12	365,353	545,655	1,070,733	1,780,720
Cost of sales	(311,713)	(464,045)	(905,317)	(1,542,435)
Gross profit	53,640	81,610	165,416	238,285
Marketing and distribution expenses	(39,390)	(91,914)	(129,375)	(274,202)
Administrative and general expenses	(6,708)	(4,343)	(26,392)	(15,254)
Loss allowance on trade receivables	(2,568)	-	(14,952)	-
Other operating expenses	(1,777)	(3,464)	(31,549)	(7,851)
Other income	69	259	14,518	11,698
Loss from operations	3,266	(17,852)	(22,334)	(47,324)
Finance costs	(12,058)	(6,287)	(36,085)	(24,278)
Loss before income tax	(8,792)	(24,139)	(58,419)	(71,602)
Income tax expense	(2,372)	(3,739)	(8,349)	(8,746)
Loss for the period	(11,164)	(27,878)	(66,768)	(80,348)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(11,164)	(27,878)	(66,768)	(80,348)
Basic and diluted loss per share (Rupees)	(0.12)	(0.30)	(0.73)	(0.88)

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


 Syed Nabeem Ahmed
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer


UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - (UNAUDITED)

		March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES	Note	----- Rupees in '000 -----	
Cash (used in) /generated from operations	13	(10,166)	58,141
Income taxes paid		(1,860)	(5,568)
Finance costs paid		(18,200)	(19,250)
Net cash (used in) / generated from operating activities		<u>(30,226)</u>	<u>33,323</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		-	(20)
Interest received		1,513	-
Net cash generated from / (used in) investing activities		<u>1,513</u>	<u>(20)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term financing		5,696	53,793
Repayment of long-term financing		(14,672)	(42,182)
Net cash (used in) / generated from financing activities		<u>(8,976)</u>	<u>11,611</u>
Net (decrease) / increase in cash and cash equivalents		<u>(37,689)</u>	<u>44,914</u>
Cash and cash equivalents at beginning of the period		106,813	91,411
Cash and cash equivalents at end of the period	14	<u><u>69,124</u></u>	<u><u>136,325</u></u>

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


 Syed Nabeem Ahmed
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer


UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - (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 nine months ended March 31, 2022	-	(80,348)	(80,348)
Balance at March 31, 2022 (unaudited)	918,000	(943,287)	(25,287)
Balance as at July 1, 2022	918,000	(928,564)	(10,564)
Total comprehensive loss for the nine months ended March 31, 2023	-	(66,768)	(66,768)
Balance at March 31, 2023 (unaudited)	918,000	(995,332)	(77,332)

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


 Syed Nabeem Ahmed
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - (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 March 31, 2023, the Company had net deficit of Rs. 77.33 million (June 2022: Rs. 10.56 million), net current liability position of Rs. 107.43 million (June 2022: Rs. 42.55 million) and operating cash outflows of Rs. 30.23 million (March 2022: cash inflows of Rs. 33.32 million). For the nine months period ended March 31, 2023, the Company has incurred a loss of Rs. 66.77 million (March 2022: Rs. 80.35 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

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - (UNAUDITED)

Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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 are 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

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - (UNAUDITED)

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.

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) March 31, 2023	(Audited) June 30, 2022
	----- Rupees in '000 -----	
5. INVENTORIES		
Finished goods - manufactured:		
- in hand	306,089	555,170
	306,089	555,170
6. TRADE AND OTHER RECEIVABLES		
Trade receivables	228,496	325,018
Other receivables - note 6.1	101,538	87,421
	330,034	412,439
Provision for doubtful debts	(40,335)	(65,278)
	289,699	347,161
6.1 Other receivables		
Considered good		
- Others - note 6.1.1	101,538	87,421
	101,538	87,421
6.1.1	These represent receivable from principals in respect of stock claims, expenses and other receivables.	

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - (UNAUDITED)

	(Unaudited) March 31, 2023	(Audited) June 30, 2022
7. PREPAYMENTS, ADVANCES AND DEPOSITS	----- Rupees in '000 -----	
Prepayments	4,752	1,085
Advances	4,617	4,427
Deposits - note 7.1	14,843	-
	<u>24,212</u>	<u>5,512</u>

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.

9. TRADE AND OTHER PAYABLES

These include Rs. 274.46 million (June 30, 2022: Rs. 304.94 million) payable to related parties.

10. SHORT-TERM FINANCING

10.1 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 April and August 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 UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - (UNAUDITED)

- 10.2** 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.

11. CONTINGENCY AND COMMITMENTS

11.1 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.

11.2 Commitments

The facilities for opening letter of credit and guarantees as at March 31, 2023 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. 200 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) March 31, 2023	(Unaudited) March 31, 2022
	----- Rupees in '000 -----	
12. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue from sale of goods	1,202,112	1,924,011
Revenue from services	2,620	-
Less:		
- Trade discounts	(21,084)	(63,545)
- Sales return	(112,915)	(79,746)
	1,070,733	1,780,720

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - (UNAUDITED)

	(Unaudited) March 31, 2023	(Unaudited) March 31, 2022
----- Rupees in '000 -----		
13. CASH GENERATED FROM OPERATIONS		
Loss before Income tax	(58,419)	(71,602)
Adjustment for non-cash charges and other items		
- Depreciation and amortisation	1,891	2,110
- Deferred income - Government grant	(267)	-
- Profit on savings accounts	(2,112)	-
- Finance cost	36,085	24,278
- Provision for doubtful debts	14,952	-
	50,549	26,388
	(7,870)	(45,214)
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Inventories	249,081	(38,180)
Trade and other receivables	42,510	(35,910)
Prepayments, advances and deposits	(18,700)	(23,636)
Tax refunds due from Government - sales tax	53,948	21,189
	326,839	(76,537)
Increase / (decrease) in current liabilities trade and other payables	(329,135)	179,892
Cash generated from operations	(10,166)	58,141

14. CASH AND CASH EQUIVALENTS

Cash and bank balances	69,124	136,325
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15. TRANSACTIONS WITH RELATED PARTIES

15.1 Related parties comprise the parent company, subsidiary companies, associated companies or undertakings, directors of the Company, key management personnel and staff retirement funds.

The Company continues to have a policy whereby transactions with related parties are

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - (UNAUDITED)

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) March 31, 2023	(Unaudited) March 31, 2022
----- Rupees in '000 -----			
Holding company	- Corporate shared services	-	9,000
Associated companies	- Purchases	31,990	54,343
	- Sale of goods	2,714	-
	- Shared costs - Note 15.2	80,139	41,789

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

16. 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 April 26, 2023.


 Syed Nabeem Ahmed
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer

CONSOLIDATED
FINANCIAL STATEMENTS

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
ASSETS			
Non-current assets			
----- Rupees in '000 -----			
Property and equipment		10,218	12,300
Intangible assets		263	68
Long-term deposits		8,636	3,212
		<u>19,117</u>	<u>15,580</u>
Current assets			
Inventories	5	421,648	665,626
Trade and other receivables	6	844,488	613,829
Prepayments, deposits and advances	7	113,031	58,848
Taxation - payments less provision		-	38,757
Tax refunds due from Government - sales tax	8	18,781	58,750
Accrued interest		962	363
Cash and bank balances		71,218	149,685
		<u>1,470,128</u>	<u>1,585,858</u>
Total assets		<u>1,489,245</u>	<u>1,601,438</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated losses		(873,166)	(787,414)
		<u>44,834</u>	<u>130,586</u>
LIABILITIES			
Non-current liabilities			
Long term borrowings		-	-
Deferred grant - Government grant		-	-
		-	-
Current liabilities			
Trade and other payables	9	1,132,158	1,192,128
Short-term financing	10	258,730	253,034
Current portion of deferred income - Government grant		-	267
Current portion of long-term borrowings		-	14,672
Taxation - payments less provisions		24,887	-
Unclaimed dividend		353	353
Accrued mark-up		28,283	10,398
		<u>1,444,411</u>	<u>1,470,852</u>
	11	<u>1,444,411</u>	<u>1,470,852</u>
Contingency and commitments			
Total equity and liabilities		<u>1,489,245</u>	<u>1,601,438</u>

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


Syed Nadeem Ahmed
Chief Executive Officer


Rizwan Ahmad
Director


Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED

Note	Quarter ended		Nine months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees in '000 -----			
Revenue from contracts with customers	12 692,463	765,954	1,955,963	2,421,981
Cost of sales and services	(612,909)	(635,951)	(1,733,884)	(2,041,527)
Gross profit	79,554	130,003	222,079	380,454
Marketing and distribution expenses	(53,159)	(110,109)	(172,676)	(319,013)
Administrative and general expenses	(6,708)	(4,899)	(26,392)	(18,066)
Loss allowance on trade receivables	(2,568)	-	(14,952)	-
Other operating expenses	(5,293)	(5,315)	(43,518)	(9,702)
Other income	428	2,201	19,041	15,341
(Loss) / Profit from operations	12,254	11,881	(16,418)	49,014
Finance costs	(12,109)	(6,854)	(36,886)	(25,916)
(Loss) / Profit before income tax	145	5,027	(53,304)	23,098
Income tax expense	(11,548)	(13,510)	(32,448)	(36,146)
Loss for the period	(11,403)	(8,483)	(85,752)	(13,048)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(11,403)	(8,483)	(85,752)	(13,048)
Basic and diluted loss per share (Rupees)	(0.12)	(0.09)	(0.93)	(0.14)

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


 Syed Nadeem Ahmed
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED

		March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES	Note	----- Rupees in '000 -----	
Cash (used in) / generated from operations	13	(76,992)	116,657
Increase in long term deposits		(5,424)	-
Income tax paid		31,196	(26,984)
Finance cost paid		(19,001)	(21,464)
Net cash (used in) / generated from operating activities		<u>(70,221)</u>	<u>68,209</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of equipment		(783)	(1,472)
Interest received		1,513	196
Net cash generated from / (used in) investing activities		<u>730</u>	<u>(1,276)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(14,672)	(43,963)
Receipts / (repayment) of short term financing		5,696	20,185
Net cash used in financing activities		<u>(8,976)</u>	<u>(23,778)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(78,467)</u>	<u>43,155</u>
Cash and cash equivalents at beginning of the period		149,685	133,800
Cash and cash equivalents at end of the period	14	<u><u>71,218</u></u>	<u><u>176,955</u></u>

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


 Syed Nadeem Ahmed
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - 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 nine months ended March 31, 2022	-	(13,048)	(13,048)
Balance at March 31, 2022 (unaudited)	<u>918,000</u>	<u>(822,218)</u>	<u>95,782</u>
Balance as at July 1, 2022	918,000	(787,414)	130,586
Total comprehensive loss for the nine months ended March 31, 2023	-	(85,752)	(85,752)
Balance at March 31, 2023 (unaudited)	<u>918,000</u>	<u>(873,166)</u>	<u>44,834</u>

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Syed Nadeem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - 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.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED

2 BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company for the nine months ended March 31, 2023 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 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

Finished goods - manufactured:
-in hand

Unaudited March 31, 2023	Audited June 30, 2022
----- Rupees in '000 -----	
421,648	665,626
421,648	665,626

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED

	Unaudited March 31, 2023	Audited June 30, 2022
----- Rupees in '000 -----		
6. TRADE AND OTHER RECEIVABLES		
Trade receivables	583,382	508,805
Other receivables	261,106	105,024
	844,488	613,829
7. PREPAYMENTS, ADVANCES AND DEPOSITS		
Prepayments	6,406	39,251
Advances	91,782	19,597
Deposits	14,843	-
	113,031	58,848
8. TAX REFUND DUE FROM GOVERNMENT - SALES TAX		
<p>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.</p>		
9. TRADE AND OTHER PAYABLES		
<p>These include Rs. 274.46 million (June 30, 2022: Rs. 304.94 million) payable to related parties.</p>		

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED

10. SHORT-TERM FINANCING

10.1 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 April and August 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.

10.2 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.

11. CONTINGENCY AND COMMITMENTS

11.1 Contingency

11.1.1 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.

11.2 Commitments

The facilities for opening letter of credit and guarantees as at March 31, 2023 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. 300 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.

12. REVENUE FROM CONTRACTS WITH CUSTOMERS

March 31, 2023	March 31, 2022
----- Rupees in '000 -----	
1,596,839	2,191,780
564,531	410,823
Less:	
- Trade discounts	(86,847)
- Sales return	(93,775)
(134,307)	(93,775)
<u>1,955,963</u>	<u>2,421,981</u>

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED

	March 31, 2023	March 31, 2022
	----- Rupees in '000 -----	
13 CASH GENERATED FROM OPERATIONS		
(Loss) / profit before Income tax	(53,304)	23,097
Adjustments for non-cash charges and other items		
Depreciation and amortisation	2,670	3,472
Deferred income - Government grant	(267)	-
Profit on savings accounts	(2,112)	-
Finance costs	36,886	25,916
Provision for doubtful debts	14,952	-
	52,129	29,388
	(1,175)	52,485
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Inventories	243,978	(61,793)
Trade and other receivables	(245,611)	(129,478)
Prepayments , deposits and advances	(54,183)	(34,524)
Tax refunds due from government - sales tax	39,969	37,516
	(15,847)	(188,279)
(Decrease) / increase in trade and other payables	(59,970)	252,451
Cash (used in) / generated from operations	(76,992)	116,657
14 CASH AND CASH EQUIVALENTS		
Cash and bank balances	71,218	147,655

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED

15 RELATED PARTY TRANSACTIONS

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

Nature of relationship	Nature of transactions	March 31,	March 31,
		2023	2022
----- Rupees in '000 -----			
i. Holding company	- Corporate services charges	-	9,000
ii. Associated companies	- Purchases	31,990	54,343
	- Sale of goods	2,714	-
	- Shared costs - note 15.1	80,139	41,789

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

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on April 26, 2023.



Syed Nadeem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

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