



Unilever

UNILEVER PAKISTAN FOODS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024



UNILEVER PAKISTAN FOODS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Sarfaraz Ahmed Rehman	Independent Director & Chairman of the Board
Mr. Amir R. Paracha	Executive Director & Chief Executive Officer
Mr. Muhammad Shahzad	Executive Director & Chief Financial Officer
Ms. Asima Haq	Executive Director
Mr. Zulfikar Monnoo	Non-Executive Director
Mr. Muhammad Adil Monnoo	Non-Executive Director
Mr. Kamal Monnoo	Non-Executive Director
Mr. Asad Said Jafar	Independent Director
Mr. Khalid Mansoor	Independent Director
Mr. Ali Tariq	Non-Executive Director

Company Secretary

Mr. Aman Ghanchi

Audit Committee

Mr. Khalid Mansoor	Chairman & Member
Mr. Zulfikar Monnoo	Member
Mr. Muhammad Adil Monnoo	Member
Mr. Sarfaraz Ahmed Rehman	Member
Mr. Asad Said Jafar	Member
Ms. Aniqa Bawany	Secretary & Head of Internal Audit

Human Resource & Remuneration Committee

Mr. Asad Said Jafar	Chairman & Member
Mr. Zulfikar Monnoo	Member
Mr. Kamal Monnoo	Member
Mr. Sarfaraz Ahmed Rehman	Member
Mr. Amir R. Paracha	Member
Ms. Kanize Fathema Zuberi	Secretary & Head of HR

Auditors

Messrs KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road, Karachi - 75530
Pakistan

Registered Office

Avari Plaza
Fatima Jinnah Road
Karachi - 75530

Share Registration Office

CDC Share Register Service Limited
CDC House. 99-B. Block "B" S.M.C.H.S.
Main Shahra-e-Faisal Karachi - 74400

Website Address

www.unilever.pk

Unilever Pakistan Foods Limited

Directors' Review

The directors are pleased to present the financial information for the six months ended June 30, 2024.

Sustained inflationary pressure with double digital inflation over the last two years on the back of steep increases in administered prices (electricity tariffs and petroleum) have directly impacted the purchasing power of the consumers, particularly the purchases of non-essential commodities like instant noodles, in favour of essential supplies. This has led to 9.3% decline in sales. In response to the high inflationary pressures, strategic price adjustments helped us land at a gross margin of 38.9%. Earnings per Share (EPS) dropped by 26.7% compared to the same period, led by dilution of gross margin and maturity of investment tax credits.

Financial Highlights	Six months ended		Increase/(Decrease)
	June 30,		
	2024	2023	
	Rs '000		
Net Sales	17,001,158	18,737,716	(9.3%)
Profit after Taxation	3,804,955	5,189,410	(26.7%)
Earnings per Share (Rs.)	597.33	814.67	(26.7%)

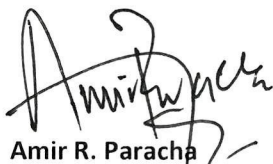
Future Outlook

With the expected revival of the IMF program and related measures taken by the government, macroeconomic indicators show signs of relative stability. The overall consumer sentiment is supported by the softening of inflation indicators. However, the impact of budgetary measures to increase revenue generation may impact consumers' purchasing power further. As a result, we anticipate a gradual recovery of demand for our non-discretionary portfolio.

Our management team aims to maximize our brands' potential to drive shareholder value.

Thanking you all.

On behalf of the Board



Amir R. Paracha
Chief Executive Officer
Karachi
August 16, 2024



Sarfaraz Ahmed Rehman
Chairman
Karachi
August 16, 2024



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Unilever Pakistan Foods Limited

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Unilever Pakistan Foods Limited** as at 30 June 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim 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 this 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.

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.

Other matter

The figures of condensed interim statement of profit or loss and other comprehensive income for the three-month period ended 30 June 2024 in the interim financial statements have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Taufiq.

Date: 22 August 2024

Karachi

UDIN: RR202410106oBGic63U4

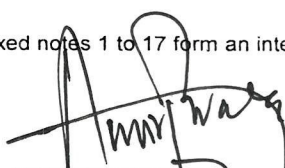
Kamal Taseer - 1
KPMG Taseer Hadi & Co.
Chartered Accountants

Unilever Pakistan Foods Limited
Condensed Interim Statement of Financial Position
As at June 30, 2024

	Note	Un-audited June 30, 2024 (Rupees in thousand)	Audited December 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	8,164,527	7,865,480
Right-of-use asset		-	3,575
Intangible assets		81,637	81,637
Long term deposits		2,980	2,980
		<u>8,249,144</u>	<u>7,953,672</u>
Current assets			
Stores and spares		348,954	301,859
Stock in trade		3,214,953	4,214,955
Trade debts - net		1,774,148	1,118,987
Loans and advances		3,424	68,288
Trade deposits and short term prepayments		109,815	121,116
Other receivables		109,969	155,225
Sales tax refundable - net		214,796	899,211
Taxation - net		3,481,107	2,767,828
Short term investments	6	8,597,142	3,809,898
Cash and bank balances	7	4,469,537	9,648,817
		<u>22,323,845</u>	<u>23,106,184</u>
Total assets		<u>30,572,989</u>	<u>31,059,856</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		63,699	63,699
Reserves		17,356,191	15,595,990
		<u>17,419,890</u>	<u>15,659,689</u>
LIABILITIES			
Non-current liabilities			
Staff retirement benefits		76,553	67,576
Long term borrowings	8	551,711	557,866
Deferred income - government grant		272,812	304,683
Deferred taxation		598,418	509,423
		<u>1,499,494</u>	<u>1,439,548</u>
Current liabilities			
Trade and other payables		10,701,306	12,587,327
Current portion of deferred income - government grant		64,179	62,830
Unpaid dividend		591,460	1,039,106
Unclaimed dividend		34,441	31,699
Provisions	9	171,702	158,294
Accrued interest / mark up		12,247	7,000
Current portion of long term borrowings	8	78,270	74,363
		<u>11,653,605</u>	<u>13,960,619</u>
Total liabilities		<u>13,153,099</u>	<u>15,400,167</u>
Total equity and liabilities		<u>30,572,989</u>	<u>31,059,856</u>
Contingencies and commitments	10		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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Chief Executive


Director

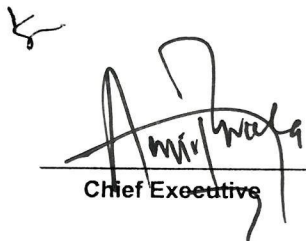

Director &
Chief Financial Officer

Unilever Pakistan Foods Limited
Condensed Interim Statement of Profit or Loss and
Other Comprehensive Income (Un-audited)

For the three months period and six months period ended June 30, 2024

	Note	Three months period ended		Six months period ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
----- (Rupees in thousand) -----					
Sales - net	11	8,240,702	8,069,913	17,001,158	18,737,716
Cost of sales		(5,025,425)	(4,716,425)	(10,381,349)	(10,477,460)
Gross profit		<u>3,215,277</u>	<u>3,353,488</u>	<u>6,619,809</u>	<u>8,260,256</u>
Distribution cost		(1,030,066)	(1,590,395)	(2,204,036)	(2,999,589)
Administrative expenses		(177,610)	(201,645)	(346,687)	(414,463)
Other operating expenses		(142,905)	(132,868)	(279,511)	(367,197)
Other income		923,665	662,006	1,579,758	1,179,805
		<u>2,788,361</u>	<u>2,090,586</u>	<u>5,369,333</u>	<u>5,658,812</u>
Finance costs		(10,335)	26,231	(5,809)	(68,555)
Profit before income taxes and final taxes		<u>2,778,026</u>	<u>2,116,817</u>	<u>5,363,524</u>	<u>5,590,257</u>
Taxation - Final Taxes		(48,654)	(18,023)	(77,251)	(40,852)
Profit before income tax		<u>2,729,372</u>	<u>2,098,794</u>	<u>5,286,273</u>	<u>5,549,405</u>
- current		(696,467)	(159,101)	(1,392,323)	(268,165)
- deferred		(48,926)	(106,563)	(88,995)	(91,830)
Taxation	12	(745,393)	(265,664)	(1,481,318)	(359,995)
Profit after income tax		<u>1,983,979</u>	<u>1,833,130</u>	<u>3,804,955</u>	<u>5,189,410</u>
Other comprehensive income		-	-	-	-
Total comprehensive income		<u>1,983,979</u>	<u>1,833,130</u>	<u>3,804,955</u>	<u>5,189,410</u>
----- (Rupees) -----					
Earnings per share - basic and diluted		<u>311.46</u>	<u>287.78</u>	<u>597.33</u>	<u>814.67</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive


Director

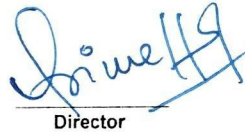

Director &
Chief Financial Officer

Unilever Pakistan Foods Limited
Condensed Interim Statement of Changes in Equity
For the six months period ended June 30, 2024

	Share capital Issued, subscribed and paid-up capital	Capital		Reserves		Sub total	Total
		Share premium	Special	Revenue			
				General	Unappropriated profit		
----- (Rupees in thousand) -----							
Balance as at December 31, 2023 (Audited)	63,699	1,296,499	628	138	14,298,725	15,595,990	15,659,689
<i>Transactions with owners of the Company - Distribution</i>							
Final dividend for the year ended December 31, 2023 @ Rs. 178 per share	-	-	-	-	(1,133,851)	(1,133,851)	(1,133,851)
First Interim dividend for the year ending December 31, 2024 @ Rs. 143 per share	-	-	-	-	(910,903)	(910,903)	(910,903)
Profit for the period	-	-	-	-	3,804,955	3,804,955	3,804,955
Other comprehensive loss	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	3,804,955	3,804,955	3,804,955
Balance as at June 30, 2024 (Un-audited)	<u>63,699</u>	<u>1,296,499</u>	<u>628</u>	<u>138</u>	<u>16,058,926</u>	<u>17,356,191</u>	<u>17,419,890</u>
Balance as at December 31, 2022 (Audited)	63,699	1,296,499	628	138	6,153,067	7,450,332	7,514,031
Profit for the period	-	-	-	-	5,189,410	5,189,410	5,189,410
Other comprehensive loss	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	5,189,410	5,189,410	5,189,410
Balance as at June 30, 2023 (Un-audited)	<u>63,699</u>	<u>1,296,499</u>	<u>628</u>	<u>138</u>	<u>11,342,477</u>	<u>12,639,742</u>	<u>12,703,441</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Director &
Chief Financial Officer

Unilever Pakistan Foods Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the six months period ended June 30, 2024

	June 30, 2024	June 30, 2023
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,286,273	5,549,405
Adjustment for:		
Depreciation	197,884	168,301
Depreciation on right-of-use asset	3,575	10,726
Gain on disposal of property, plant and equipment	(10,010)	-
Finance cost	12,136	11,375
Provision for staff retirement benefits	8,977	6,898
Return on short term investments held at fair value through profit or loss	(437,537)	(298,828)
Return on savings accounts	(929,827)	(304,616)
	<u>4,131,471</u>	<u>5,143,261</u>
Changes in working capital:		
Stores and spares	(47,095)	(35,885)
Stock in trade	1,000,002	(1,152,136)
Trade debts	(655,161)	(767,880)
Loans and advances	64,864	(22,961)
Trade deposits and short term prepayments	11,301	(30,389)
Other receivables	45,256	6,665
Sales tax refundable	684,415	509,938
Trade and other payables	(1,886,021)	2,884,971
Provisions	13,408	17,208
	<u>(769,031)</u>	<u>1,409,531</u>
Cash generated from operations	3,362,440	6,552,792
Mark-up paid	(6,889)	(10,060)
Income tax paid	(2,105,602)	(2,172,806)
Net cash generated from operating activities	<u>1,249,949</u>	<u>4,369,926</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(496,931)	(863,813)
Proceeds from disposal of property, plant and equipment	10,010	-
Short term investments - net	(4,349,707)	(848,463)
Return received on savings accounts	929,827	304,616
Net cash used in investing activities	<u>(3,906,801)</u>	<u>(1,407,660)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	246,145
Repayment of long term borrowings	(32,770)	(6,055)
Lease liability payments	-	(22,252)
Dividend paid	(2,489,658)	(485)
Net cash generated (used in) / from financing activities	<u>(2,522,428)</u>	<u>217,353</u>
Net (decrease) / increase in cash and cash equivalents	<u>(5,179,280)</u>	<u>3,179,619</u>
Cash and cash equivalents at beginning of the period	<u>9,648,817</u>	<u>5,009,083</u>
Cash and cash equivalents at end of the period	<u>4,469,537</u>	<u>8,188,702</u>

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The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Director &
Chief Financial Officer

Unilever Pakistan Foods Limited

Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

For the six months period ended June 30, 2024

1. THE COMPANY AND ITS OPERATIONS

The Company is a limited liability company incorporated in Pakistan and is listed on the Pakistan Stock Exchange. It manufactures and sells consumer and commercial food products under brand names of Rafhan, Knorr, Energile, Glaxose-D, Hellmann and Food Solutions. The registered office of the Company is situated at Avari Plaza, Fatima Jinnah Road, Karachi.

The Company is a subsidiary of Conopco Inc. USA, whereas its ultimate parent Company is Unilever PLC United Kingdom.

The manufacturing facilities and sales offices of the Company are situated at the following locations:

Factory

- 52-Km, Multan Road Lahore, Parna Plant Near Bhai Pheru.

Sales Offices

- 6th Floor, Crystal Mall, Bosan Road, Multan.
- Plot No- 12A, Sector G/8 Markaz, Islamabad.
- Shahpur Interchange, 14KM Multan Road, Lahore.
- Beacon Impex Plaza, Bilal Road, New Civil Lines, Faisalabad.
- Plot #A/51-B SITE Area, Hyderabad.
- HPC Factory, Laghari Road, Rahim Yar Khan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of Unilever Pakistan Foods Limited ("the Company") for the six months ended June 30, 2024 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; 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.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2023. However, selected explanatory notes are included to explain events and transactions that are significant to understanding of changes in Company's financial position and performance since the last annual financial statements.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except as disclosed otherwise.

2.4 Standards, interpretations and amendments to published approved accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after January 01, 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after January 01, 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after January 01, 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

Lack of Exchangeability (amendments to IAS 21) clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after July 01, 2024. Earlier application is permitted.

The above standards, interpretations and amendments are not likely to have a significant impact on the Company's condensed interim financial statements.

2.5 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of rupees, except where stated otherwise.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2023.

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3.1 Change in accounting policy - IAS 12

The Institute of Chartered Accountants of Pakistan (ICAP), vide its circular no. 07/2024 dated May 15, 2024, provided the guidance on IAS 12 application guidance on accounting for minimum taxes and final taxes. The Company has accounted for the change in its accounting policy as per the requirement of IAS 8 'Accounting Policies, Change in Accounting Estimates and Errors'. The Company has applied the accounting policy of IAS 12 as per the guidance. Accordingly, the Company has applied the requirements as per the guidance. Resultantly, there is a reclassification of Final taxes currently classified as 'Income Taxes' in the statement of profit or loss appearing below Profit before tax, to Final taxes (categorized as levy as per IFRIC 21/IAS 37).

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.

During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the annual audited financial statements of the Company for the year ended December 31, 2023.

5. PROPERTY, PLANT AND EQUIPMENT

	Un-audited June 30, 2024 (Rupees in thousand)	Audited December 31, 2023
Operating assets - at net book value	4,707,871	3,783,542
Capital work in progress - at cost	3,456,656	4,081,938
	<u>8,164,527</u>	<u>7,865,480</u>

5.1 Additions of operating fixed assets during the period are as follows:

	Un-audited Additions (at cost)	
	June 30, 2024	June 30, 2023
	(Rupees in thousand)	
Building on freehold land	221,570	76,851
Plant and machinery	872,299	96,687
Electrical, mechanical and office equipment	11,419	214
Furniture and fixtures	17,014	786
	<u>1,122,302</u>	<u>174,538</u>

6. SHORT TERM INVESTMENTS

	Note	Un-audited June 30, 2024 (Rupees in thousand)	Audited December 31, 2023
At fair value through profit or loss	6.1	<u>8,597,142</u>	<u>3,809,898</u>
		<u>8,597,142</u>	<u>3,809,898</u>

6.1 This represents investment in money market mutual funds.

7. CASH AND BANK BALANCES

	Un-audited June 30, 2024 (Rupees in thousand)	Audited December 31, 2023
With banks on:		
- savings accounts	4,038,521	9,018,927
- current accounts	430,989	629,808
	<u>4,469,510</u>	<u>9,648,735</u>
- Cash in hand	27	82
	<u>4,469,537</u>	<u>9,648,817</u>

8. LONG TERM BORROWINGS

	Note	Un-audited June 30, 2024	Audited December 31, 2023
(Rupees in thousand)			
Finance facility - solar	8.1	96,888	108,999
Current portion of finance facility - solar		(18,167)	(12,111)
		78,721	96,888
Temporary Economic Refinance Facility (TERF)	8.2	870,084	890,743
Current portion of TERF		(60,103)	(62,252)
		809,981	828,491
Deferred income - government grant	8.2	(336,991)	(367,513)
		472,990	460,978
		551,711	557,866

8.1 During the year 2020, the Company entered into a long term borrowing arrangement with a commercial bank for installation of solar panels under State Bank of Pakistan's Refinancing Scheme for Renewable energy. The total facility is available for twelve years ending in 2032 and amounts to Rs. 149 million. The loan carries mark-up at the rate of 3.65% per annum.

8.2 During the year 2021, the Company also entered into a long term borrowing arrangement with commercial banks under State Bank of Pakistan's Temporary Economic Refinance Facility amounting to Rs. 900 million. This loan carries a concessional mark-up rate of 2.3% and is repayable in 32 quarterly installments with a 2 years grace period commencing from first disbursement.

The scheme qualifies for the recognition criteria of a Government Grant as per IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. As a result, the liability has been broken down into two components. First one being recognition of a financial liability in accordance with IFRS 9 Financial Instruments which has been measured at fair value, that is, present value of future cashflows at the prevailing market rate. Second component is the recognition of deferred income as a liability. This is the difference between the fair value of the financing facility and loan proceeds received from the bank.

9. PROVISIONS

	Un-audited June 30, 2024	Audited December 31, 2023
(Rupees in thousand)		
Sindh Infrastructure Cess	171,702	158,294

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There were no contingencies as on June 30, 2024.

10.2 Commitments

The commitments for capital expenditure outstanding as at June 30, 2024 amounted to Rs. 485 million (December 31, 2023: Rs. 578.73 million).

11. SALES - net

	Un-audited June 30, 2024	June 30, 2023
(Rupees in thousand)		
Products used by end consumers	14,101,705	15,935,783
Products used by entities	2,899,453	2,801,933
	17,001,158	18,737,716

The Company analyses its net revenue by the following product groups:

12. TAXATION

	Un-audited	
	June 30, 2024	June 30, 2023
	(Rupees in thousand)	
Current tax:		
- Current year	1,392,323	209,414
- Prior year	-	58,751
	1,392,323	268,165
Deferred tax:		
- Current year	88,995	14,770
- Prior year	-	77,060
	88,995	91,830
	1,481,318	359,995

13. RELATED PARTY TRANSACTIONS

Related party transactions during the period other than those disclosed elsewhere in these condensed interim financial statements are as follows:

Relationship with the company	Nature of transactions	Un-audited	
		June 30, 2024	June 30, 2023
		(Rupees in thousand)	
i) Holding company	Royalty	51,417	37,601
ii) Associated companies	Royalty and technology fee	669,999	865,903
	Purchase of goods & PPE	1,076,660	2,121,950
	Sale of goods	1,593	3,105
	Reimbursement of shared expenses to related parties	894,888	844,720
	Fee for providing of services to related parties	-	5,809
	Fee for receiving of services from related parties	4,910	7,384
	Contribution to Defined Contribution plan	9,237	8,046
	Settlement on behalf of Defined Contribution plan	28,425	22,556
iii) Key management personnel	Salaries and other short-term employee benefits	30,148	32,491

Aggregate amount charged for fee to seven (June 30, 2023: seven) non-executive directors during the period amounted to Rs.3.5 million (June 30, 2023: Rs. 3.3 million).

14. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risk namely credit risk, foreign exchange risk, interest rate risk and liquidity risk. The Company has established adequate procedures to manage these risks.

These condensed interim financial statements do not include the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with Company's annual financial statements for the year ended 31 December 2023. There have been no changes in the risk management policies since the year end.

	Un-audited June 30, 2024 (Rupees in thousand)	Audited December 31, 2023 (Rupees in thousand)
FINANCIAL ASSETS		
<i>Fair value through profit or loss</i>		
Short term investments	8,597,142	3,809,898
<i>Amortized cost</i>		
Trade debts	1,774,149	1,118,987
Long term deposits	2,980	2,980
Trade deposits	46,104	48,180
Other receivables	109,969	87,622
Cash and bank balances	4,469,537	9,648,817
	<u>14,999,880</u>	<u>14,716,484</u>
FINANCIAL LIABILITIES		
<i>Financial liabilities - not measured at fair value</i>		
Long term borrowings	629,981	632,229
Trade and other payables	9,306,041	12,056,272
Unpaid dividend	591,460	1,039,106
Unclaimed dividend	34,441	31,699
Accrued interest / mark up	12,247	7,000
	<u>10,574,170</u>	<u>13,766,306</u>

The carrying value of financial assets and financial liabilities (not measured at fair value) approximate their fair values. For valuation of short term investments (units in mutual funds) at reporting date, the relevant rate has been taken from financial institution and has been classified in to level 2 fair value measurement hierarchy as defined in IFRS 13.

	Un-audited June 30, 2024 (Rupees in thousand)	Audited December 31, 2023 (Rupees in thousand)
15. CASH AND CASH EQUIVALENTS		
Cash and bank balances	7	4,469,537
		<u>9,648,817</u>

16. NON - ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors in its meeting held on 16th Aug-2024, declared an interim cash dividend for the period ending June 30, 2024 of Rs. 623 per share (June 30, 2023: Rs.72 per share)

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 16th Aug-2024 by the Board of Directors of the Company.


Chief Executive


Director


Director &
Chief Financial Officer

یونی لیور پاکستان فوڈز لمیٹڈ

ڈائریکٹرز کا جائزہ

ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے چھ مہینوں کی مالی معلومات پیش کرنے پر خوش ہیں۔

انتظامی قیمتوں (بجلی کے نرخوں اور پیٹرولیم) میں زبردست اضافے کی وجہ سے گزشتہ دو سالوں کے دوران ڈبل ڈیجیٹ افراط زر کے ساتھ مسلسل مہنگائی کے دباؤ نے صارفین کی قوت خرید پر براہ راست اثر ڈالا ہے، خاص طور پر انسٹنٹ نوڈلز جیسی غیر ضروری اشیاء کی خریداری پر، ضروری سامان کی حمایت۔ اس کی وجہ سے فروخت میں 9.3 فیصد کمی واقع ہوئی ہے۔ افراط زر کے بلند دباؤ کے جواب میں، قیمتوں کی اسٹریٹجک ایڈجسٹمنٹ نے ہمیں 38.9% کے مجموعی مارجن پر اترنے میں مدد کی۔

اسی مدت کے مقابل EPS میں 26.7% کی کمی ہوئی

جس کی وجہ مجموعی مارجن میں کمی اور سرمایہ کاری ٹیکس کریڈٹس کی میچورٹی ہے

مالیاتی کارکردگی کا خلاصہ

30 جون کو ختم شدہ ششماہی نتائج	30 جون کو ختم شدہ ششماہی نتائج	
	2023	2024
روپے ہزاروں میں		
فروخت	18,737,716	17,001,158
ٹیکس کے بعد منافع	5,189,410	3,804,955
فی حصص آمدنی (روپے)	814.67	597.33
ضائفہ (کمی) %	(9.3%)	(26.7%)
	(26.7%)	

مستقبل پر نظر

آئی ایم ایف پروگرام کی متوقع بحالی اور حکومت کی جانب سے متعلقہ اقدامات کے ساتھ، میکرو اکنامک اشارے نسبتاً استحکام کے آثار دکھاتے ہیں۔ افراط زر کے اشاریوں میں نرمی سے صارفین کے مجموعی جذبات کو سہارا ملتا ہے۔ تاہم، محصولات میں اضافے کے لیے بجٹ کے اقدامات کے اثرات صارفین کی قوت خرید کو مزید متاثر کر سکتے ہیں۔ نتیجے کے طور پر، ہم اپنے غیر صوابدیدی پورٹ فولیو کی مانگ کی بتدریج بحالی کی توقع کرتے ہیں۔

ہماری انتظامی ٹیم کا مقصد ہمارے برانڈز کی حصص یافتگان کی قدر بڑھانے کی صلاحیت کو زیادہ سے زیادہ کرنا ہے۔

آپ سب کا شکریہ۔

بورڈ کی جانب سے

سرفراز رحمان
چیئرمین
کراچی

عامر پراچہ
چیف ایگزیکٹو افسر
کراچی

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