



Moving FORWARD

YEAR END REPORT **JUNE 30, 2023**



Contents

Vision Statement and Mission Statement	001
Company Information	003
Notice of Annual General Meeting	004
Chairman's Review Report	008
Directors' Report	010
Directors' Report Urdu	015
Financial Highlights	020
Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	021
Statement of Compliance with the Code of Corporate Governance	022
Auditors' Report Unconsolidated Financial Statements	025
Unconsolidated Financial Statements	064
Pattern of Shareholding	104
Proxy Form	107

VISION Statement

United Brands Limited is committed to being a profitable customer-driven and socially responsible organization. We aim to become the leaders of our industry and set benchmark for others.

MISSION Statement

We strive to be the best distributor and want to serve as an industry standard. We empower our employees for continuous growth and enable them to ensure success for our partner companies, principals and customers.

CORE Values

Passion
Integrity
Partnership
Excellence

OVERALL Corporate Strategy

United Brands Limited is a dynamic organization and plans to grow by expanding the coverage network further within Pakistan. Expansion plans also include introducing new international brands in the local market.

BRANDS



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. Syed Nadeem Ahmed	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
Telenor Microfinance Bank

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

NOTICE OF 59th ANNUAL GENERAL MEETING OF UNITED BRANDS LIMITED

Notice is hereby given that 59th Annual General Meeting of the members of M/s. United Brands Limited will be held on Friday, October 27, 2023 at 12:30 p.m. at Ground Floor, One IBL Center, Block No. 7 & 8, DMMCHS, Shahrah-e-Faisal, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the last Extraordinary General Meeting of the Company held on August 29, 2023.
2. To receive, consider and adopt annual audited financial statements for the year ended June 30, 2023 together with the Directors' and Auditors' Report thereon.
3. To appoint auditors for the next financial year ending June 30, 2024 and fix their remuneration. The present auditors, M/s. A.F.Ferguson & Company, Chartered Accountants, retired and being eligible, have offered themselves for re-appointment. The board has recommended the re-appointment of A. F. Ferguson & Co., Chartered Accountants, as the auditors of the Company for the year ending June 30, 2024.

OTHER BUSINESS

4. To transact any other business with the permission of the Chair.

By the order of the board



Company Secretary

Date: October 06, 2023
Place: Karachi

Notes

A. Book closure:

- i. The share transfer books will remain closed from October 21, 2023 to October 27, 2023 (both days inclusive). Transfers in good order, received at the office of Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 by close of the business on October 20, 2023 will be treated in time for the purpose of attending the annual general meeting.

B. Participation in General Meeting:

- i. All members/shareholders are entitled to attend, speak and vote at the annual general meeting. A member/shareholder may appoint a proxy to attend, speak and vote on his/her behalf. The proxy needs to be a member of the Company. Proxies in order to be effective must be received by the Company's Registered Office: 2nd Floor, One IBL Center, Block No. 7 & 8, DMMCHS, Shahrah-e-Faisal, Karachi – 75530 not less than 48 hours before the meeting.

نوٹس برائے 59 واں سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ یونائیٹڈ برانڈز لمیٹڈ کے ارکان کا سالانہ اجلاس عام گراؤنڈ فلور، ون آئی بی ایل سینٹر، شاہراہ فیصل، کراچی میں بروز جمعہ 27 اکتوبر 2023 کو دوپہر 12:30 بجے منعقد ہوگا جس میں درج ذیل امور نمٹائے جائیں گے:

عمومی امور

- 1- 29 اگست 2023 کو منعقد گزشتہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2023 کا ختم ہونے والے سال کے لئے کمپنی میں سالانہ نظر ثانی مالیاتی حسابات معائنہ پر آڈیٹ اور ڈائریکٹرز کو رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔
- 3- 30 جون 2024 مختتمہ سال کیلئے کمپنی کے آڈیٹرز کا تقرر اور ان کے معاوضے کو طے کرنا۔ موجودہ آڈیٹر، میسرز A.F. Ferguson & Company چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے والے سال کے میسرز A.F. Ferguson & Company چارٹرڈ اکاؤنٹنٹس، بطور بیرونی آڈیٹر کی منظوری دی ہے۔

دیگر امور

- 4- صدر نشین کی اجازت سے کوئی دیگر امور سرانجام دینا۔


حسب الحکم بورڈ
کمپنی سیکریٹری

کراچی، مورخہ 06 اکتوبر 2023

نوٹس

A کتاب کی بندش

i- کمپنی کے حصص منتقلی کھاتے 21 اکتوبر 2023 تا 27 اکتوبر 2023 (دونوں دن شامل) بند رہے گے۔ ہمارے شیئرز رجسٹرار میسرز سینٹرل ڈیپازٹری کمپنی آف پاکستان، سی ڈی سی ہاؤس، 99-B، بلاک-B، S.M.C.H.S، شارع فیصل کراچی میں 20 اکتوبر 2023 کو اختتام کاروبار کے وقت تک موصول ہونیوالی منتقلیاں اجلاس میں شرکت کرنے اور ووٹ دینے کے استحقاق کے تعین کیلئے بروقت سمجھی جائیں گی۔

B اجلاس میں شرکت کیلئے

i- تمام ارکان / حصص دار کسی دیگر رکن کو اپنا پراکسی مقرر کر سکتا / سکتی ہے۔ پراکسی کو کمپنی کا رکن ہونا ضروری ہے۔ موثر ہونے کی غرض سے پراکسیز کا کمپنی کے رجسٹرڈ آفس دوسری منزل، ون آئی بی ایل سینٹر، شارع فیصل کراچی میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل تک موصول ہونا لازمی ہے۔
ii- SECP کے سرکلر نمبر 1 آف 2000 مورخہ 26 جنوری 2000 کی پیروی میں سینٹرل ڈیپازٹری کمپنی (سی ڈی سی) کے نام میں رجسٹرڈ شیئر ہینڈلڈ مالک اور / یا ان کے پراکسیز عام میں شرکت کے وقت اپنی شناخت ثابت کرنے کے لئے اپنے کمپیوٹرائزڈ شناختی کارڈ (CNIC) نمبر پر لازماً تحریر ہوں، ہمراہ ہینڈلڈ مالک اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ کاپی جمع کرنا ضروری ہے۔ کاپوریٹ ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ مع نامزدہ کے نمونہ دستخط اجلاس کے وقت فراہم کرنا ہوگا۔

iii- ڈیپازٹری کمپنی آف پاکستان، سی ڈی سی ہاؤس، 99-B، بلاک-B، S.M.C.H.S، شارع فیصل کراچی، 74400 کو مطلع کریں۔

C وڈیو کانفرنس سہولت کی درخواست

SECP کے سرکلر نمبر 10 آف 2014 مورخہ 21 مئی 2014 ملا کر پر ہیں ایکٹ کی دفعہ (b) (1) 134 میں شامل پروویژنز کی شرائط میں، اگر کمپنی مجموعی % 10 فیصد یا زیادہ شیئر ہولڈنگ کے مالک جغرافیائی محل وقوع میں سکونتی حصص داران سے اجلاس میں وڈیو کانفرنس کے ذریعے شرکت کے لئے درخواست / مطالبہ اجلاس کی تاریخ سے کم از کم 10 یوم قبل وصول کرتی ہے، تو کمپنی اس شہر میں ایسی سہولیات کی دستیابی کے حوالہ سے وڈیو کانفرنس سہولت کا انتظام کرے گی۔

"میں / ہم" _____ سکنی _____ بحیثیت یونائیٹڈ برانڈز لمیٹڈ مالک
عام حصص بمطابق رجسٹرڈ فولیو نمبر _____ بذریعہ ہذا _____ میں وڈیو کانفرنس سہولت اختیار
کرنا چاہتے ہیں۔

دستخط حصص دار _____

کمپنی وڈیو کانفرنس سہولت کے مقام ہمراہ سہولت تک رسائی کے قابل بنانے کے لئے ضروری معلومات حصص داران کو سالانہ اجلاس عام کی تاریخ سے کم از کم پانچ یوم قبل مطلع کرے گی۔

CHAIRMAN'S REVIEW REPORT

(Under Section 192 of the Companies Act, 2017)

An annual evaluation of the Board of Directors' overall performance is conducted in compliance with the requirement of the Code of Corporate Governance and the Companies Act, 2017. The purpose of this evaluation is to ensure that the Board of Directors' (the Board) performance is measured in the context of overall corporate objectives and governance structure of the Company. For the financial year ended 30 June 2023, the Board's overall performance and effectiveness has been assessed as 'Satisfactory'.

The following sections summarize how the overall performance of the Board is assessed as satisfactory in achieving Company's objectives:

1. Corporate governance structure and Compliance with regulations

The Company has a well-developed corporate governance system which is the combination of processes established and executed by the Board that are reflected in the Company's structure with the aim of achieving objectives of the Company as a whole to ensure compliance with all the statutory and regulatory requirements applicable upon the Company.

General Meeting(s) is the highest decision-making body in the Company. The shareholders are responsible for appointing the Board Members at the General Meeting of the Company. The shareholders also appoint the external auditors in General Meeting(s) who report to the shareholders on the annual and half yearly financial performance of the Company in their annual auditors' report and half-yearly review report respectively.

2. Board of Directors

The appointment, roles and responsibilities of the Board of the Company are outlined in Articles of Association of the Company. Throughout the year, the membership balance criteria set down in the Code of Corporate Governance in relation to executive, non-executive and independent members of the Board was maintained by the Company together with an appropriate level of skills, experience and capabilities across the membership.

The Board of the Company complies with all relevant rules and regulations. The Board comprises of well-known business professionals who add real value to the Board through their expertise, experience and strong value systems. The Board has laid down policies and procedures to ensure a professional corporate environment that promotes timely disclosure, accountability, high ethical standards, and compliance with applicable laws, regulations and corporate governance.

During the year under review, the Board has effectively discharged its responsibilities towards the Company and participated in all strategic affairs diligently. All quarterly, half yearly and annual financial results were thoroughly reviewed and the Board extended its guidance to the management on regular basis. The Board also played a key role in monitoring of management performance and focus on major risk areas.

3. Committees to the Board

The Board's Audit Committee and Human Resource & Remuneration Committee have also discharged their responsibilities as per relevant laws, norms and best practices throughout the year. The Board carefully monitors their performance on periodic basis.

4. Vision, mission and values

The Board members are familiar with the current vision, mission and values and support them.

5. Engagement in strategic planning

The Board has a clear understanding of its stakeholders and a strategic vision of how the organisation should be evolving over the next three to five years. The Board identifies goals and targets for the management in all major performance areas and key indicators for tracking progress.

6. Formulation of policies

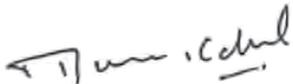
The Board has established policies that cover all essential areas of the Board's responsibilities.

7. Monitoring of organisation's business activities

The Board is aware of the Company's current business activities and is updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants.

8. Monitoring of financial resources

The Board is knowledgeable about key aspects relating to managing the financial resources of the Company and provides appropriate direction and oversight on a timely basis. The Board ensures that the budget reflects the priorities established in the annual plan and the strategic plan. The Board complies with regulations governing the external audit/ review of annual and interim accounts of the Company and pays due consideration to the recommendations made by the external auditors and internal auditors from time to time.



Munis Abdullah

Chairman

October 04, 2023

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of United Brands Limited take pleasure in presenting their report together with the audited Financial Statements for the year ended June 30, 2023. The Directors' Report is prepared in accordance with Section 227 of the Companies Act, 2017.

Principal Activities

The principal activities of the Company are trading and distribution of consumer goods and allied products. The subsidiary of the Company is engaged in transportation and warehousing, assembly and trading of electrical goods.

Summary of Financial Performance

	2023	2022
	(Rupees in thousand)	
Revenue	2,526,888	3,265,824
Gross profit	346,850	536,460
Gross profit as a percentage of revenue	14%	16%
Operating profit / (loss)	(21,509)	106,268
(Loss) / profit after taxation	(101,263)	21,756

Financial Performance:

The revenue of Company has decreased significantly by PKR 738 million (23%) as compared to same period last year due to non-availability of stock of imported business lines. The import embargoes imposed by the GOP/Regulator to manage the deteriorating foreign exchange reserves of the country affected the import business specially Kelloggs, Pringles and Ovaltine. Service revenue from wholly owned subsidiary IBL Logistics (Private) Limited increased by PKR 250 million which is 27% increase as compared to last year due to increase in routes in Lahore beverage business and addition of new account "Mondelez" in transportation.

Operating expenses of Company decreased by 63M to counter reduction in overall business size however due to inflation, fuel and other ancillary expenses increased despite certain cost control initiatives. Finance cost also increased by 41% due to increase in KIBOR rate.

Holding Company

International Brands (Private) Limited is the holding Company of United Brands Limited. As at June 30, 2023, International Brands (Private) Limited held 88,200,462 shares of PKR 10 each (96.08%).

Basic / diluted earnings per share

Basic / diluted loss per share were PKR 1.10 (2022: PKR (0.67))

Impact on Environment:

Company is not engaged in any business activity that has negative consequence on the environment.

Statement of Ethics and Business Practices

Performance with integrity is central to operating at United Brands Limited. The Board of Directors have adopted principle of ethics and integrity as the focal value for the organization. All employees are informed and aware of it and are required to observe these rules of conduct in relation to business and regulations.

Principal Risks and uncertainties

Principal risk associated with the entity includes:

Nature of Risk	Description
Business Risk	Discontinuation of Business resulting in reduction in revenue and profit
Operational / Business Risk	Rupee devaluation resulting in exchange loss
Liquidity Risk	High interest cost on borrowings. Shortage of funds affecting timely financing of operating & investing activities.
Operational / Business Risk	Shortage of stock due to embargoes. Slow movement of stock due to reduction in purchasing power Loss of revenue due to parallel imports
Regulatory Risk	Change in custom tariffs of taxes, duties, regulations & foreign exchange rate variation deteriorating the margin and profitability.

Risk Management

The Company's overall risk management program focuses on minimizing potential adverse effects on the Company's performance. The overall risk assessment of the Company is undertaken by the Senior Management, governed under the supervision of Group's Central Corporate Management Team., the results of which are shared with the Board of Directors. Risk identification, assessment and management process entails identifying, evaluating and addressing strategic, financial, commercial and operational risks faced by the Company. Based on the risk assessment, key challenges are addressed, and opportunities identified, action plans developed and executed to achieve the long-term strategic objectives of the Company.

Corporate Social Responsibility

Despite incurring losses in past few years, the Company continued to play its role in the area of CSR as we at United Brands believe in striving and keeping the balance between business and contribution to society.

In words of great Janie Lewis;

"We have a social responsibility, a constitutional opportunity and a moral obligation to help others."

Composition of Board on 30th June 2023

Directors	No. of Directors	
Total No. of Directors		7
a.	Male	6
b.	Female	1

Board Composition	No. of Directors	
a.	Independent Directors	2
b.	Executive Directors	2
c.	Other Non-Executive Directors	3

Committee	Name of Directors	Designation
Audit Committee	Ms. Tayyaba Rasheed	Chairperson
	Mr. Zubair Razzak Palwala	Member
	Mr. Hasan Tariq Khan	Member
HR Committee	Mr. Hasan Tariq Khan	Chairman
	Mr. Syed Nadeem Ahmed	Member
	Mr. Syed Qaiser Abbass	Member

Company has held election of Board of Directors on August 29, 2023 and following is the composition of The Board;

Directors	No. of Directors	
Total No. of Directors		7
a.	Male	5
b.	Female	2

Board Composition	No. of Directors	
a.	Independent Directors	2
b.	Executive Directors	2
c.	Other Non-Executive Directors	3

Committee	Name of Directors	Designation
Audit Committee	Ms. Tayyaba Rasheed	Chairperson
	Mr. Zubair Razzak Palwala	Member
	Ms. Faiza Naeem	Member
HR Committee	Mr. Abdul Saman	Chairman
	Mr. Syed Nadeem Ahmed	Member
	Mr. Zubair Razzak Palwala	Member

Meetings of the Board of Directors

During the year 2023, five Board meetings were held and attended as follows:

Name of Directors	Meeting Attended
Mr. Syed Nadeem Ahmed	5
Ms. Tayyaba Rasheed	5
Mr. Hasan Tariq Khan	5
Mr. Zubair Razzak Palwala	5
Mr. Syed Qaisar Abbas	3
Mr. Rizwan Ahmad	5
Mr. Munis Abdullah	4

Fee paid to directors for attending the Board of Directors meetings during the year amounted to Rs. 0.16 million (2022: Rs. 0.15 million).

Audit Committee

The committee comprises of three members, all are non-executive Directors and the Chairman of the Committee is an independent director.

The terms of reference of the Committee have been determined by the Board of Directors in accordance with the guidelines provided in the listing Regulations and advised to the Committee for compliance. An independent audit function reporting to the Board's audit committee reviews risks and controls across the organization.

During the year 2022-23, four audit committee meetings were held and attended as follows:

Members	Meeting Attended
Ms. Tayyaba Rasheed	4
Mr. Hasan Tariq Khan	4
Mr. Zubair Razzak Palwala	4

Human Resource and Remuneration Committee

The committee comprises of three members; two are non-executive Directors and one is executive including the Chairman of the Committee.

Financial statements and auditors

The financial statements of the Company have been audited and approved without qualification by the auditors, A.F. Ferguson, Chartered Accountants. Further, the present auditors, A.F. Ferguson, Chartered Accountants, retired and being eligible, offer themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their reappointment as Auditors of the Company for the year ending June 30, 2024, at a fee to be mutually agreed.

Subsequent Events

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

Value of Investments of Provident Fund

The fair value of investment of provident fund as per its financial statements at June 30, 2023 is PKR 9.09 million (June 30, 2022 is 8.36 million).

Corporate and Financial Reporting Framework

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The financial statements are prepared in accordance with International Financial Reporting Standards, as applicable in Pakistan.
- The Company maintains a sound internal control system which gives reasonable assurance against any material

misstatements or loss. The internal control is regularly reviewed. This has been formalized by the Board's Audit Committee and updated as and when needed.

- There are no significant doubts upon the Company's ability to continue as a going concern.

There has been no material departure from the best practices of Code of Corporate Governance as detailed in the listing regulations.

Future Outlook

Pakistan since its inception is in worst economic situation. The overall cost of doing business has multiplied and also consumer focus is shifted due to tightening disposal income. Our Company has also suffered due to such challenges and overall profitability is highly impacted due to non-availability of i vital stock, continuous changing price tariffs, imposition of additional taxes specially on the non-essential segment, rising fuel prices , higher utility and labor costs etc.,.

The Company still believes there is huge potential in the consumer and logistics industry of Pakistan and the Company can benefit from these opportunities. The Company is currently exploring to add new local accounts to ensure recouping against lost imported businesses. The Board of Directors also support the idea to shift the focus on local principals for future business growth. .

We are confident that we can generate increased value for shareholders as well as deliver superior services to our customers. In accomplishing this, we would like to appreciate the enormous cooperation and support of our all-stake holders.

We also take this opportunity to thank our employees for their continuing contribution in the achievement of Company's results.

Shareholding Information

The Company's shares are traded on Pakistan Stock Exchange. The pattern of Shareholding as at June 30, 2023 and other related information is set out on page 104 to 106.

None of the Directors, CEO, CFO and Company Secretary and their spouses and minor children carried out any trades in the shares of the Company.

Karachi.

Date: September 26, 2023



Rizwan Ahmad
Director



Syed Naveem Ahmed
Chief Executive Officer

ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے ڈائریکٹرز ۳۰ جون ۲۰۲۳ء کے اختتامی سال کے لئے اپنی رپورٹ ہمہ آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ یہ رپورٹ کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۲۷ کے مطابق تیار کی گئی ہے۔

بنیادی سرگرمیاں:

کمپنی کی بنیادی سرگرمیاں صارفین کے سامان اور اس سے وابستہ مصنوعات کے تجارت اور تقسیم ہیں۔ کمپنی کا ذیلی ادارہ بجلی کے سامان کی نقل و حمل اور گودام، اسمبلی اور تجارت میں مصروف ہے۔

مالیاتی کارکردگی کا جائزہ:

	2023	2022
	(Rupees in thousand)	
Revenue	2,526,888	3,265,824
Gross profit	346,850	536,460
Gross Profit as a percentage of revenue	14%	16%
Operating profit / (loss)	(21,509)	106,268
Profit / (loss) for the period	(101,263)	21,756

مالی جائزہ:

درآمد شدہ کاروباری لائنوں کے اسٹاک کی عدم دستیابی کی وجہ سے کمپنی کی آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے 738 PKR ملین (23%) کی نمایاں کمی واقع ہوئی ہے۔ ملک کے بگڑتے ہوئے زرمبادلہ کے ذخائر کو سنبھالنے کے لیے جی او پی / ریگولیٹری طرف سے لگائی گئی درآمدی پابندیوں نے درآمدی کاروبار خاص طور پر کیلوگس، پرنٹنگ اور اوٹسٹن کو متاثر کیا۔ مکمل ملکیتی ذیلی کمپنی IBL جاسٹک (پرائیویٹ) لمیٹڈ سے سروس ریونیو میں 250 PKR ملین کا اضافہ ہوا ہے جو کہ گزشتہ سال کے مقابلے میں 27% اضافہ ہے جس کی وجہ سے مشروبات کے کاروبار میں روٹس میں اضافہ اور ٹرانسپورٹیشن میں نئے اکاؤنٹ "Mondelez" کا اضافہ ہے۔

مجموعی کاروباری حجم میں کمی کا مقابلہ کرنے کے لیے کمپنی کے آپریٹنگ اخراجات میں 63M کی کمی ہوئی تاہم مہنگائی، ایندھن اور دیگر ذیلی اخراجات کی وجہ سے لاگت پر قابو پانے کے کچھ اقدامات کے باوجود اضافہ ہوا۔ KIBOR کی شرح میں اضافے کی وجہ سے مالیاتی لاگت میں بھی 4.1 فیصد اضافہ ہوا۔

ہولڈنگ کمپنی:

انٹرنیشنل برانڈز لمیٹڈ، یونائیٹڈ برانڈز لمیٹڈ کی ہولڈنگ کمپنی ہے۔ 30 جون 2023 تک انٹرنیشنل برانڈز لمیٹڈ کے پاس فی شیئر 10 روپے کے حساب سے 880,200,462 شیئرز (96.08%) تھے۔

فی حصص بنیادی کمزور آمدنی:

۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال میں فی حصص آمدنی میں 1.10 روپے رہی۔ (۳۰ جون ۲۰۲۲: 0.67 روپے) ہے۔

ماحول پر اثرات:

کمپنی ایسی کسی کاروباری سرگرمیوں میں شامل نہیں رہی جس کے نتیجے میں کاروباری ماحول پر منفی نتائج برآمد ہوتے ہیں۔

اخلاقیات اور کاروباری امور کا اسٹیٹمنٹ:

یونائیٹڈ برانڈز لمیٹڈ میں کام کرنے کیلئے دیانتداری مرکزی حیثیت رکھتی ہے۔ بورڈ آف ڈائریکٹرز نیا اخلاقیات اور کاروباری طریقہ کار کو اپنایا ہے۔ تمام ملازمین کو اس سے باخبر کیا جاتا ہے اور انہیں کاروبار اور قوانین سے متعلق طرز عمل پر عمل کرنے کو ضروری سمجھا گیا ہے۔

اہم خطرات اور غیر یقینی صورتحال:

ادارے سے وابستہ اہم خطرات میں شامل ہیں:

خطرے کی نوعیت	تفصیل
کاروباری خطرہ	کاروباری عمل رکنے کے نتیجے میں آمدنی اور منافع میں خسارہ ہونا۔
آپریٹنگ / کاروباری خطرہ	روپے کی قدر میں کمی کے نتیجے میں زرمبادلہ میں نقصان ہونا۔
لیویٹی کا خطرہ	قرضہ جات پر سود کی لاگت فنڈز کی قلت کے باعث آپریٹنگ اور سرمایہ کاری کی سرگرمیوں کی بروقت مالی اعانت پر اثر پڑنا۔
آپریٹنگ / کاروباری خطرہ	پابندیوں کی وجہ سے اسٹاک کی کمی قوت خرید میں کمی کی وجہ سے اسٹاک مومنٹ میں کمی متوازی درآمدات کے باعث آمدنی میں نقصان
ریگولیٹری خطرہ	ٹیکسز کے کسٹم ٹیرف، ڈیوٹیز، ریگولیشنز اور غیر ملکی زرمبادلہ کی شرح میں تبدیلی سے مارجن اور منافع میں لگاؤ پیدا ہونا

رسک مینجمنٹ:

کمپنی کا مجموعی رسک مینجمنٹ پروگرام کمپنی کی کارکردگی پر ممکنہ منفی اثرات کو کم کرنے پر مرکوز ہے، سینئر مینجمنٹ کی جانب سے کمپنی کی گروپ کے کارپوریٹ سینٹر کی نگرانی میں مجموعی خطرات کی تشخیص کی جاتی ہے جس کے نتائج بورڈ آف ڈائریکٹرز کے ساتھ شیئر کئے گئے ہیں۔ کمپنی خطرے کی شناخت، تشخیص اور انتظام کے عمل میں شامل خطرات، اسٹریٹیجک معاملات، مالیاتی، تجارتی اور آپریٹنگ خطرات کا سامنا کرتی ہے۔ خطرے کی تشخیص کی بنیاد پر کلیدی چیلنجز کا ازالہ کیا جاتا ہے اور مواقع کی نشاندہی کی جاتی ہے، کمپنی کے طویل مدتی اسٹریٹیجک مقاصد کے حصول کیلئے عملی منصوبے تیار کئے جاتے ہیں اور ان پر عمل کیا جاتا ہے۔

کاروباری سماجی ذمہ داری:

گذشتہ کچھ سالوں میں ہونے والے نقصانات کے باوجود کمپنی نے سی ایس آر کے شعبے میں اپنا کردار جاری رکھا کیونکہ ہم بطور یونائیٹڈ برانڈز معاشرے میں کاروبار اور شراکت کے مابین توازن برقرار رکھنے پر یقین رکھتے ہیں۔

Janie Lewis کے الفاظ میں:

"دوسروں کی مدد کرنا ہماری سماجی ذمہ داری، آئینی موقعہ اور اخلاقی فرض ہیں"

مندرجہ ذیل ممبران 30 جون 2023 کو بورڈ آف ڈائریکٹرز کا حصہ تھے:

ڈائریکٹرز	ڈائریکٹرز کی تعداد
ڈائریکٹرز کی کل تعداد	7
☆ مرد	6
☆ خواتین	1

ڈائریکٹرز کی تعداد	بورڈ کی تشکیل
2	☆ آزاد ڈائریکٹرز
2	☆ ایگزیکٹو ڈائریکٹرز
3	☆ دیگر غیر ایگزیکٹو ڈائریکٹرز

کمپنی	ڈائریکٹرز کے نام	عہدہ
آڈٹ کمیٹی	محترمہ طلحہ رشید	چئیر پرسن
	جناب زبیر رزاق پالوالا	غیر ایگزیکٹو ڈائریکٹر
	جناب حسن طارق خان	غیر ایگزیکٹو ڈائریکٹر
ہومین ریسورس کمیٹی	جناب حسن طارق خان	چئیر مین
	جناب ندیم احمد	غیر ایگزیکٹو ڈائریکٹر
	جناب سید قیصر عباس	غیر ایگزیکٹو ڈائریکٹر

مجموعی کاروباری حجم میں کمی کا مقابلہ کرنے کے لیے کمپنی کے آپریٹنگ اخراجات میں 63M کی کمی ہوئی تاہم مہنگائی، ایندھن اور دیگر ذیلی اخراجات کی وجہ سے لاگت پر قابو پانے کے کچھ اقدامات کے باوجود اضافہ ہوا۔ KIBOR کی شرح میں اضافے کی وجہ سے مالیاتی لاگت میں بھی 4.1 فیصد اضافہ ہوا۔

ڈائریکٹرز کی تعداد	ڈائریکٹرز
7	ڈائریکٹرز کی کل تعداد
5	☆ مرد
2	☆ خواتین
ڈائریکٹرز کی تعداد	بورڈ کی تشکیل
2	☆ آزاد ڈائریکٹرز
2	☆ ایگزیکٹو ڈائریکٹرز
3	☆ دیگر غیر ایگزیکٹو ڈائریکٹرز

کمپنی	ڈائریکٹرز کے نام	عہدہ
آڈٹ کمیٹی	محترمہ طلحہ رشید	چئیر پرسن
	جناب زبیر رزاق پالوالا	غیر ایگزیکٹو ڈائریکٹر
	محترمہ فائزہ نعیم	غیر ایگزیکٹو ڈائریکٹر
ہومین ریسورس کمیٹی	جناب عبدالصمد	چئیر مین
	جناب ندیم احمد	غیر ایگزیکٹو ڈائریکٹر
	جناب زبیر رزاق پالوالا	غیر ایگزیکٹو ڈائریکٹر

بورڈ آف ڈائریکٹرز کی میٹنگ:

سال 2023 کے دوران بورڈ کی پانچ میٹنگز منعقد ہوئی جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

میٹنگ میں حاضری کی تعداد	ڈائریکٹرز کے نام
5	جناب سید ندیم احمد
5	محترمہ طیبہ رشید
5	جناب حسن طارق خان
5	جناب زبیر رزاق پالوالا
3	جناب سید قیصر عباس
5	جناب رضوان احمد
4	جناب مؤنس عبداللہ

دوران سال بورڈ آف ڈائریکٹرز کی میٹنگ میں شرکت کیلئے ڈائریکٹرز کو ادائیگی کی جانے والی فیس مبلغ 0.16 ملین روپے تھی۔ (2022: مبلغ 0.15 ملین روپے)

آڈٹ کمیٹی:

کمیٹی تین ممبران پر مشتمل ہے، تمام غیر ایگزیکٹو ڈائریکٹرز کا چئیرمین آزاد ڈائریکٹر ہے۔
بورڈ آف ڈائریکٹرز نے کمیٹی کے حوالے سے شرائط و ضوابط لسٹنگ ریگولیشنز میں فراہم کردہ ہدایت کے مطابق طے کی ہیں اور کمیٹی کو اس پر عمل کرنے کا مشورہ دیا ہے۔ ایک آزاد آڈٹ ڈپارٹمنٹ بورڈ کی آڈٹ کمیٹی کو تمام خطرات کے جائزے اور ان کو کنٹرول کرنے کی رپورٹ پیش کرتا ہے۔

سال 2022-23 کے دوران آڈٹ کمیٹی کی چار میٹنگز ہوئیں جس میں درج ذیل نے شرکت کی:

ممبران	میٹنگ میں حاضری کی تعداد
محترمہ طیبہ رشید	4
جناب حسن طارق خان	4
جناب زبیر رزاق پالوالا	4

ہیومن ریورس اور معاوضے کی کمیٹی:

کمیٹی تین ممبران پر مشتمل ہے، ایک ایگزیکٹو اور دیگر بشمول چئیرمین غیر ایگزیکٹو ڈائریکٹرز ہیں۔

مالیاتی حسابات اور آڈیٹرز:

آڈیٹرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کے ذریعہ کمپنی کے مالی گوشواروں کا آڈٹ کیا گیا ہے اور اس کی منظوری دے دی گئی ہے۔ مزید یہ کہ کمپنی کے موجودہ آڈیٹرز میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس سکدوش ہو رہے ہیں اور اہل ہونے کی حیثیت سے خود کو دوبارہ تقریری کے لئے پیش کرنے کے اہل ہیں۔ بورڈ آف ڈائریکٹرز نے باہمی اتفاق رائے کے تحت میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کو بطور آڈیٹرز مالیاتی سال 30 جون 2024 کیلئے انہی شرائط و ضوابط اور اجرت پر دوبارہ تقرر کرنے کیلئے سفارش پیش کی ہے۔

بعد از واقعات:

مالیاتی سال کے آخر اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالیاتی حیثیت میں تبدیلی کیلئے کوئی اثرات مرتب نہیں ہوئے ہیں۔

پروویڈنٹ فنڈ کی سرمایہ کاری پروویڈیو:

30 جون 2023 کو کمپنی کے مالی بیانات کے مطابق پروویڈنٹ فنڈ میں سرمایہ کاری کی فیئر ویلیو 9.09 بلین پاکستانی روپے ہے۔ (30 جون 2021 کو مبلغ 8.36 بلین پاکستانی روپے)۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

- ☆ مالیاتی حسابات جو کہ کمپنی کی انتظامیہ نے مرتب کئے ہیں اور اس میں تمام مندرجات بالکل صحیح پیش کئے گئے ہیں جس میں اس کے آپریشن، نقد کالین دین اور ایکویٹی میں تبدیلیاں شامل ہیں۔
- ☆ کمپنی نے حساب کے کھاتے مناسب طریقے سے مرتب کئے ہیں۔
- ☆ مالیاتی حسابات کی تیاری میں مناسب اکاؤنٹنگ کی پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور اکاؤنٹنگ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔
- ☆ انٹرنیشنل فنانشل رپورٹنگ کا معیار جو کہ پاکستان میں قابل اطلاق اور اس کے مطابق مالیاتی حسابات کی تیاری کی گئی ہے۔
- ☆ آڈٹ کمیٹی نے آپریشنز کو موثر انداز میں انجام دینے، کمپنی اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کے لئے داخلی کنٹرولز کا ایک موثر نظام قائم کیا ہے۔
- ☆ اس کمپنی کو مسلسل چلانے کیلئے اس کی اہلیت پر کوئی شک و شبہ نہیں ہے۔
- ☆ کوئی بھی مواد کارپوریٹ گورننس کی اعلیٰ پریکٹس سے خالی نہیں ہے جس کی تفصیلات لسٹنگ ریگولیشن میں دی گئی ہے۔

مستقبل پر ایک نظر:

پاکستان اس وقت یا تو مجموعی معاشی چیلنجوں کی وجہ سے یا حالیہ سیلاب سے ہونے والے نقصانات کی وجہ سے متاثر ہوا ہے۔ کمپنی کو اس طرح چیلنجز کی وجہ سے بھی نقصان اٹھانا پڑا ہے اور ایندھن کی قیمتوں میں اضافے، زیادہ افایت اور مزدوری کے اخراجات وغیرہ کی وجہ سے مجموعی منافع بہت زیادہ متاثر ہوا ہے۔

کمپنی کا خیال ہے کہ پاکستان کی کمزور ممبر اور لاجسٹک انڈسٹری میں بہت زیادہ پوٹنشل موجود ہے اور کمپنی ان مواقع سے فائدہ اٹھا سکتی ہے۔ کمپنی فی الحال نئے مقامی اکاؤنٹس کو شامل کرنے کی تلاش کر رہی ہے تاکہ گمشدہ درآمد شدہ کاروباروں کی واپسی کو یقینی بنایا جاسکے۔ بورڈ آف ڈائریکٹرز بھی ان نئی راہوں کو استعمال کرتے ہوئے اضافہ اور ترقی کے لیے پرامید ہیں۔

ہمیں یقین ہے کہ حصص یافتگان کے لیے بڑھتی ہوئی قدر پیدا کر سکتے ہیں اور ساتھ ہی اپنے صارفین کو بہتر مصنوعات اور خدمات فراہم کر سکتے ہیں۔ اس کو پورا کرنے میں، ہم اپنے تمام اسٹیک ہولڈرز کے بے پناہ تعاون اور حمایت کی تعریف کرنا چاہیں گے، جس کے بغیر ہم یہ نتائج حاصل نہیں کر سکیں گے۔

شیر ہولڈنگ کی معلومات:

کمپنی کے شیر کی تجارت پاکستان اسٹاک ایکسچینج میں ہو رہی ہیں۔ 30 جون 2023 تک شیر ہولڈنگ کا پٹرن اور اس سے متعلق دیگر معلومات صفحہ نمبر 104 تا 106 پر بیان کی گئی ہیں۔

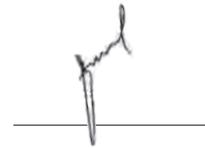
کسی بھی ڈائریکٹر، CFO، CIO اور کمپنی سیکرٹری اور ان کی شریک حیات اور نالغ بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا۔

کراچی

۲۶ ستمبر ۲۰۲۳ء



رضوان احمد
ڈائریکٹر



سید ندیم احمد
چیف ایگزیکٹو آفیسر

FINANCIAL HIGHLIGHTS

Operational Results:	---Amount in '000---						
	2023	2022	2021	2020	2019	2018	2017
Sales	1,348,030	2,360,090	2,553,666	3,270,644	4,048,617	3,776,649	1,389,745
Gross Profit	200,350	343,686	371,231	834,980	1,028,180	983,565	342,931
Operating (Loss) / Profit	(56,089)	(21,409)	(8,470)	(41,916)	(47,102)	252,997	69,541
Financial Charges	(53,358)	(36,803)	(45,605)	(137,598)	(324,708)	126,902	15,395
Profit / (Loss) before Taxation	(93,294)	(45,359)	43,461	(127,729)	(371,810)	126,095	54,146
Profit / (Loss) after Taxation	(98,290)	(65,625)	3,727	(255,676)	(549,914)	(29,214)	6,021
Proposed Dividend	-	-	-	-	-	-	5,400

Balance Sheet:	---Amount in '000---						
	2023	2022	2021	2020	2019	2018	2017
Shareholders' Equity	(108,844)	(10,564)	55,061	51,334	307,010	876,541	101,155
Non-Current Liabilities	-	-	12,838	9,012	-	-	212,000
Current Liabilities	962,281	1,167,762	1,036,410	1,567,492	2,157,356	1,747,529	1,455,424
Non-Current Assets	29,751	31,986	34,687	38,185	28,817	30,336	1,349
Current Assets	823,686	1,125,212	1,069,622	1,589,653	2,435,549	2,593,734	1,767,230

Financial Ratios:	---Amount in '000---						
	2023	2022	2021	2020	2019	2018	2017
Turnover on (Loss) / Profit before Tax	-6.92%	-1.92%	1.70%	-3.91%	-9.18%	3.34%	3.90%
Proposed Dividend	-	-	-	-	-	-	5%
Return on Assets	-11.5%	-5.67%	0.34%	-15.45%	-22.31%	-1.11%	0.34%
Return on Equity	-90.3 %	-621.21 %	6.77%	-498.06%	-179.12%	-3.33%	5.95%
Earnings / (Loss) per Share	(1.09)	(0.71)	0.04	(2.79)	(5.99)	(0.56)	0.13
Market value per Share	10.5	17.35	30.62	26.44	14.30	52.08	191.00
Book Value per Share	-1.18	-1.15	0.60	0.56	3.34	9.55	9.37
Current Ratio	0.86	0.96	1.03	1.01	1.13	1.48	1.21



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF UNITED BRANDS LIMITED**

**Review Report on the Statement of Compliance Contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of United Brands Limited (the Company) for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.

**Chartered Accountants
Karachi**

Dated: October 5, 2023

UDIN: CR202310073D0doNp1CP

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

■ KARACHI ■ LAHORE ■ ISLAMABAD

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 UNITED BRANDS LIMITED

FOR THE YEAR ENDED JUNE 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

- The total number of Directors as at June 30, 2023 were seven (7) as per the following composition:
 - Male: 6 (six)
 - Female: 1 (one)
- The composition of the Board as at June 30, 2022 was as follows:

Category	Names
Independent Directors*	Mr. Hasan Tariq Khan Ms. Tayyaba Rasheed
Non-Executive Directors	Mr. Munis Abdullah Mr. Syed Nadeem Ahmed Mr. Zubair Razzak Palwala
Executive Directors	Mr. Syed Qaiser Abbas Mr. Rizwan Ahmad
Female Director	Ms. Tayyaba Rasheed

*Determination of number of independent directors arrives at 2.33 (rounded to 2) which is based on seven elected directors. The fraction is not rounded up since the two (2) elected independent directors have requisite competency, knowledge and experience to discharge and execute their responsibilities as per applicable laws and regulations.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and these Regulations;
- The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. All Directors of the Company have completed the requirements of Director's Training program.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

Audit Committee

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

HR and Remuneration Committee

Name	Category
Mr. Hasan Tariq Khan	Chairman
Mr. Syed Nadeem Ahmed	Member
Mr. Syed Qaiser Abbas	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committees was as follows:
 - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2023
 - b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2023
15. The Board has outsourced the internal audit function to Grant Thornton Anjum Rahman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation` for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are below :

S. No	Requirement	Explanation	Reg. No
1	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being taken care of at Board level as and when needed, hence a separate committee is not considered necessary.	29
2	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a risk management committee and senior managers perform the requisite functions and apprise the Board accordingly.	30
3	The Company may post on its website key elements of its significant policies including but not limited to the following: i. Communication and disclosure policy; ii. Risk management policy; iii. Internal control policy; iv. Whistle blowing policy; v. Corporate social responsibility / sustainability/ environmental, social and governance related policy.	As the regulation provides concession with respect to disclosure of significant policies on the website, few policies have been uploaded on Companys' website. However, the company is in the process to upload all required key elements of its significant policies.	35(1)

On behalf of the Board



Munis Abdullah
Chairman



Syed Nadeem Ahmed
Chief Executive Officer

UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023



INDEPENDENT AUDITOR'S REPORT

To the members of United Brands Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of United Brands Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss account and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss account and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



Following is the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	Revenue recognition <i>(Refer note 2.16 and 18 to the annexed unconsolidated financial statements)</i> <p>The Company recognises revenue when control of the underlying products has been transferred to the customers. We considered revenue as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures in respect of recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none">• understood and evaluated the design, implementation and operating effectiveness of control over revenue;• assessed the appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards;• performed verification on revenue transactions, sales return and discounts on sample basis;• performed revenue analysis including month on month analysis, year on year analysis, business line wise analysis, etc. and inquired unusual fluctuations, if any;• performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; and• reviewed the adequacy of the disclosures made by the Company in this area with regard to applicable accounting and reporting standards.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MN



We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss account and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: October 5, 2023

UDIN: AR202310073MbSXwJlsd

UNITED BRANDS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
(Rupees in '000')			
ASSETS			
Non-current assets			
Property and equipment	3	4,334	6,522
Intangible assets	4	5	52
Investment in subsidiary	5	25,000	25,000
Long term deposits	6	412	412
		29,751	31,986
Current assets			
Inventories	7	334,904	555,170
Trade and other receivables	8	267,681	347,161
Prepayments and advances	9	23,873	5,512
Taxation - payments less provision		35,146	37,464
Sales tax refunds due from Government - net	10	63,537	72,729
Accrued interest		962	363
Cash and bank balances	11	97,583	106,813
		823,686	1,125,212
Total assets		853,437	1,157,198
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	12	918,000	918,000
Accumulated losses		(1,026,844)	(928,564)
		(108,844)	(10,564)
Liabilities			
Trade and other payables	13	691,400	889,038
Short-term borrowings	14	255,763	253,034
Current portion of long-term borrowings	15	-	14,672
Current portion of deferred income - Government grant	16	-	267
Accrued mark-up		14,765	10,398
Unclaimed dividend		353	353
		962,281	1,167,762
Total liabilities		962,281	1,167,762
Contingencies and commitments	17		
		853,437	1,157,198
Total equity and liabilities			

The annexed notes from 1 to 36 form an integral part of these unconsolidated financial statements.


 Syed Naveem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000')	
Revenue from contracts with customers	18	1,348,030	2,360,090
Cost of sales	19	(1,147,680)	(2,016,404)
Gross profit		200,350	343,686
Marketing and distribution expenses	20	(190,649)	(287,863)
Administrative and general expenses	21	(34,839)	(59,360)
Recognition of loss allowance on trade receivables	8.1.3	(6,487)	(5,847)
Other operating expenses	22	(24,464)	(12,025)
Loss from operations		(56,089)	(21,409)
Other income	23	16,153	12,853
Finance costs	24	(53,358)	(36,803)
Loss before income tax		(93,294)	(45,359)
Income tax expense	25	(4,986)	(20,266)
Loss for the year		(98,280)	(65,625)
Other comprehensive income		-	-
Total comprehensive loss		(98,280)	(65,625)
Basic and diluted loss per share		(Rupees)	
	26	(1.07)	(0.71)

The annexed notes from 1 to 36 form an integral part of these unconsolidated financial statements.


 Syed Naveem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
(Rupees in '000')			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	27	45,983	102,803
Income taxes paid		(2,668)	(19,077)
Finance costs paid		(43,207)	(21,173)
Net cash generated from operating activities		108	62,553
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of property and equipment		(269)	(114)
Interest received		2,963	1,711
Net cash generated from investing activity		2,694	1,597
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(14,761)	(29,550)
Net Financing received / (Repayment of short term financing)		2,729	(19,198)
Net cash used in financing activities		(12,032)	(48,748)
Net (decrease) / increase in cash and cash equivalents		(9,230)	15,402
Cash and cash equivalents at the beginning of the year		74,721	59,319
Cash and cash equivalents at end of the year	28	65,491	74,721

The annexed notes from 1 to 36 form an integral part of these unconsolidated financial statements.


 Syed Naveem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Reserves		Total Equity
	Capital	Revenue	
	Issued, subscribed and paid up capital	Accumulated losses	
	← (Rupees 000) →		
Balance as at July 01, 2021	918,000	(862,939)	55,061
Profit for the year	-	(65,625)	(65,625)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year ended June 30, 2022	-	(65,625)	(65,625)
Balance as at July 01, 2022	918,000	(928,564)	(10,564)
Loss for the year	-	(98,280)	(98,280)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year ended June 30, 2023	-	(98,280)	(98,280)
Balance as at June 30, 2023	918,000	(1,026,844)	(108,844)

The annexed notes from 1 to 36 form an integral part of these unconsolidated financial statements


 Syed Naveem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1. THE COMPANY AND ITS OPERATIONS

1.1 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 (now Companies Act, 2017). The shares of the Company are quoted on the Pakistan Stock Exchange.

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

The principal activities of the Company are trading and distribution of consumer goods and allied products and production of safety razors through toll manufacturing.

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

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

The Company has various sale offices and distribution warehouses. Detailed list is provided in note 35.

1.2 The Company has investment in subsidiary company - IBL Logistics (Private) Limited (the Subsidiary) incorporated in Pakistan. The unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

1.3 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 June 30, 2023, the Company had net deficit of Rs. 108.84 million (2022: Rs. 10.56 million), net current liabilities position of Rs. 136.6 million (2022: Rs. 42.55 million) and operating cashflows of Rs. 0.11 million (2022: Rs. 62.55 million). For the year ended June 30, 2023, the Company has incurred a loss of Rs.98.28 million (2022: Rs. 65.63 million).

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these unconsolidated financial statements are set out below:

2.1 BASIS OF PREPARATION

2.1.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 Critical accounting estimates and judgements

The preparation of unconsolidated financial statements in conformity with the accounting and reporting standards

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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. There are no matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unconsolidated financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these unconsolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods is described in note 2.21 - Expected Credit Losses (ECLs).

Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the unconsolidated financial statements.

There have been no critical judgements other than those disclosed by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the unconsolidated financial statements.

2.1.3 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 is a standard 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 01, 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 financial statements.

2.2 Overall valuation policy

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

2.3 Property and equipment

These are initially recognised at cost and are subsequently carried at cost less accumulated depreciation and impairment losses (if any) except capital work-in-progress which is stated at cost.

Capital work-in-progress consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation. Transfers are made to relevant operating assets category as and when assets are available for use.

Depreciation is charged to income using the straight-line method whereby the cost of an asset is written off over its estimated useful life at the rates stated in note 3.1 to the unconsolidated financial statements. Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

The carrying values of operating assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amounts.

Maintenance and normal repairs are charged to unconsolidated statement of profit or loss account and other comprehensive income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of fixed assets are included in the unconsolidated statement of profit or loss account and other comprehensive income.

2.4 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and that the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Computer software licenses are capitalised on the basis of cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life using the straight line method.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

2.5 Investment in subsidiary

Investments in subsidiary companies are initially recognised at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognised as expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in unconsolidated profit or loss account and other comprehensive income.

2.6 Inventories

These are valued at the lower of cost and net realisable value. Raw and packing material and finished goods of trading stock are valued using first-in first-out method. Cost of finished goods manufactured comprise of direct costs including toll manufacturing charges. Provision is recorded for expired goods.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Stock in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.7 Trade and other receivables

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 2.21 for a description of the Company's impairment policies.

2.8 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purposes of the unconsolidated statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks, cash and cheques held at branches and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.9 Share capital

Ordinary shares are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.10 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

2.11 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.13 Contract Liability

A contract liability is an obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when Company performs under the contract.

2.14 Income tax

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the unconsolidated statement of profit or loss account and other comprehensive income, except to the extent that it relates to items recognised in OCI or directly in equity. In which case, the tax is also recognised in OCI or directly in equity.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

i. Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation of income using prevailing tax rates after taking into account tax credits and rebates available, if any.

ii. Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the unconsolidated financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the unconsolidated statement of profit or loss account and other comprehensive income.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Deferred tax is determined at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefits

i. Defined contribution plan

The Company operates a recognised provident fund for its eligible and permanent employees. Equal monthly contributions are made both by the Company and the employees at the rate of 10% of basic salary. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

ii. Leave encashment - compensated absences

The Company accounts for employees' leave encashment at the end of December each year on the basis of 15 days of unavailed leave balance of each employee. The liability recognised in this respect is based on one half of the employee's last drawn basic salary.

2.16 Revenue recognition

Sale of goods

Revenue is recognised at a point in time when control of the products has been transferred, i.e. when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product.

Revenue is recognised on dispatch of goods to customers i.e. when significant risks and rewards of ownership have been transferred to the customer.

Sales return are recognized as deduction from revenue on terms on arrangement with customer.

The Company offers discounts to customers as part of its normal course of business to encourage sales of the products. Discounts are recorded as a reduction of revenue of the Company.

No element of financing is deemed present as the sales are made with credit term of upto 60 days, which is consistent with the market practice.

2.17 Contract liability

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs as per the contract.

2.18 Borrowings and their cost

Borrowings are recognised initially at fair value net of transaction cost incurred and subsequently at amortised cost using the effective interest method.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use when the borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

their intended use. Such borrowing costs are capitalised as part of the cost of that asset.

Borrowings payable within next twelve months are classified as current liabilities.

2.19 Foreign currency transactions and translation

The unconsolidated financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. The figures are rounded off to the nearest thousand of Rupees.

Transactions in foreign currencies are accounted for in Pakistan Rupees at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies, if any, as at the reporting date are translated into Pakistan Rupees using the exchange rates prevailing at the reporting date. Exchange gains and losses, if any, are included in the unconsolidated statement of profit or loss account and other comprehensive income.

2.20 Dividend distribution

Dividend distribution to shareholders is accounted for in the period in which the dividend is approved.

2.21 Financial Instruments - Initial recognition and subsequent measurement

Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

Classification of financial assets

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss account and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the unconsolidated statement of profit or loss account and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Company recognises loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs;

- bank balances for whom credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased since the inception.
- employee receivables.
- other short term receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs. The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30, 2023 and the corresponding historical credit losses experienced within this period.

The Company considers a financial asset in default when it is more than 90 days past due.

Life time ECLs are the ECLs that result from all possible defaults events over the expected life of a financial instrument. 12 month ECLs are portion of ECLs that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Company in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in unconsolidated statement of profit or loss account and other comprehensive income.

In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to unconsolidated statement of profit or loss account and other comprehensive income. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to unconsolidated statement of profit or loss account and other comprehensive income, but is transferred to the unconsolidated statement of changes in equity.

ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the unconsolidated statement of profit or loss account and other comprehensive income.

2.22 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the unconsolidated statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.23 Deferred income - Government grant

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

2.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS) in respect of its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022		
	(Rupees '000)			
3. PROPERTY AND EQUIPMENT				
Operating assets - note 3.1	4,334	6,522		
3.1 Operating assets				
	Machinery note 3.2	Furniture and Fittings	Office and other Equipments	Total
	← (Rupees '000) →			
Net carrying value basis				
Year ended June 30, 2023				
Opening net book value (NBV)	5,155	907	460	6,522
Additions (at cost)	-	-	268	268
Depreciation charge - note 3.3	(1,797)	(119)	(540)	(2,465)
Closing net book value (NBV)	3,358	788	188	4,334
Gross carrying value basis				
At June 30, 2023				
Cost	8,492	2,294	14,133	24,919
Accumulated depreciation	(5,134)	(1,506)	(13,945)	(20,585)
Net book value (NBV)	3,358	788	188	4,334
Net carrying value basis				
Year ended June 30, 2022				
Opening net book amount	6,695	1,026	14,12	9,133
Additions (at cost)	-	-	114	114
Depreciation charge - note 3.3	(1,540)	(119)	(1,066)	(2,725)
Closing net book value (NBV)	5,155	907	460	6,522
Gross carrying value basis				
At June 30, 2022				
Cost	8,492	2,294	13,865	29,191
Accumulated depreciation	(3,337)	(1,387)	(13,405)	(22,699)
Net book value (NBV)	5,155	907	460	6,522
Annual rate of Depreciation %	20	10	20	

3.2 Machinery items represent moulds and cylinders having net book value of Rs. 3.1 million and Rs. Nil respectively, which are located at premises of Afeef Packages (Private) Limited and Fazleesons (Private) Limited respectively, as these are being used for manufacturing of the Company's products as disclosed in note 1.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3.3 Depreciation for the year has been allocated as follows:

Cost of sales - manufactured goods - note 19.1
 Marketing and distribution expenses - note 20
 Administrative and general expenses - note 21

2023	2022
(Rupees '000)	
1,797	1797
426	742
233	186
2,456	2,725

4. INTANGIBLE ASSETS

Computer software - note 4.1

4.1 Computer software

Net carrying value basis

Opening net book value
 Amortisation charge

Net book value

Gross carrying value basis

Cost
 Accumulated amortisation

Net book value

Useful life in years

2023	2022
(Rupees '000)	
5	52
52	142
(47)	(90)
5	52
452	452
(447)	(400)
52	142
5	5

5. INVESTMENT IN SUBSIDIARY

Subsidiary company (at cost) - note 5.1
 2,500,000 (June 30, 2022: 2,500,000)
 Ordinary shares of Rs. 10 each

2023	2022
(Rupees '000)	
25,000	25,000

5.1 The above investment represents investment in IBL logistics (Pvt.) Limited (the subsidiary). The subsidiary was incorporated on 23 April 2018. The Company beneficially owns 100% of the share capital of the subsidiary.

The subsidiary was incorporated in Pakistan and its principal place of business is at 2nd Floor, One IBL Center, Block No. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi.

The principal activities of the subsidiary comprises primarily of warehousing, transportation, supply chain management, logistics services, trading and distribution of goods.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
6. LONG TERM DEPOSITS	(Rupees '000)	
Long term deposits - note 6.1	<u>412</u>	<u>412</u>

6.1 These facilities are given to the employees in accordance with the terms of employment. These deposits do not carry any mark up arrangement.

	2023	2022
7. INVENTORIES	(Rupees '000)	
Raw and packaging materials	28,929	30,447
Finished goods - manufactured	5,542	11,367
Trading goods	300,433	513,356
Total	<u>334,904</u>	<u>555,170</u>

7.1 As at June 30 2023, stock of finished products has been written down by Rs 32.77 million (2022 : 24.99 million) to arrive at its net realisable value of Nil (2022 : Nil).

	2023	2022
8. TRADE AND OTHER RECEIVABLES	(Rupees '000)	
Trade receivables - note 8.1	141,358	259,740
Other receivables - note 8.2	126,323	87,421
	<u>267,681</u>	<u>347,161</u>

	2023	2022
8.1 Trade receivables	(Rupees '000)	
Unsecured - Considered good		
- Due from related parties - note 8.1.1	2,697	1,148
- Others - note 8.1.2	138,661	258,592
Considered doubtful - others - note 8.1.2	<u>34,436</u>	<u>65,278</u>
	175,794	325,018
Less: Loss allowance on doubtful receivables - note 8.1.3	<u>(34,436)</u>	<u>(65,278)</u>
	<u>141,358</u>	<u>259,740</u>

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

8.1.1 As at June 30, 2023, age analysis of trade receivables from related parties is as follows:

Name of related party	Gross amount due	Past due amount	Provision for doubtful receivables	Reversal of provision for doubtful receivables	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year
← (Rupees '000) →							
Year ended June 30, 2023							
The Searle Company Limited	537	-	-	-	-	537	170
United Retails (SMC-Private) Limited	1,351	-	-	-	-	1,351	656
International Brands Private Limited	809	-	-	-	-	809	718
	2,697	-	-	-	-	2,697	1,544
Year ended June 30, 2022							
The Searle Company Limited	568	13	-	-	-	568	568
United Retails (SMC-Private) Limited	526	-	-	-	-	526	579
International Brands Private Limited	35	27	-	-	-	35	40
IBL Healthcare Limited	19	-	-	-	-	19	19
	1,148	40	-	-	-	1,148	1,206

8.1.3 As at June 30, 2023, the age analysis of these trade receivables is as follows:

	2023	2022
	(Rupees '000)	
Not yet due	40,023	165,606
Past due	12,822	43,026
Less than 30 days	80,363	36,748
- 31 to 90 days	22,345	34,202
- 91 to 360 days	17,544	44,288
- More than 360 days	133,074	158,264
	173,097	323,870
8.1.3 Balance at beginning of the year	65,278	59,431
Recognition of expected credit losses charge during the year - net	6,487 (37,329)	5,847 -
Balance at end of the year	34,436	65,278
8.2 Other receivables - unsecured considered good		
Related party - note 8.2.1 & 8.2.3	24,414	8,989
Others - note 8.2.2	101,909	78,432
	126,323	87,421

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

8.2.1 This represents amount receivable from IBL Healthcare Limited amounting to Rs 11.5 million (2022: Rs. 7.81 million) in respect of claims, discounts and bonus relating to sales of canderel and salaries and IBL Logistics (Private) Limited amounting to Rs 12.9 million (2022: Rs. 1.18 million) in respect of intercompany cross charge and fund transfer.

8.2.2 This represents receivable from principles in respect of stock claims, expenses and others.

8.2.3 As at June 30, 2023, age analysis of other receivables from related party is as follows:

Name of related party	Gross amount due	Past due amount	Provision for doubtful receivables	Reversal of provision for doubtful receivables	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year
← (Rupees '000) →							
Year ended June 30, 2023							
IBL Healthcare Limited	11,527	-	-	-	-	11,527	1,014
IBL Logistics (Private) Limited	12,887	-	-	-	-	12,887	5,100
	24,414	-	-	-	-	24,414	6,114
Year ended June 30, 2022							
IBL Healthcare Limited	7,806	-	-	-	-	7,806	7,806
IBL Logistics (Private) Limited	1,183	-	-	-	-	1,183	18,535
	8,989	-	-	-	-	8,989	26,341

9. PREPAYMENTS AND ADVANCES

Prepayments - Unsecured
Advances - note 9.1

9.1 Advances

Unsecured - Considered good

- Advance to suppliers
- Advance against toll manufacturing - note 9.1.1
- Advance to employees
- Others - note 9.1.2

	2023	2022
	(Rupees '000)	
	-	1,085
	23,873	4,427
	23,873	5,512
	1,000	1,000
	2,744	3,043
	151	184
	19,978	200
	23,873	4,427

9.1.1 This represents advance to Afeef Packages (Private) Limited against toll manufacturing of products.

9.1.2 This amount represents LC Margin to Habib Metropolitan Bank Limited against import of Schick.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

10. SALES TAX REFUNDS DUE FROM GOVERNMENT - NET

This includes an amount of Rs. 70.64 million relating to sales tax paid in the prior period for which no input was claimed due to dispute with Collector of Customs. The Collector of Customs raised an issue in relation to payment of Federal Excise Duty (FED) on the import of goods made by Company during the month of June 2020. However, due to restriction placed on the "release of the said consignment" due to 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 asked Customs Department to issue a letter to Federal Board of Revenue requesting it to allow claim of input sales tax in the subsequent sales tax periods for the aforementioned amount.

On behalf of the above request by the Company, the Collectorate of Customs Appraisalment (EAST) vide their letter No. "C.NO. SI/MISC/164/KAPE/AC-I/2022" has issued intimation to the Large Tax Payer Unit for recognition of sales tax amounting to Rs. 42.43 million and Rs. 28.21 million. On the basis of letter issued, the Company has filed an application to the Commissioner Inland Revenue, for issuance of refund of the above sales tax amount.

11. CASH AND BANK BALANCES

With Banks on

- Current accounts:

- Conventional
- Islamic

- Savings accounts:

- Islamic - note 11.1
- Term deposit receipt - note 11.2

Cash and cheques in hand

	2023	2022
	(Rupees '000)	
	41,438	42,349
	2,997	5,464
	14,503	20,081
	32,092	32,092
	91,030	99,986
	6,553	6,827
	97,583	106,813

11.1 These are shariah compliant bank balances and carry profit at rates ranging from 0.065% to 10% (2022: 0.08% to 2.9%) per annum.

11.2 It represents guarantee deposits placed with Silkbank Limited in form of term deposit receipt carrying mark up at the rate 12.5% to 14.5% (2022:7.15% to 12.5%) per annum.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

12. SHARE CAPITAL

Authorised Share Capital

Number of Shares		2023	2022
2023	2022	Rupees '000	
100,000,000	100,000,000	1,000,000	1,000,000

Ordinary shares of
Rs. 10/- each

Issued, Subscribed and Paid-up Share Capital

Number of Shares		2023	2022
2023	2022	Rupees '000	
91,800,000	91,800,000	918,000	918,000

Ordinary shares of
Rs. 10/- each fully paid
in cash

12.1 As at June 30, 2023, International Brands Limited together with its nominees holds 88,200,462 (2022: 88,200,462) ordinary shares of Rs. 10 each.

2023

2022

(Rupees '000)

13. TRADE AND OTHER PAYABLES

Trade creditors	252,136	510,628
Accrued liabilities	73,855	58,380
Payable to IBL Operations (Private) Limited - note 13.1	275,229	230,796
Payable to IBL Healthcare Limited - note 13.2	42,201	41,134
Payable to International Brands (Private) Limited - note 13.3	31,595	31,595
EOBI and SESSI payable	3,664	1,862
Payable to employees' provident fund - note 15.4	1,263	1,415
Withholding tax payable	801	849
Other liabilities	10,656	12,379
	691,400	889,038

13.1 This includes amount payable to IBL Operations (Private) Limited - associated company under agreement for sharing of expenses relating to sales and administrative infrastructure. It also includes Rs. 152.05 million as funds transferred to the Company to meet working capital requirements which do not carry mark-up and are repayable on demand.

13.2 This represents amount payable in respect of goods purchased from related party.

13.3 This represents amount payable on account of corporate service charges.

13.4 All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and Employees Provident Fund (Investment in Listed Securities) Rules, 2016 and the conditions specified thereunder.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
14. SHORT-TERM BORROWINGS	(Rupees '000)	
Finance against short term loans from Islamic banks	<u>255,763</u>	<u>253,034</u>
14.1	<p>These represent short-term loans obtained under financing arrangement from Islamic banks. These are secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between August and November 2023.</p> <p>The arrangements carry mark-up ranging from 0.15% to 2% above six months KIBOR (2022: 0.15% to 2% above six months KIBOR and 1.75% above three months KIBOR) with a maximum aggregate limit of Rs. 265 million (2022: Rs. 300 million).</p>	
15. CURRENT PORTION OF LONG-TERM BORROWINGS	2023	2022
	(Rupees '000)	
Salary refinancing		
Balance as at July 1	14,672	41,915
Less:		
- Deferred income - Government grant - note 16	-	-
- Repayments	(14,761)	(29,550)
Unwinding of discount on salary refinancing - note 24	89	2,307
Balance as at June 30	<u>-</u>	<u>14,672</u>
15.1	<p>This represented salary refinancing in relation to the Company availing the State Bank of Pakistan's (SBP) payroll finance facility as part of measures for countering economic hardships faced by the businesses during COVID-19 pandemic. The Company paid a quarterly mark up at a discounted rate of 3% per annum, with eight equal quarterly installments ended in October 2022.</p>	
16. CURRENT PORTION OF DEFERRED INCOME - GOVERNMENT GRANT	2023	2022
	(Rupees '000)	
Balance as at July 1	267	2,048
- Deferred income - Government grant - note 16	(267)	(1,781)
Balance as at June 30	<u>-</u>	<u>267</u>

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

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

17.1.2 During the year ended June 30 2022, the Assistant / Deputy Commissioner Inland Revenue issued an order dated December 30, 2021 for recovery of withholding tax along with default surcharge amounting to Rs. 156.55 million under section 161 (1) on account of short deduction of tax at the time of making certain payments for the tax year 2018. During the year ended June 30 2022, the Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The Appeal is currently pending to be heard before CIRA. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Company. Therefore, no provision has been made in these unconsolidated financial statements.

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

17.2 Commitments

The facilities for opening letter of credit and guarantees as at June 30, 2023 amounted to Rs. 188 million (2022: Rs. 200 million) and Rs. 132.09 million (2022: Rs. 132.09 million) respectively. The amount remaining unutilised at the year end for letter of credit and guarantees was Rs. 168.1 million (2022: Rs. 200 million) and Nil (2022: Nil) respectively.

The facilities are secured by way of pari passu charge against hypothecation of the Company's current assets. The Parent Company has pledged 1,078,873 shares of The Searle Company Limited against letter of guarantees.

18. REVENUE FROM CONTRACTS WITH CUSTOMERS

2023

2022

(Rupees '000)

Local Sales

- Manufactured goods
- Trading Stock
- Revenue from services - note 18.2

Less:

- Trade discount
- Sales returns
- Sales tax

15,521	31,570
1,718,342	2,952,566
6,311	-
1,740,174	2,984,136
24,024	76,830
128,617	141,519
239,503	405,697
(392,144)	(624,046)
1,348,030	2,360,090

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

18.1 The revenue from Imtiaz Super Market amounts to Rs. 67.98 million (2022: Rs. 285.27 million) which constitutes 5.06% (2022: 11.17%) of the total revenue from contracts with customers.

18.2 This represents service income derived as a commission agent as per the terms of the contract with the Principal.

	2023	2022
19. COST OF SALES	(Rupees '000)	
Cost of sales - manufactured goods - note 19.1	10,242	17,152
Cost of sales - trading stock - note 19.2	1,137,438	1,999,252
	1,147,680	2,016,404
19.1 Cost of sales - manufactured goods		
Raw and packaging material consumed	1,518	13,125
Toll manufacturing charges	1,099	1,546
Depreciation	1,797	1,797
Repair & maintenance	3	46
	4,417	16,514
Add: Opening inventory of finished goods	11,367	12,005
Less: Closing inventory of finished goods	(5,542)	(11,367)
Cost of sales - manufactured goods	10,242	17,152
19.2 Cost of sales - trading stock		
Opening stock	513,356	463,242
Purchases	924,515	2,049,366
	1,437,871	2,512,608
Closing stock	(300,433)	(513,356)
Cost of sales - trading stock	1,137,438	1,999,252

	2023	2022
20. MARKETING AND DISTRIBUTION EXPENSES	(Rupees '000)	
Salaries, wages and allowances - note 20.1	76,352	130,523
Vehicle running and repair & maintenance	44,135	46,828
Advertising and sales promotion	35,687	45,351
Freight and cartage	13,497	26,024
Rent, rates and taxes	6,336	22,076
Travelling and conveyance	4,345	4,877
Insurance and security expenses	3,338	3,292
Utilities	2,794	3,065
Communication and entertainment	3,003	2,549
Printing and stationery	736	2,503
Depreciation	426	742
Others	-	33
	190,649	287,863

20.1 Salaries, wages and allowances include Rs. 2.67 million (2022: Rs. 2.27 million) in respect of contributory provident fund.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	(Rupees '000)	
21. ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries, wages and allowances - note 21.1	17,483	32,201
Corporate service charges - note 21.2	-	12,000
Auditors' remuneration - note 21.3	4,267	4,200
Legal and professional charges	3,710	2,761
Travelling and conveyance	2,374	2,401
Rent, rates and taxes	2,584	2,310
Vehicle running and repair & maintenance	2,205	2,122
Fee and subscription	184	364
Insurance and security expenses	130	250
Depreciation	233	186
Printing and stationery	276	178
Communication and entertainment	995	153
Utilities	351	144
Amortisation	47	90
	34,839	59,360

21.1 Salaries, wages and allowances include Rs. 0.27 million (2022: Rs. 0.31 million) in respect of contributory provident fund.

21.2 This represents reimbursement of information technology charges to International Brands (Private) Limited (Holding Company) at Rs. Nil (2022: Rs.1 million per month).

	2023	2022
	(Rupees '000)	
21.3 Auditors' remuneration		
Annual audit fee	1,200	1,100
Fee for review of half yearly financial information, Statement of Compliance with Code of Corporate Governance, other certifications and others	850	850
Taxation services	1,800	1,800
Out-of-pocket expenses	417	450
	4,267	4,200

	2023	2022
	(Rupees '000)	
22. OTHER OPERATING EXPENSES		
Provision for expired and damaged stock - note 22.1	24,464	12,025

22.1 This mainly includes provisions for damaged and expired items of business lines Johnson & Johnson (J&J) amounting to Nil (2022: Rs. 1.78 million) and Kellogg's amounting to Rs. 12 million (2022 Rs. 5.53 million) and Ovaltine amounting to Rs 5.74 million (2022 : 0.8 million)

	2023	2022
	(Rupees '000)	
23. OTHER INCOME		
Income from financial assets		
Profit on savings accounts - Islamic	134	26
Profit on Term Deposit Receipt	3,562	1,878

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Income from non-financial assets

Insurance Claim
 Scrap sales - note 23.1
 Deferred income recognised on Government grant

2023	2022
(Rupees '000)	
10,190	-
2,000	9,168
267	1,781
16,153	12,853

23.1 This pertains to scrap sales in relation to damaged items of Schick excell razor blades. This sale represents the stock which could not be sold.

24. FINANCE COSTS

Mark up on short term loans - note 24.1
 Bank charges
 Unwinding of discount on salary refinancing
 Exchange loss - net

2023	2022
(Rupees '000)	
47,574	28,721
2,932	4,229
89	2,307
2,763	1,546
53,358	36,803

24.1 It includes mark-up expense of shariah compliant banks in respect of long term finance of Rs 0.09 million (2022:Rs 0.09 million) and short term borrowings of Rs. 47.57 million (2022: Rs. 28.72 million).

25. INCOME TAX EXPENSE

- for current year
 - for prior year

2023	2022
(Rupees '000)	
6,766	19,216
(1,780)	1,050
4,986	20,266

25.1 Relationship between tax expense and accounting (loss) / profit

Accounting loss before income tax

Tax at the enacted tax rate

Effect of:

- Minimum tax on imports
 - Minimum tax under section 113
 - Prior year impact
 - Others

Income tax expense for the year

2023	2022	2023	2022
Effective tax rate %		(Rupees '000)	
		(93,294)	(45,359)
29.00	29.00	(27,055)	(13,154)
		5,490	83,225
(5.88)	(183.48)	33,214	39,171
(35.60)	(86.36)	(1,780)	1,050
1.91	(2.31)	(4,883)	(90,026)
5.23	198.47	4,986	20,266

25.2 Deferred tax asset is not recognised because it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
26. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE		
	(Rupees '000)	
Loss for the year attributable to ordinary shareholders	(98,280)	(65,625)
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year - note 12	91,800,000	91,800,000
	(Rupees)	
Basic and diluted loss per share	(1.07)	(0.71)

26.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2023 and 2022 which would have any effect on the loss per share if the option to convert is exercised.

	2023	2022
27. CASH GENERATED FROM OPERATIONS		
	(Rupees '000)	
Loss before income tax	(93,294)	(45,359)
Adjustments for non-cash charges and other items		
Depreciation	2,457	2,725
Deferred income - Government grant	(267)	(1,781)
Interest income	(3,562)	(1,878)
Amortisation	47	90
Recognition of loss allowance on trade receivables	6,487	5,847
Provision for expired and damaged stock	24,464	12,025
Mark-up on short term loans	47,574	28,721
Unwinding of discount on salary refinancing	89	2,307
	77,289	48,056
	(16,005)	2,697
Effect on cash flow due to working capital changes decrease / (Increase) in current assets:		
Inventories	195,802	(65,174)
Trade and other receivables	72,993	1,695
Prepayments and advances	(18,361)	10,014
Sales tax refunds due from Government - net	9,192	(5,617)
	259,626	(59,082)
(Decrease) / increase in trade and other payables	(197,638)	159,188
Cash generated from operations	45,983	102,803

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
28. CASH AND CASH EQUIVALENTS		
Cash and bank balances excluding term deposit receipt - note 11	(Rupees '000)	
	65,491	74,721

28.1 Term deposit receipt is released from cash and cash equivalents as it is held as a lien against the guarantee issued by the Silk Bank Limited.

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

29.1 All the financial assets and financial liabilities of the Company are classified at amortised cost.

	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
	← Rupees '000 →						
FINANCIAL ASSETS							
Accrued interest	962	-	962	-	-	-	962
Long term deposits	-	-	-	-	412	412	412
Trade and other receivables	-	-	-	267,681	-	267,681	267,681
Cash and bank balances	46,595	-	46,595	50,988	-	50,988	97,583
June 30, 2023	47,557	-	47,557	318,669	412	319,081	366,638
FINANCIAL LIABILITIES							
Accrued mark-up	14,765	-	14,765	-	-	-	14,765
Trade and other payables	-	-	-	613,080	-	613,080	613,080
Unclaimed dividend	-	-	-	353	-	353	353
Short-term borrowings	255,763	-	255,763	-	-	-	255,763
June 30, 2023	270,528	-	270,528	613,433	-	613,433	883,961
ON REPORTING DATE GAP							
June 30, 2023	(222,971)	-	(222,971)	(294,764)	412	(294,352)	(517,323)

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
	← Rupees '000 →						
FINANCIAL ASSETS							
Accrued interest	363	-	363	-	-	-	363
Long term deposits	-	-	-	-	412	412	412
Trade and other receivables	-	-	-	347,161	-	347,161	347,161
Cash and bank balances	52,173	-	52,173	54,640	-	54,640	106,813
June 30, 2022	<u>52,536</u>	<u>-</u>	<u>52,536</u>	<u>401,801</u>	<u>412</u>	<u>402,213</u>	<u>454,749</u>
FINANCIAL LIABILITIES							
Accrued mark-up	10,398	-	10,398	-	-	-	10,398
Trade and other payables	-	-	-	827,947	-	827,947	827,947
Unclaimed dividend	-	-	-	353	-	353	353
Long-term borrowings	14,672	-	14,672	-	-	-	14,672
Short-term borrowings	253,034	-	253,034	-	-	-	253,034
June 30, 2022	<u>278,104</u>	<u>-</u>	<u>278,104</u>	<u>828,300</u>	<u>-</u>	<u>828,300</u>	<u>1,106,404</u>
ON REPORTING DATE GAP							
June 30, 2022	<u>(225,568)</u>	<u>-</u>	<u>(225,568)</u>	<u>(426,499)</u>	<u>412</u>	<u>(426,087)</u>	<u>(651,655)</u>
OFF STATEMENT OF FINANCIAL POSITION ITEMS							
Letters of credit / guarantees							
June 30, 2023							<u><u>320,090</u></u>
June 30, 2022							<u><u>332,090</u></u>

29.2 Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

29.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The Company believes that it is not exposed to major concentration of credit risk as the exposure is spread over a number of counter parties. To manage exposure to credit risk, the Company applies credit limits to its customers.

29.3.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2023	2022
Financial assets at amortised cost	(Rupees '000)	
Long term deposits - note 6	412	412
Trade and other receivables - note 8	267,681	347,161
Accrued interest	962	363
Bank balances - note 11	91,030	99,986
	360,085	447,922

29.3.2 Credit quality and impairment

These include banking companies and financial institutions, which are counterparties to bank balances, margin against bank guarantees, margins against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies.

Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings.

a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, margin against bank guarantees, margins against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies.

Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Bank balances	Rating			2023	2022
	Short term	Long-term	Agency	Rupees in '000	
Habib Bank Limited	A1+	AAA	JCR-VIS	18,237	37,472
Silkbank Limited	A2	A-	JCR-VIS	2,878	22,284
Al Baraka Bank Pakistan Limited	A1	A	JCR-VIS	842	3,307
Habib Metropolitan Bank	A1+	AA+	PCRA	1,814	1,816
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	JCR-VIS	-	1,467
Meezan Bank Limited	A1+	AAA	JCR-VIS	1,834	898
Bank AL Habib Limited	A1+	AAA	PCRA	650	650
Telenor Microfinancing Bank	A1+	AAA	PCRA	32,683	-
				58,938	67,894

b) Counterparties without external credit ratings

These mainly include customers which are counter parties to local trade debts against sale of goods. As explained in note 2.21, the Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery.

Management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off.

The Company has used three years monthly data in the calculation of historical loss rates along with the matching monthly ageing brackets for the computation of roll rates. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at 30 June 2023 was determined as follows:

	2023			2022		
	Expected loss rates %	Gross Carrying amount	Loss Allowance	Expected loss rates %	Gross Carrying amount	Loss Allowance
	Rupees in '000			Rupees in '000		
Not past due	1.32%	40,023	527	2.25%	165,606	3,725
Past due						
1 - 30 days	3.42%	12,822	439	6.08%	43,026	2,614
31 - 90 days	7.04%	80,363	5,657	8.76%	36,748	3,220
91 - 360 days	45.97%	22,345	10,271	33.42%	34,202	11,431
More than 360 days	100.00%	17,544	17,544	100.00%	44,288	44,288
		173,097	34,438		323,870	65,278

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

29.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The management closely monitors the Company's liquidity and cash flow position. The Company's approach to manage liquidity risk is to maintain sufficient level of liquidity based on expected cash flow by holding highly liquid assets, creditor concentration and maintaining sufficient reserve financing facilities.

29.4.1 Exposure to liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	----- Rupees in '000 -----					
Financial liabilities						
Trade and other payables	613,080	(613,080)	-	(613,080)	-	-
Unclaimed dividend	353	(353)	-	(353)	-	-
Accrued mark-up	14,765	(14,765)	-	(14,765)	-	-
Short-term borrowings	255,763	(260,481)	-	(260,481)	-	-
	883,961	(888,679)	-	(888,679)	-	-

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	----- Rupees in '000 -----					
Financial liabilities						
Long-term borrowings	14,672	(14,761)	(14,671)	(14,941)	(14,727)	-
Trade and other payables	827,947	(827,947)	-	(827,947)	-	-
Unclaimed dividend	353	(353)	-	(353)	-	-
Accrued mark-up	10,398	(2,850)	-	(2,850)	-	-
Short-term borrowings	253,034	(272,232)	-	(272,232)	-	-
	1,106,404	(1,118,143)	(14,671)	(1,118,323)	(14,727)	-

29.4.2 Fair Value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2023, all financial assets and financial liabilities are carried at amortised cost.

The carrying value of all financial assets and liabilities reflected in these financial statements approximate their

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

fair values. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity).
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).
- There were no financial instruments classifiable under level 1, 2 or 3 of the fair value hierarchy during the year. However, determination of fair value of investment properties for disclosure purposes has been made under level 2.

29.5 Market risk

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2023, all financial assets and financial liabilities are carried at amortised cost.

The carrying value of all financial assets and liabilities reflected in these financial statements approximate their fair values. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity).
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).
- There were no financial instruments classifiable under level 1, 2 or 3 of the fair value hierarchy during the year. However, determination of fair value of investment properties for disclosure purposes has been made under level 2.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

30. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can provide adequate returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

The debt to capital ratios at June 30, 2023 and 2022 were as follows:

	2023	2022
	(Rupees '000)	
Total borrowings	255,763	267,706
Cash and bank - note 11	(97,583)	(106,813)
Net debt	158,180	160,893
Equity	(108,844)	(10,564)
Total capital	49,336	150,329
Debt to capital ratio	3.21	1.07

31. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	← Rupees '000 →					
Managerial remuneration	-	-	-	-	8,868	8,219
Allowances	-	-	-	-	4,434	4,110
Bonus	-	-	-	-	1,478	1,370
Company's contribution to provident fund	-	-	-	-	506	547
Leave encashment	-	-	-	-	370	342
Medical expenses	-	-	-	-	739	685
	-	-	-	-	16,395	15,273
Number of persons	1	1	6	6	4	5

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

31.1 The Executives are entitled for medical facility to the extent of reimbursement of actual expenditure and other benefits in accordance with their terms of employment. They are also provided free use of Company maintained cars

31.2 In addition to the above, fee paid to directors for attending Board of Directors meetings during the year amounted to Rs. 0.12 million (2022: Rs. 0.11 million).

32. SEGMENT INFORMATION

Based on internal reporting structure for the year, no reportable segments were identified that were of accounting significance for decision making

33. RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, directors of the Company and key management personnel. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. Remuneration of key management personnel are in accordance with their terms of contractual engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary and Non-Executive Directors to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

33.1 The following transactions were carried out with related

Nature of relationship		Nature of transactions		2023	2022
(Rupees '000)					
Parent Company	-	Corporate service charges	-	12,000	
	-	Sale of goods	718	-	
Subsidiary Company	-	Purchase of goods	-	2,420	
	-	Return of goods	3,198	-	
	-	Sale of goods	105	197	
	-	Services obtained	10,294	27,228	
	-	Funds transferred to working capital	5,100	-	
Associated companies	-	Purchase of goods	49,552	63,602	
	-	"Allocation of expenses - note 33.2"	153,822	98,496	
	-	"Funds received for working capital - note 13.1"	152,046	126,748	
Employees' Provident Fund	-	Sale of goods	3,462	1,772	
	-	Contributions paid	2,954	2,579	

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

33.3 The status of outstanding balances with related parties as at June 30, 2023 is included in the respective notes to the unconsolidated financial statements. These are settled in the ordinary course of business.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

S.No.	Company	Basis of relationship	Aggregate % of shareholding
1.	International Brands (Private) Limited	Parent	96.08%
2.	IBL Logistics (Private) Limited	Subsidiary	100.00%
3.	IBL Operations (Private) Limited	Common Directorship	N/A
4.	The Searle Company Limited	Common Directorship	N/A
5.	IBL Healthcare Limited	Common Directorship	N/A
6.	United Brands Limited - Staff Provident Fund	Retirement Fund	-
7.	Hasan Tariq Khan	Independent Director	N/A
8.	Tayyaba Rasheed	Independent Director	N/A
9.	Munis Abdullah	Director	N/A
10.	Syed Nadeem Ahmed	Chief Executive	N/A
11.	Zubair Razzak Palwala	Director	N/A
12.	Syed Qaisar Abbas	Director	N/A
13.	Rizwan Ahmad	Director	N/A

34. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

34.1 Number of employees as at June 30

	2023	2022
- Permanent	228	191
- Contractual	2	5
Average number of employees during the year		
- Permanent	207	207
- Contractual	7	8

35. BUSINESS UNITS - GEOGRAPHICAL LOCATIONS AND ADDRESSES

SALES OFFICES ADDRESSES

Bahawalpur	Plot No. 73-74/A, Small Industrial Area Estate, Multan Road, Near NBP. Bahawalpur.
Bannu	Back Side Bannu University IT Campus Fatima Khel Road. IBL Bannu
Buner	Shall Bandle Bypass Road, Sooray Baba swarhi City. IBL Buner
Dera Gazi Khan	House No. 64-65,Block No. 16, Al-Mansoor Lodge, Ex PTCL Revenue Office. IBL Dera Ghazi Khan.
Faisalabad	Plot No. 387,388, Amin Town, Askari Road Near Educators School, West Canal Road. IBL Faisalabad.
Gujranwala	8 KM G.T Road , G Mangolia Housing Society. IBL Gujranwala.
Gujrat	Near Railway Crossing Shadiwal Road. IBL Gujrat.
Hyderabad	Plot # A-10-H, Near Bolevard Mall, SITE Area. IBL Hyderabad

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Islamabad	Plot No. 65 & 66, Street 13, V9-2, Industrial Area. IBL Islamabad.
Jhang	Opposite Chungi No. 14 Faisalabad Road Jhang Sadar. IBL Jhang.
Karachi	Plot # L-16 A, Block-22, FB Industrial Area. IBL Karachi
Karachi	Habit Factory and Warehouse Plot # 548, SITE Industrial Area Karachi.
Korangi	Plot # 56, Sector 7, Sharifabad Near Leather Market, Korangi industrial area Karachi.
Lahore	131/3, Quaid-e-Azam Industrial Estate Gate - 4, Near Fine Chowk, Kot Lakhpat. IBL Lahore
Larkana	Latif Colony, Main Road Rehmatpur. IBL Larkana.
Mardan	Ittifaq Colony Near Custom Office Koragh Chowk. IBL Mardan.
Multan	Plot No.590, 591 Jahangir Abad NLC Chowk Main G.T Road. IBL Multan.
New Challi	Moon Plaza, Warehouse # 4, Near Burhani Hospital.
Nowshera	The Mall Opposite Daewoo Terminal Nowshera Cantt. IBL Nowshera
Peshawar	Jhagra Stop, Near Jhagra Gattering Hall, G.T. Road. IBL Peshawar.

SALES OFFICES ADDRESSES

Lahore	131/3, Quaid-e-Azam Industrial Estate Gate - 4, Near Fine Chowk, Kot Lakhpat. IBL Lahore
Larkana	Latif Colony, Main Road Rehmatpur. IBL Larkana.
Mardan	Ittifaq Colony Near Custom Office Koragh Chowk. IBL Mardan.
Multan	Plot No.590, 591 Jahangir Abad NLC Chowk Main G.T Road. IBL Multan.
New Challi	Moon Plaza, Warehouse # 4, Near Burhani Hospital.
Nowshera	The Mall Opposite Daewoo Terminal Nowshera Cantt. IBL Nowshera
Peshawar	Jhagra Stop, Near Jhagra Gattering Hall, G.T. Road. IBL Peshawar.
Quetta	Plot # 869 Killi Gul Muhammad, Muslimabad, Opposite TCS Office, Adjacent Taqwa Masjid, Off: Airport Road. IBL Quetta.
Sahiwal	Khalid Plaza, Near PSO Pump, Baba Farid Park, Arifwala Road. IBL Sahiwal
Sargodha	Hosue No. 42, Officer Colony, Behind Commerce College, Faisalabad Road. IBL Sargodha.
Sawabi	Plot No 107 Faquir Elahi Chowk Near Fauji Foundation, Topi Road. IBL Swabi
Shaikhupura	B - II-11S-18, Street No. 1, Khalid Road, Muslim Gunj. IBL Sheikhupura
Sialkot	Plot No. 656,657 Barkat Town Near Moltex Factory Off Kashmir Road. IBL Sialkot.
Sukkur	Plot No. A - 3, Golimar Area, Near Khabrain Newspaper Press. IBL Sukkur.
Wah Cantt	Street No.1, Green Town Ghatiya Road Wah Garden. IBL Wah Cantt.

DISTRIBUTION ADDRESSES
WAREHOUSES

National Warehouse	Plot # 56, Sector 7, Sharifabad Near Leather Market, Korangi industrial area Karachi.
--------------------	---

36. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were approved by the board of directors of the Company and authorised for issue on 26 September 2023.


 Syed Naveem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023



INDEPENDENT AUDITOR'S REPORT

To the members of United Brands Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of United Brands Limited (the Holding Company) and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss account and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

■ KARACHI ■ LAHORE ■ ISLAMABAD



Following is the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
i)	<p>Revenue recognition</p> <p><i>(Refer note 2.15 and 17 to the annexed financial statements)</i></p> <p>The Group recognises revenue when control of the underlying products has been transferred to the customers. We considered revenue as a key audit matter due to revenue being one of the key performance indicators of the Group. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures in respect of recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none">• understood and evaluated the design, implementation and operating effectiveness of control over revenue;• assessed the appropriateness of the Group's revenue recognition accounting policies by comparing with applicable accounting standards;• performed verification on revenue transactions, sales return and discounts on sample basis;• performed revenue analysis including month on month analysis, year on year analysis, business line wise analysis, etc. and inquired unusual fluctuations, if any;• performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; and• reviewed the adequacy of the disclosures made by the Group in this area with regard to applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BN



Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: October 5, 2023

UDIN: AR202310073TuZkNqSvM

UNITED BRANDS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
(Rupees in '000')			
ASSETS			
Non-current assets			
Property and equipment	3	9,703	12,300
Intangible assets	4	5	68
Long-term deposits	5	9,987	3,212
		19,695	15,580
Current assets			
Inventories	6	467,727	665,626
Trade and other receivables	7	638,920	613,829
Prepayments, deposits and advances	8	80,277	58,848
Taxation - payments less provision		32,540	38,757
Sales tax refunds due from Government - net	9	52,152	58,750
Accrued interest		962	363
Cash and bank balances	10	129,150	149,685
		1,401,728	1,585,858
Total assets		1,421,423	1,601,438
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	11	918,000	918,000
Accumulated losses		(888,677)	(787,414)
		29,323	130,586
Liabilities			
Trade and other payables	12	1,101,056	1,192,128
Short-term borrowings	13	275,443	253,034
Current portion of long-term borrowings	14	-	14,672
Current portion of deferred income - Government grant	15	-	267
Accrued mark-up		15,248	10,398
Unclaimed dividend		353	353
		1,392,100	1,470,852
Total liabilities		1,392,100	1,470,852
Contingencies and commitments	16		
Total equity and liabilities		1,421,423	1,601,438

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.


 Syed Naveem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000')	
Revenue from contracts with customers	17	2,526,888	3,265,824
Cost of sales and services	18	(2,180,038)	(2,729,364)
Gross profit		346,850	536,460
Marketing and distribution expenses	19	(243,952)	(310,400)
Administrative and general expenses	20	(90,079)	(86,929)
Recognition of loss allowance on trade receivables	7.1.3	(8,635)	(6,969)
Other operating expenses	21	(25,693)	(25,894)
(Loss) / Profit from operations		(21,509)	106,268
Other income	22	17,994	15,006
Finance costs	23	(59,353)	(42,212)
(Loss) / Profit before income tax		(62,868)	79,062
Income tax expense	24	(38,395)	(57,306)
(Loss) / Profit for the year		(101,263)	21,756
Other comprehensive income		-	-
Total comprehensive (loss) / income		(101,263)	21,756
		(Rupees)	
Basic and diluted (loss) / earnings per share	25	(1.10)	0.24

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.


 Syed Naveem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Reserves		Total Equity
	Capital	Revenue	
	Issued, subscribed and paid up capital	Accumulated loss	
	← (Rupees 000) →		
Balance as at July 01, 2022	918,000	(809,170)	108,830
Profit for the year	-	21,756	21,756
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year ended June 30, 2022	-	21,756	21,756
Balance as at June 30, 2022	918,000	(787,414)	130,586
Loss for the year	-	(101,263)	(101,263)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year ended June 30, 2023	-	(101,263)	(101,263)
Balance as at June 30, 2023	918,000	(888,677)	29,323

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.


 Syed Naveem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
(Rupees in '000')			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	52,068	187,618
Increase in long-term deposits		(6,775)	(680)
Income taxes paid		(32,178)	(64,220)
Finance costs paid		(43,207)	(22,547)
Net cash (used in) / generated from operating activities		(30,092)	100,171
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(1,054)	(1,860)
Interest income received		2,963	1,711
Net cash generated from / (used in) investing activities		1,909	(149)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(14,761)	(29,550)
Net Financing received / (Repayment of short term financing)		2,729	(54,587)
Net cash generated from / (used in) financing activities		(12,032)	(84,137)
Net increase in cash and cash equivalents		(40,215)	15,885
Cash and cash equivalents at the beginning of the year		117,593	101,708
Cash and cash equivalents at the end of the year	27	77,378	117,593

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.


 Syed Naveem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1. CORPORATE AND GENERAL INFORMATION

1.1 The Group consists of: Holding Company - United Brands Limited (the company)

The Holding Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Companies Act, 1913. The Holding Company was renamed as UDL Industries Limited on March 16, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company was again renamed as United Brands Limited, a public limited Company on April 5, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The shares of the Holding 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 also manufactures safety razors through toll manufacturing.

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

- Registered office of the Holding 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 Holding Company has various sale offices and distribution warehouses. Detailed list is provided in note 34.

Subsidiary companies are companies in which the Holding Company owns over 50% of voting rights or companies directly or indirectly controlled by the Holding Company. As at June 30, 2023, the Holding Company owns 100% ordinary shares of IBL Logistics (Private) Limited.

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

The Subsidiary Company 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 Company business units are as under:

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

- The Subsidiary 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.

1.2 Management prepared these consolidated 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 June 30, 2023, the Group had net surplus of Rs. 29.32 million (2022: Rs. 130.59 million), net current asset position of Rs.9.63 million (2022: Rs.115.01 million) and operating cashflows (outflow) / inflow of Rs. (30.09) million (2022: Rs.100.17 million). For the year ended June 30, 2023, the Group has incurred a (loss) / profit of Rs. (101.26) million (2022: Rs.21.76 million).

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

The Group 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 Group 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 future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis of preparation

2.1.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. There are no matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these consolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods is described in note 2.20 - Expected Credit Losses (ECLs).

Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the consolidated financial statements.

There have been no critical judgements other than those disclosed by the Group's management in applying the accounting policies that would have significant effect on the amounts recognised in the consolidated financial statements.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.1.3 Changes in accounting standards and interpretations and pronouncements

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

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

b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 01, 2023. However, these are considered either not to be relevant or to have any significant impact on the Group's consolidated financial statements and operations and, therefore, have not been disclosed in these consolidated financial statements.

2.2 Overall valuation policy

These consolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

2.3 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated financial statements include United Brands Limited (the Holding Company) and IBL Logistics (Private) Limited (the Subsidiary Company).

The consolidated financial statements of the subsidiaries have been consolidated on a line by line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the year, even if that results in a deficit balance.

ii) Transactions and non-controlling interests

The Group treats transactions with NCI that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to NCI are also recorded in equity.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.4 Property and equipment

These are initially recognised at cost and are subsequently carried at cost less accumulated depreciation and impairment losses (if any) except capital work-in-progress which is stated at cost.

Capital work-in-progress consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation. Transfers are made to relevant operating assets category as and when assets are available for use.

Depreciation is charged to income using the straight-line method whereby the cost of an asset is written off over its estimated useful life at the rates stated in note 3.1 to the consolidated financial statements. Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal. Asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The carrying value of operating assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceeds the estimated recoverable amount, the assets are written down to their recoverable amounts.

Maintenance and normal repairs are charged to consolidated statement of profit or loss account and other comprehensive income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of fixed assets are included in the consolidated statement of profit or loss account and other comprehensive income.

2.5 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Group and that the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Computer software licenses are capitalised on the basis of cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life using the straight line method.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

2.6 Inventories

These are valued at the lower of cost and net realisable value. Raw and packing material and finished goods of trading goods are valued using first-in first-out (FIFO) method. Cost of finished goods manufactured comprise of direct costs including toll manufacturing charges. Provision is recorded for expired goods.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.7 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 2.20 for a description of the Group's impairment policies.

2.8 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks, cash and cheques held at branches.

2.9 Share capital

Ordinary shares are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.10 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Group or not.

2.11 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

2.12 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.13 Income tax

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the consolidated statement of profit or loss account and other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In which case, the tax is also recognised in other comprehensive income or directly in equity.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

i. Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation of income using prevailing tax rates after taking into account tax credits and rebates available, if any.

ii. Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the consolidated statement of profit or loss account and other comprehensive income.

Deferred tax is determined at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14 Employee benefits

i. Defined contribution plan

The Group operates recognised and unrecognised provident funds for its eligible and permanent employees. Equal monthly contributions are made both by the Group and the employees at the rate of 10% of basic salary. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

ii. Leave encashment - compensated absences

The Group accounts for employees' leave encashment at the end of December each year on the basis of 15 days of unavailed leave balance of each employee. The liability recognised in this respect is based on one half of the employee's last drawn basic salary.

2.15 Revenue recognition

Sale of goods

Revenue is recognised at a point in time when control of the products has been transferred, i.e. when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised on dispatch of goods to customers i.e. when significant risks and rewards of ownership have been transferred to the customer.

Sales return are recognised as deduction from revenue on terms on arrangement with customer.

The Group offers discounts to customers as part of its normal course of business to encourage sales of the products. Discounts are recorded as a reduction of revenue of the Group.

No element of financing is deemed present as the sales are made with credit term of upto 60 days, which is consistent with the market practice.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Rendering of services

Revenue from transportation and warehousing services is recognised in the accounting period in which the services are rendered.

No element of financing is deemed present as the services are rendered with a credit term of 15 days, which is consistent with the market practice.

2.16 Contract liability

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs as per the contract.

2.17 Borrowings and their cost

Borrowings are recognised initially at fair value net of transaction cost incurred and subsequently at amortised cost using the effective interest method.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use when the borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Such borrowing costs are capitalised as part of the cost of that asset.

Borrowings payable within next twelve months are classified as current liabilities.

2.18 Foreign currency transactions and translation

The consolidated financial statements are presented in Pakistan Rupee, which is the Group's functional and presentation currency. The figures are rounded off to the nearest thousand of Rupees.

Transactions in foreign currencies are accounted for in Rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies, if any, as at the reporting date are translated into Rupees using the exchange rates prevailing at the reporting date. Exchange gains and losses, if any, are included in the consolidated statement of profit or loss account and other comprehensive income.

2.19 Dividend distribution

Dividend distribution to shareholders is accounted for in the period in which the dividend is approved.

2.20 Financial Instruments - Initial recognition and subsequent measurement

Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Classification of financial assets

The Group classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Group determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Group has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of profit or loss account and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statement of profit or loss account and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Group's own credit risk will be recognised in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Group recognises loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs:

- bank balances for whom credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased since the inception.
- employee receivables.
- other short term receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs. The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30, 2023 and the corresponding historical credit losses experienced within this period.

The Group considers a financial asset in default when it is more than 90 days past due.

Life time ECLs are the ECLs that result from all possible defaults events over the expected life of a financial instrument. 12 month ECLs are portion of ECLs that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Group in accordance with the contract and cash flows that the Group expects to receive).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

i) Financial assets

The Group derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss account and other comprehensive income.

In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to consolidated statement of profit or loss account and other comprehensive income. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to consolidated statement of profit or loss account and other comprehensive income, but is transferred to consolidated statement of changes in equity.

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

ii) Financial liabilities

The Group derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss account and other comprehensive income.

2.21 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the consolidated statement of financial position if the Group has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.22 Deferred income - Government grant

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Group recognises government grants when there is reasonable assurance that grants will be received and the Group will be able to comply with conditions associated with grants. Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred, are recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognised and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

2.23 Method of preparation of statement of cashflows

The unconsolidated statement of cashflows is prepared using indirect method.

2.24 Earnings per share

The Group presents basic and diluted earnings per share (EPS) in respect of its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3. PROPERTY AND EQUIPMENT

Operating assets - note 3.1

	2023	2022
	(Rupees '000)	
	9,703	12,300

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3.1 Operating assets	Leasehold Improvements	Machinery note 3.2	Furniture and Fittings	Office and other Equipments	Total
	← (Rupees '000) →				
Net carrying value basis					
Year ended June 30, 2021					
Opening net book value (NBV)	1,109	5,155	2,011	4,025	12,300
Additions (at cost)	106	-	284	663	1,053
Depreciation charge - note 3.3	(135)	(1,797)	(439)	(1,279)	(3,650)
Closing net book value (NBV)	1,080	3,358	1,856	3,409	9,703
Gross carrying value basis					
At June 30, 2023					
Cost	3,141	8,492	4,365	21,160	37,158
Accumulated depreciation	(2,061)	(5,134)	(2,509)	(17,751)	(27,455)
Net book value (NBV)	1,080	3,358	1,856	3,409	9,703
Net carrying value basis					
Year ended June 30, 2022					
Opening net book amount	1,097	6,695	2,219	4,725	14,736
Additions (at cost)	146	-	212	1,502	1,860
Depreciation charge - note 3.3	(134)	(1,540)	(420)	(2,202)	(4,296)
Closing net book value (NBV)	1,109	5,155	2,011	4,025	12,300
Gross carrying value basis					
At June 30, 2022					
Cost	3,035	8,492	4,081	20,497	36,105
Accumulated depreciation	(1,926)	(3,337)	(2,070)	(16,472)	(23,805)
Net book value (NBV)	1,109	5,155	2,011	4,025	12,300
Annual rate of Depreciation %	10	20	10	20	

3.2 Machinery items represent moulds and cylinders having net book value of Rs. 3.1 million and Rs. Nil respectively, which are located at premises of Afeef Packages (Private) Limited and Fazleesons (Private) Limited respectively, as these are being used for manufacturing of the Company's products as disclosed in note 1.

3.3 Depreciation for the year has been allocated as follows:

	2023	2022
	(Rupees '000)	
Cost of services - note 18.3	732	847
Cost of sales - manufactured goods - note 18.1	1,797	1,797
Marketing and distribution expenses - note 19	450	981
Administrative and general expenses - note 20	671	671
	3,650	4,296

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
4. INTANGIBLE ASSETS		
	(Rupees '000)	
Computer software - note 4.1	<u>5</u>	<u>68</u>
4.1 Computer software		
	(Rupees '000)	
Net carrying value basis		
Opening net book value	68	452
Amortisation charge	<u>(63)</u>	<u>(384)</u>
Net book value	<u>5</u>	<u>68</u>
Gross carrying value basis		
Cost	1,802	1,802
Accumulated amortisation	<u>(1,797)</u>	<u>(1,734)</u>
Net book value	<u>5</u>	<u>68</u>
Useful life in years	<u>3 to 5</u>	<u>3 to 5</u>
5. LONG TERM DEPOSITS		
This includes security deposit paid against various warehouses obtained on rental basis.		
6. INVENTORIES		
	(Rupees '000)	
Raw and packaging materials	112,861	90,678
Finished goods - manufactured	5,542	-
Finished goods - assembled	3,534	22,429
Trading goods	345,790	553,116
	<u>467,727</u>	<u>665,626</u>
6.1	As at June 30 2023, stock of finished products has been written down by Rs 32.77 million (2022 : 24.99 million) to arrive at its net realisable value of Nil (2022 : Nil).	
7. TRADE AND OTHER RECEIVABLES		
	(Rupees '000)	
Trade receivables - note 7.1	489,349	508,805
Other receivables - note 7.2	<u>140,571</u>	<u>105,024</u>
	<u>638,920</u>	<u>613,829</u>
7.1 Trade receivables		
	(Rupees '000)	
Unsecured - Considered good		
Related parties - note 7.1.1	161,726	105,088
Others - note 7.1.2	336,623	403,717
Considered doubtful - others - note 7.1.2	<u>38,620</u>	<u>67,314</u>
	<u>536,969</u>	<u>576,119</u>
Less: Loss allowance on doubtful receivables - note 7.1.3	<u>(38,620)</u>	<u>(67,314)</u>
	<u>498,349</u>	<u>508,805</u>

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

7.1.1 As at June 30, 2023, age analysis of trade receivables from related parties is as follows:

Name of related party	Gross amount due	Past due amount	Provision for doubtful receivables	Reversal of provision for doubtful receivables	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year
← Rupees '000 →							
Year ended June 30, 2023							
The Searle Company Limited	138,341	118,726	-	-	-	138,341	137,974
International Brands (Private) Limited	809	-	-	-	-	809	718
United Retail (Private) Limited	4,410	3,064	-	-	-	4,410	3,738
IBL Healthcare Limited	5,852	10,098	-	-	-	5,852	10,554
IBL Operations (Private) Limited	842	349	-	-	-	842	1,975
Searle Pakistan Limited	11,472	8,413	-	-	-	11,472	11,472
	161,726	140,650	-	-	-	161,726	166,431
Year ended June 30, 2022							
The Searle Company Limited	75,839	48,988	-	-	-	75,839	77,374
International Brands (Private) Limited	35	-	-	-	-	35	40
United Retail (Private) Limited	7,764	6,637	-	-	-	7,764	11,684
IBL Healthcare Limited	9,619	5,716	-	-	-	9,834	9,834
IBL Operations (Private) Limited	4,539	4,484	-	-	-	4,539	5,900
IBL Frontier Markets (Private)	6	6	-	-	-	6	7
Searle Pakistan Limited	7,286	4,676	-	-	-	7,286	9,233
	105,088	70,507	-	-	-	105,303	114,072

7.1.2 AS AT JUNE 30, 2023, the age analysis of these trade receivables is as follows:

	2023	2022
	(Rupees '000)	
Not yet due	156,562	230,037
Past due		
- Less than 30 days	52,295	87,527
- 31 to 90 days	117,894	65,514
- 90 to 360 days	29,860	43,640
- More than 360 days	18,632	44,313
	218,681	240,994
	375,243	471,031

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	(Rupees '000)	
7.1.3 Balance at beginning of the year	67,314	60,345
Recognition of loss allowance on trade receivables	8,635	6,969
Written-off against loss allowance	(32,328)	-
Balance at end of the year	38,621	67,314
7.2 Other receivables - unsecured considered good		
Related party - notes 7.2.1 & 7.2.3	32,188	26,187
Others - note 7.2.2	108,383	78,837
	140,571	105,024

7.2.1 This includes receivable from IBL HealthCare Limited amounting to Rs. 11.5 million which pertains to claims raised in respect of discounts, samples and bonuses relating to sales of Canderel and receivable from United Retail (Private) Limited amounting to Rs. 19.5 million in respect of warehousing expenses paid on behalf of the associated company.

7.2.2 This represents receivable from principals in respect of stock claims, expenses and others.

7.2.3 As at June 30, 2023, age analysis of other receivables from related party is as follows:

Name of related party	Gross amount due	Past due amount	Provision for doubtful receivables	Reversal of provision for doubtful receivables	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year
← Rupees in '000' →							
Year ended June 30, 2023							
United Retail (Private) Limited	19,534	19,534	-	-	-	19,534	19,534
IBL Logistics (Private) Limited - Staff Provident Fund	1,127	1,127	-	-	-	1,127	1,127
IBL HealthCare Limited	11,527	-	-	-	-	11,527	1,014
	32,188	20,661	-	-	-	32,188	21,675
Year ended June 30, 2022							
United Retail (SMC - Private) Limited	16,725	16,725	-	-	-	16,725	16,725
IBL Logistics (Private) Limited - Staff Provident Fund	1,656	1,656	-	-	-	1,656	1,656
IBL HealthCare Limited	7,806	-	-	-	-	7,806	7,806
	26,187	18,381	-	-	-	26,187	26,187

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
8. PREPAYMENTS , DEPOSITS AND ADVANCES	(Rupees '000)	
Prepayments - note 8.1	46,551	39,251
Advances - note 8.2	33,726	19,597
	80,277	58,848
8.1 Prepayments and deposits		
- Prepaid Rent	2,917	1,172
- Deposit against letter of credit - note 8.1.1	43,634	36,994
- Prepaid expense	-	1,085
	46,551	39,251
8.1.1 This represents amount paid to a commercial bank against letter of credit as per the BPRD Circular No 02 of 2017 issued by SBP under the Banking Companies Ordinance, 1962 for the import of goods.		
8.2 Advances		
- Advance to suppliers	10,137	10,506
- Advance against toll manufacturing - note 8.2.1	2,744	3,043
- Advance to employees	867	531
- Others - note 8.2.3	19,978	4,517
	33,726	19,597

8.2.1 This represents advance to Afeef Packages (Private) Limited against toll manufacturing of products.

8.2.2 This amount represents LC Margin to Habib Metropolitan Bank Limited against import of Schick.

9. SALES TAX REFUNDS DUE FROM GOVERNMENT - NET

This includes an amount of Rs. 70.64 million relating to sales tax paid in the prior period for which no input was claimed due to dispute with Collector of Customs. The Collector of Customs raised an issue in relation to payment of Federal Excise Duty (FED) on the import of goods made by the Holding Company during the month of June 2020. However, due to restriction placed on the "release of the said consignment" due to FED payment dispute, the sales tax paid could not be adjusted by the in that month. The Holding 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 Holding Company intends to claim the same. The Holding Company has asked Customs Department to issue a letter to Federal Board of Revenue requesting it to allow claim of input sales tax in the subsequent sales tax periods for the aforementioned amount.

On behalf of the above request by the Holding Company, the Collectorate of Customs Appraisalment (EAST) vide their letter No. "C.NO. SI/MISC/164/KAPE/AC-I/2022" has issued intimation to the Large Tax Payer Unit for recognition of sales tax amounting to Rs. 42.43 million and Rs. 28.21 million. On the basis of letter issued, the Holding Company has filed an application to the Commissioner Inland Revenue, for issuance of refund of the above sales tax amount.

	2023	2022
10. CASH AND BANK BALANCES	(Rupees '000)	
With Banks on		
- Current accounts		
- Conventional	51,015	60,590
- Islamic	2,997	5,464

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	2023	2022
	(Rupees '000)	
- Saving accounts		
- Islamic - note 10.1	32,841	41,155
- Term Deposit Receipt - note 10.2	<u>32,092</u>	<u>32,092</u>
Cash and cheques in hand	<u>118,945</u>	<u>139,301</u>
	<u>10,205</u>	<u>10,384</u>
	<u>129,150</u>	<u>149,685</u>

10.1 Savings accounts are maintained under Islamic banking system carrying profit sharing rate ranging from 0.065% to 10% (2022:0.08% to 6.84%) per annum.

10.2 It represents guarantee deposits placed with Silkbank Limited in form of term deposit receipts carrying mark up at the rate 12.5% to 14.5% (2022: 7.5% to 12.5%) per annum.

11. SHARE CAPITAL

Authorised Share Capital

Number of Shares				
2023	2022			
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs. 10/- each	<u>1,000,000</u>	<u>1,000,000</u>

Issued, Subscribed and Paid-up Share Capital

Number of Shares				
2023	2022			
<u>91,800,000</u>	<u>91,800,000</u>	Ordinary shares of Rs. 10/- each fully paid in cash	<u>918,000</u>	<u>918,000</u>

11.1 As at June 30, 2023 International Brands (Private) Limited together with its nominees held 88,200,462 (2022: 88,200,462) ordinary shares of Rs. 10 each.

12. TRADE AND OTHER PAYABLES

Trade creditors	286,570	516,093
Accrued liabilities	241,902	213,454
Payable to IBL Operations (Private) Limited - note 12.1	355,491	264,952
Payable to The Searle Company Limited - note 12.2	85,323	88,323
Payable to IBL Healthcare Limited - note 12.2	42,201	41,134
Payable to International Brands (Private) Limited - note 12.3	31,595	31,595
Withholding tax payable	32,327	14,915
Payable to employees' provident fund - note 12.4	1,263	1,415
EOBI and SESSI payable	3,664	1,862
Other liabilities	20,720	18,385
	<u>1,101,056</u>	<u>1,192,128</u>

12.1 This represents amount payable to IBL Operations (Private) Limited - associated company under agreement for sharing of expenses relating to sales and administrative infrastructure. It also includes Rs. 152.05 million as funds transferred to the Group to meet working capital requirements which do not carry mark-up and are repayable on demand.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

12.2 This represents amount payable in respect of goods purchased from a related party.

12.3 This represents amount payable on account of corporate service charges.

12.4 All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and Employees Provident Fund (Investment in Listed Securities) Rules, 2016 and the conditions specified thereunder.

13. SHORT-TERM BORROWINGS

	2023	2022
	(Rupees '000)	
Short-term facility under Islamic Al-bai finance - note 15.1	19,680	-
Finance against short term loans from Islamic banks - note 15.2	255,763	253,034
	275,443	253,034

13.1 The Company has entered into running finance facility under mark-up arrangements obtained under Islamic mode amounting to Rs. 50 million (2022: Rs. 50 million). The arrangements are secured by way of pari passu charge over present and future current assets of the Company with 25% margin.

13.2 As at June 30, 2023, available running finance facility under the Islamic mode of financing amounted to Rs. 30.32 million (2022: Rs. 50 million).

13.3 These represent short-term loans obtained under financing arrangement from Islamic banks. These are secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between August and November 2023.

The arrangements carry mark-up ranging from 0.15% to 2% above six months KIBOR (2022: 0.15% to 2% above six months KIBOR and 1.75% above three months KIBOR) with a maximum aggregate limit of Rs. 265 million (2022: Rs. 300 million).

14. CURRENT PORTION OF LONG-TERM BORROWINGS

	2023	2022
	(Rupees '000)	
Balance at July 01	14,672	41,915
Less:		
- Deferred income - Government grant - note 15	-	-
- Repayments	(14,761)	(29,550)
Unwinding of discount on salary refinancing - note 23	(89)	2,307
Balance as at June 30	-	14,672

14.1 This represented salary refinancing in relation to the Company availing the State Bank of Pakistan's (SBP) payroll finance facility as part of measures for countering economic hardships faced by the businesses during COVID-19 pandemic. The Company is paid a quarterly mark up at a discounted rate of 3% per annum, with eight equal quarterly installments ended in October 2022.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

15. CURRENT PORTION OF DEFERRED INCOME - GOVERNMENT GRANT

Balance at July 01	267	2,048
Additions during the year - note 14	-	-
Deferred income recognised during the year - note 22	(267)	(1,781)
	<u>-</u>	<u>267</u>

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

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

16.1.2 During the year ended June 30 2022, the Assistant / Deputy Commissioner Inland Revenue issued an order dated December 30, 2021 for recovery of withholding tax along with default surcharge amounting to Rs. 156.55 million under section 161 (1) on account of short deduction of tax at the time of making certain payments for the tax year 2018. During the year ended June 30, 2022, the Holding Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The Appeal is currently pending to be heard before CIRA.

However, the management based on the opinion of its tax advisor is confident that the outcome will be in favour of the Holding Company. Therefore, no provision has been made in these consolidated financial statements.

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

16.2 Commitments

The facilities for opening letter of credit and guarantees as at June 30, 2023 amounted to Rs. 268 million (2022: Rs. 300 million) and Rs. 132.09 million (2022: Rs. 132.09 million) respectively. The amount remaining unutilised at the year end for letter of credit and guarantees was Rs. 189.13 million (2022: Rs. 246.94 million) and Nil (2022: Nil).

The facilities are secured by way of pari passu charge against hypothecation of the Company's current assets. The Ultimate Parent Company has pledged 1,078,873 shares of The Searle Company Limited against letter of guarantees.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

17. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from

- Manufactured goods
- Trading Stock
- Services - note 17.1

Less:

- Trade discount
- Sales returns
- Sales tax
- Provincial sales tax

	2023	2022
	(Rupees '000)	
	15,521	28,953
	2,265,386	3,424,152
	874,743	639,278
	3,155,650	4,092,383
	(78,905)	(115,537)
	(154,478)	(182,839)
	(307,786)	(464,022)
	(87,593)	(64,161)
	(627,762)	(826,559)
	2,526,888	3,265,824

17.1 This represents service income derived as a commission agent, as per the terms of the contract with the Principal, and transportation and warehousing services rendered by the Subsidiary Company.

18. COST OF SALES AND SERVICES

- Cost of sales - manufactured goods - note 18.1
- Cost of sales - trading stock - note 18.2
- Cost of services - note 18.3

	2023	2022
	(Rupees '000)	
	214,179	208,203
	1,258,803	2,002,862
	706,056	518,299
	2,180,038	2,729,364

18.1 COST OF SALES - Manufactured Goods

- Raw and packaging material consumed
- Salaries, wages and benefits
- Rent, rates and taxes
- Depreciation
- Toll manufacturing charges
- Utilities
- Fuel, Water and power
- Repair & maintenance

	2023	2022
	(Rupees '000)	
	188,140	186,253
	4,703	4,936
	3,623	3,294
	1,797	1,797
	1,099	1,546
	1,568	248
	490	115
	3	46
	201,423	198,235
	21,832	31,800
	(9,076)	(21,832)
	214,179	208,203

- Add: Opening inventory of finished goods
- Less: Closing inventory of finished goods
- Cost of sales - manufactured goods

18.2 Cost of sales - trading stock

- Opening inventory
- Purchases
- Closing Inventory

	2023	2022
	(Rupees '000)	
	553,116	492,935
	1,052,477	2,063,043
	(345,790)	(553,116)
	1,259,803	2,002,862

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

18.3 Cost of services

	2023	2022
	(Rupees '000)	
Freight and cartage	253,643	185,800
Salaries, wages and allowances - note 18.3.1	115,646	113,335
Vehicle running and repair & maintenance	263,832	160,460
Rent, rates and taxes	49,476	39,982
Utilities	7,877	6,693
Communication & entertainment	3,283	2,863
Printing and stationery	3,428	2,525
Insurance and security expenses	6,465	4,193
Depreciation	732	847
Amortisation	-	13
Others	1,854	1,588
	706,056	518,299

18.3.1 Salaries, wages and allowances include Rs. 1.53 million (2022: Rs. 4.28 million) in respect of contributory provident fund.

19. MARKETING AND DISTRIBUTION EXPENSES

	2023	2022
	(Rupees '000)	
Salaries, wages and allowances - note 19.1	108,678	143,362
Vehicle running and repair & maintenance	57,107	50,220
Advertising and sales promotion	37,822	46,784
Freight and cartage	16,423	28,796
Rent, rates and taxes	7,531	22,534
Travelling and conveyance	4,345	4,877
Insurance and security expenses	4,150	3,811
Communication and entertainment	3,724	3,267
Utilities	2,794	3,065
Printing and stationery	923	2,662
Depreciation	450	981
Amortisation	-	4
Others	5	37
	243,952	310,400

19.1 Salaries, wages and allowances include Rs. 3.19 million (2022: Rs. 2.31 million) in respect of contributory provident fund.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	(Rupees '000)	
20. ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries, wages and allowances - note 20.1	66,098	55,531
Corporate service charges - note 20.2	-	12,000
Auditors' remuneration - note 20.3	4,967	4,740
Rent, rates and taxes	3,664	3,390
Legal and professional	5,652	3,143
Travelling and conveyance	2,374	2,401
Vehicle running and repair & maintenance	2,205	2,122
Fee and subscription	330	935
Depreciation	671	671
Insurance and security expenses	612	482
Printing and stationary	1,027	413
Communication and entertainment	1,582	372
Amortisation	63	367
Utilities	351	144
Others	483	218
	90,079	86,929

20.1 Salaries, wages and allowances include Rs. 0.93 million (2022: Rs. 1.01 million) in respect of contributory provident fund

20.2 This represents reimbursement of information technology charges to International Brands (Private) Limited (Ultimate Holding Company) at Rs. Nil (2022: Rs.1 million) per month.

	2023	2022
	(Rupees '000)	
20.3 Auditors' remuneration		
Annual audit fee	1,850	1,600
Fee for review of half yearly financial information, Statement of Compliance with Code of Corporate Governance, other certifications and others	850	85
Taxation services	1,800	1,800
Out-of-pocket expenses	467	490
	4,967	4,740

	2023	2022
	(Rupees '000)	
21. OTHER OPERATING EXPENSES		
Provision for expired and damaged stock - note 21.1	25,273	21,600
Warranty Claim	420	4,294
	25,693	25,894

21.1 This mainly includes provisions for damaged and expired items of business lines Johnson & Johnson (J&J) amounting to Nil (2022: Rs. 1.78 million) and Kellogg's amounting to Rs. 12 million (2022 Rs. 5.53 million) and Ovaltine amounting to Rs 5.74 million (2022 : 0.8 million)

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

22. OTHER INCOME	2023	2022
	(Rupees '000)	
Income from financial assets		
Profit on savings accounts - Islamic	1,975	1,611
Profit on Term Deposit Receipt	3,562	1,878
Income from non-financial assets		
Scrap sales - note 22.1	2,000	9,168
Deferred income recognised on Government grant	267	1,781
Insurance claims	10,190	-
otherss	-	568
	<u>17,994</u>	<u>15,006</u>

22.1 This pertains to scrap sales in relation to damaged items of Schick excel razor blades. This sale represents the stock which could not be sold.

23. FINANCE COSTS	2023	2022
	(Rupees '000)	
Mark up on short term borrowings - note 23.1	48,057	29,520
Exchange loss - net	7,067	5,218
Bank charges	4,140	5,167
Unwinding of discount on salary refinancing	89	2,307
	<u>59,353</u>	<u>42,212</u>

23.1 It represents mark-up expense of shariah compliant banks in respect of short term borrowings of Rs. 48.06 million (2022: Rs. 29.43 million).

24. INCOME TAX EXPENSE	2023	2022
	(Rupees '000)	
Current tax expense		
- for current year	39,924	56,256
- for prior year	(1,529)	1,050
	<u>38,395</u>	<u>57,306</u>

24.1	2023	2022	2023	2022
Relationship between tax expense and accounting (loss) / profit	Effective tax rate %		Rupees '000	
(Loss) / Profit before income tax			<u>(62,868)</u>	<u>79,062</u>
Tax at the enacted tax rate	29.00	29.00	<u>(18,232)</u>	22,928
Effect of:				
- Minimum tax on imports	(46.47)	106.27	29,213	84,023
- Minimum tax under section 113	(52.83)	49.54	33,215	39,171
- Prior year impact	2.43	1.33	(1,529)	1,050
- Others	6.80	(113.67)	(4,272)	(89,866)
Income tax expense for the year			<u>38,395</u>	<u>57,306</u>

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

24.2 Deferred tax asset is not recognised because it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised.

25. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

(Loss) / Profit for the year attributable to ordinary shareholders

Weighted average number of ordinary shares outstanding during the year - note 11

Basic and diluted (loss) / earnings per share

2023

2022

(Rupees '000)

(101,263) (21,795)

(Number of Shares)

91,800,000 91,800,000

(Rupees)

(1.10) (0.24)

25.1 A diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at June 30, 2023 and 2022 which would have any effect on the earning per share if the option to convert is exercised.

26. CASH GENERATED FROM OPERATIONS

June 30,

2023

June 30,

2022

(Rupees '000)

(Loss) / Profit before income tax

(62,868)

79,062

Adjustments for non-cash charges and other items

Depreciation

Amortisation

Deferred income - Government grant

Interest income

Provision for expired and damaged stock

Loss allowance on trade receivables

Mark-up on short term loans

Unwinding of discount on salary refinancing

3,650

63

(267)

(3,562)

25,273

8,635

48,057

89

81,938

19,070

4,296

384

(1,781)

(1,878)

21,600

6,969

29,520

2,307

61,417

140,479

Effect on cash flow due to working capital changes decrease / (increase) in current assets:

Inventories

Trade and other receivables

Prepayments and advances

Tax refunds due from government - net

(Decrease) / Increase in trade and other payables

172,626

(33,726)

(21,429)

6,598

124,069

(91,072)

52,067

(66,343)

(71,166)

(35,885)

16,226

(157,168)

204,307

187,618

27. CASH AND CASH EQUIVALENTS

Cash and bank balances excluding term deposit receipt - note 10

Short terms borrowings

June 30,

2023

June 30,

2022

(Rupees '000)

97,058

117,593

(19,680)

-

77,378

27,683

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

27.1 Term deposit receipt is released from cash and cash equivalents as it is held as a lien against the guarantee issued by the Silk Bank Limited.

28. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

28.1 All the financial assets and financial liabilities of the Group are classified at amortised cost.

	2023						Total
	Interest / mark-up bearing			Non-interest / mark-up bearing			
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
← (Rupees '000) →							
FINANCIAL ASSETS							
At amortized cost							
Accrued interest	962	-	962	-	-	-	962
Long term deposits	-	-	-	-	9,987	9,987	9,987
Trade and other receivables	-	-	-	642,789	-	642,789	642,789
Cash and bank balances	64,933	-	64,933	64,217	-	64,217	129,150
June 30, 2023	65,895	-	65,895	707,006	9,987	716,993	782,888
FINANCIAL LIABILITIES							
At amortized cost							
Accrued mark-up	15,248	-	15,248	-	-	-	15,248
Trade and other payables	-	-	-	847,842	-	847,842	847,842
Unclaimed dividend	-	-	-	353	-	353	353
Short term financing	275,443	-	275,443	-	-	-	275,443
June 30, 2023	290,691	-	290,691	848,195	-	848,195	1,138,886
ON REPORTING DATE GAP							
June 30, 2023	(224,796)	-	(224,796)	(141,189)	9,987	(131,202)	(355,998)

	2022						Total
	Interest / mark-up bearing			Non-interest / mark-up bearing			
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
← (Rupees '000) →							
FINANCIAL ASSETS							
At amortized cost							
Accrued interest	363	-	363	-	-	-	363
Long term deposits	-	-	-	-	3,212	3,212	3,212
Trade and other receivables	-	-	-	613,829	-	613,829	613,829
Cash and bank balances	73,247	-	73,247	76,438	-	76,438	149,685
June 30, 2022	73,610	-	73,610	690,267	3,212	693,479	767,089
FINANCIAL LIABILITIES							
At amortized cost							
Accrued mark-up	10,398	-	10,398	-	-	-	10,398
Trade and other payables	-	-	-	961,897	-	961,897	961,897
Unclaimed dividend	-	-	-	353	-	353	353
Long-term borrowings	14,672	-	14,672	-	-	-	14,672
Short term financing	253,034	-	253,034	-	-	-	253,034
June 30, 2022	278,104	-	278,104	962,250	-	962,250	1,240,354
ON REPORTING DATE GAP							
June 30, 2022	(204,494)	-	(204,494)	(271,983)	3,212	(268,771)	(473,265)

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Letters of credit / guarantees

June 30, 2023

189,130

June 30, 2022

246,943

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

28.2 Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- credit Risk
- liquidity Risk
- market Risk

Risk management framework

The Group's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Group and the manner in which such risks are managed is as follows:

28.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to the financial instrument fails to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The Group believes that it is not exposed to major concentration of credit risk as the exposure is spread over a number of counter parties. To manage exposure to credit risk, the Group applies credit limits to its customers.

28.3.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2023	2022
	(Rupees '000)	
Financial assets at amortised cost		
Long term deposit - note 5	9.987	3,212
Trade and other receivable - note 7	638.920	613,829
Accrued interest	962	363
Bank Balance - note 10	118.945	139,301
	<u>768.814</u>	<u>765,705</u>

28.3.2 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, employees, regulatory authorities and utility companies have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates.

(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, margin against bank guarantees, margins against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

obligations to the Group. Following are the credit ratings of counterparties with external credit ratings:

Bank Balances

	Rating			2023	2022
	Short Term	Long Term	Agency	Rupees in '000	
Al Baraka Bank Pakistan Limited	A1	A	JCR-VIS	6,419	20,056
Habib Metropolitan Bank	A1+	AA+	PCRA	4,645	3,376
Silkbank Limited	A2	A-	JCR-VIS	2,878	22,284
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	JCR-VIS	-	1,467
Habib Bank Limited	A1+	AAA	JCR-VIS	24,983	54,153
Bank AL Habib Limited	A1+	AAA	PCRA	650	650
Meezan Bank Limited	A1+	AAA	JCR-VIS	14,595	5,223
Telenor Microfinancing Bank Limited	A1+	AAA	PCRA	32,683	-
				86,853	107,209

b) Counterparties without external credit ratings

These mainly include customers which are counter parties to local trade debts against sale of goods. As explained in note 2.20, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery.

Management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off.

The Group has used three years monthly data in the calculation of historical loss rates along with the matching monthly ageing brackets for the computation of roll rates. The analysis of ages of trade receivables and loss allowance using the aforementioned approach as at June 30, 2023 was determined as follows:

28.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The management closely monitors the Group's liquidity and cash flow position. The Group's approach to manage liquidity risk is to maintain sufficient level of liquidity based on expected cash flow by holding highly liquid assets, creditor concentration and maintaining sufficient reserve financing facilities.

	2023			2022			
	Expected loss rates %	Gross carrying amount	Loss allowance	Expected loss rates %	Gross carrying amount	Loss allowance	
		Rupees in '000				Rupees in '000	
Not past due	0.80%	156,562	1,258	1.77%	230,037	4,080	
Past due							
1 - 30 days	1.77%	52,295	927	3.41%	87,527	2,983	
31 - 90 days	5.68%	117,894	6,694	5.49%	65,514	3,596	
91 - 360 days	37.21%	29,860	11,111	28.28%	43,640	12,343	
More than 360 days	100.00%	18,632	18,632	100.00%	44,313	44,313	
		375,243	38,622		471,031	67,315	

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

28.4.1 Exposure to liquidity risk

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

28.4.2 Fair Value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

	2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	----- (Rupees in '000) -----					
Financial liabilities						
Trade and other payables	847,842	(847,842)	(847,842)	-	-	-
Unclaimed dividend	353	(353)	(353)	-	-	-
Accrued mark-up	15,248	(15,248)	(15,248)	-	-	-
Short-term borrowings	275,443	(275,443)	(275,443)	-	-	-
	1,138,886	(1,138,886)	(1,138,886)	-	-	-

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	----- (Rupees in '000) -----					
Financial liabilities						
Long-term borrowings	14,672	(14,671)	(14,761)	-	-	-
Trade and other payables	961,897	(961,897)	(961,897)	-	-	-
Unclaimed dividend	353	(353)	(353)	-	-	-
Accrued mark-up	10,398	(10,398)	(10,398)	-	-	-
Short-term borrowings	253,034	(260,481)	(260,481)	-	-	-
	1,240,354	(1,247,800)	(1,247,890)	-	-	-

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

As at June 30, 2023, all financial assets and financial liabilities are carried at amortised cost.

The carrying value of all financial assets and liabilities reflected in these financial statements approximate their fair values. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity).
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).
- There were no financial instruments classifiable under level 1, 2 or 3 of the fair value hierarchy during the year. However, determination of fair value of investment properties for disclosure purposes has been made under level 2.

28.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As at June 30, 2023, the Group is not materially exposed to interest rate risk.

As at June 30, 2023, the Group had variable interest bearing financial liabilities of Rs. 275.44 million (2022:Rs.267.71 million) and had the interest rate varied by 200 basis points with all the other variables held constant, loss before income tax for the year would have been approximately Rs. 5.51 million (2022: Rs. 5.35 million) lower / higher.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flow of the financial instruments, will fluctuate because of changes in foreign currency rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Group is not exposed to any of the currency risk since all of its

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

transactions are denominated in Pakistan Rupees.

29. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide adequate returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

The debt to capital ratios at June 30, 2023 and at 2022 were as follows:

	2023	2022
	(Rupees '000)	
Total borrowings	275,443	267,706
Cash and bank - note	(129,150)	(149,685)
Net debt	146,293	118,021
Equity	29,323	130,586
Total capital	175,616	248,607
Debt to capital ratio	0.83	0.47

30. REMUNERATION TO CHIEF EXECUTIVE AND EXECUTIVES

30.1 The Chief Executive and certain Executives are entitled for medical facility to the extent of reimbursement of actual expenditure and other benefits in accordance with their terms of employment.

30.2 In addition to the above, fee paid to directors for attending Board of Directors meetings during the year amounted to Rs. 0.19 million (2022: Rs. 0.15 million).

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	← Rupees '000 →					
Managerial remuneration	-	-	-	-	8,876	8,224
Allowances	-	-	-	-	4,438	4,113
Bonus	-	-	-	-	1,479	1,371
Group's contribution to provident fund	-	-	-	-	507	548
Leave encashment	-	-	-	-	370	342
Medical expenses	-	-	-	-	740	685
	-	-	-	-	16,410	15,283
Number of persons	1	1	6	7	8	8

UNITED BRANDS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

30.3 Salary of Chief Executive and Directors is borne by another group company.

31. SEGMENT INFORMATION

Based on internal reporting structure for the year, no reportable segments were identified that were of accounting significance for decision making.

32. RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, directors of the Group and key management personnel. The Group continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. Remuneration of key management personnel are in accordance with their terms of contractual engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers its Chief Executive Officer, Chief Financial Officer, Company Secretary and Non-Executive Directors to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

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

Nature of relationship	Nature of transactions	2023	2022
		(Rupees '000)	
Ultimate Holding Company - Corporate service charges	-	-	12,000
	- Sale of goods	718	-
Associated companies	- Purchases	49,552	63,602
	- Sale of goods	250,701	219,396
	- Allocation of expenses - note 32.2	294,338	165,201
	- Funds received for working capital - note 14.1	152,046	126,748
	- Group relief - note 22.3	5,357	14,939
Employees' Provident Fund	- Contributions paid	5,660	7,592
Key management Personnel (KMP)	- Sales of goods	285	8

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

32.3 The status of outstanding balances with related parties as at June 30, 2023 is included in the respective notes to the consolidated financial statements. These are settled in the ordinary course of business.

32.4 Following are the related parties with whom the Group had entered into transactions or have arrangement / agreement in place.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

S.No.	Company Name	Basis of association	Aggregate % of Shareholding
1.	International Brands (Private) Limited	Ultimate Holding Company	96.08%
2.	IBL Operations (Private) Limited	Common Directorship	N/A
3.	The Searle Company Limited	Common Directorship	N/A
4.	IBL Healthcare Limited	Common Directorship	N/A
5.	Searle Pakistan Limited	Group Company	N/A
6.	United Retail (Private) Limited	Group Company	N/A
7.	Universal Retails (Private) Limited	Group Company	N/A
8.	United Brands Limited- Staff Provident Fund	Retirement Fund	-
9.	Hasan Tariq Khan	Independent Director	N/A
10.	Tayyaba Rasheed	Independent Director	N/A
11.	Munis Abdullah	Chairman of Parent	N/A
12.	Syed Nadeem Ahmed	Chief Executive Officer	N/A
13.	Zubair Razzak Palwala	Director	N/A
14.	Syed Qaisar Abbas	Director	N/A
15.	Hammad Kafeel	Director	N/A
16.	Shariq Ahmed	Chief Financial Officer	N/A
17.	Rizwan Ahmad	Director	N/A

33. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2023	2022
Number of Employees as at June 30		
- Permanent	354	283
- Contractual	111	82
Average number of employees during the year		
- Permanent	328	309
- Contractual	107	82

34. BUSINESS UNITS - GEOGRAPHICAL LOCATIONS AND ADDRESSES

SALES OFFICES

ADDRESSES

Abbottabad	Rashid Building Mir Pur Road Near Mir Pur Chashma, Abbottabad.
Attock	Opposite Wapda Office, Dhoke Fateh, Fateh Jung Road, Attock
Bahawalpur	Plot No. 73-74/A, Small Industrial Area Estate, Multan Road, Near NBP. Bahawalpur.
Chakwal	Bannu Back Side Bannu University IT Campus Fatima Khel Road. IBL Bannu
Dera Gazi Khan	IBL Operations "Lahore Health Centre" Girls College Road, Chakwal House No. 64-65, Block No. 16, Al-Mansoor Lodge, Ex PTCL Revenue Office. IBL Dera Ghazi Khan.

UNITED BRANDS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Faisalabad	Plot No. 387,388, Amin Town, Askari Road Near Educators School, West Canal Road. IBL Faisalabad.
Gilgit	Ayub Colony Opposite Nadra Office, Shahra-E-Quaid Azam Jutial, Gilgit
Gujranwala	8 KM G.T Road , G Mangolia Housing Society. IBL Gujranwala.
Gujrat	Near Railway Crossing Shadiwal Road. IBL Gujrat.
Haripur	House # 8, Sector # 2, Khalabat Township, Chowk Syedan, Haripur
Hyderabad	Plot # A-10-H, Near Bolevard Mall, SITE Area. IBL Hyderabad
Islamabad	Plot No. 65 & 66, Street 13, I/9-2, Industrial Area. IBL Islamabad.
Jacobabad	House # 635, Shaheed Mohammad Tagyal Road, Dangar Mohalla, Jacobabad
Jhang	Opposite Chungi No. 14 Faisalabad Road Jhang Sadar. IBL Jhang.
Karachi	Plot # L-16 A, Block-22, FB Industrial Area. IBL Karachi
Khairpur	T/615, Hussain Chowk, Pathan Mohallah Luqman, Khairpur
Kohat	House No 30-Street No 3 Sector No 10 Kda, Kohat
Lahore	131/3, Quaid-e-Azam Industrial Estate Gate - 4, Near Fine Chowk, Kot Lakhpat. IBL Lahore
Larkana	Latif Colony, Main Road Rehmatpur. IBL Larkana.
Mingora	Saidu Sharif Road, Near Swat Museum, Mingora Swat, Mingora
Mirpur Khas	House # 39, Jamnadas Colony, Near Old Faizan E Madina, Mirpur Khas
Nawabshah	H No 138- Ghulam Haider Shah Colony, Near Bukhtawer Park, Nawabshah
Nowshera	The Mall Opposite Daewoo Terminal Nowshera Cantt. IBL Nowshera
Peshawar	Jhagra Stop, Near Jhagra Gattering Hall, G.T. Road. IBL Peshawar.
Quetta	Plot # 869 Killi Gul Muhammad, Muslimabad, Opposite TCS Office, Adjacent Taqwa Masjid, Off: Airport Road. IBL Quetta.

DISTRIBUTION WAREHOUSES ADDRESSES

Rahim Yar Khan	House # 89 A/R Abbasia Banglows Near New Abl Bank National Solidarity Avenue, Rahim Yar Khan
Sahiwal	Khalid Plaza, Near PSO Pump, Baba Farid Park, Arifwala Road. IBL Sahiwal
Sargodha	Hosue No. 42, Officer Colony, Behind Commerce College, Faisalabad Road. IBL Sargodha.
Sawabi	Plot No 107 Faquir Elahi Chowk Near Fauji Foundation, Topi Road. IBL Swabi
Sialkot	Plot No. 656,657 Barkat Town Near Moltex Factory Off Kashmir Road. IBL Sialkot.
Sukkur	Plot No. A - 3, Golimar Area, Near Khabrain Newspaper Press. IBL Sukkur.
Thatta	House # B-261, Situated In Unit-2, Makli Cooperative Housing Society, Thatta
Timergarrah	D3 Hotel Back Side, Al Farabi Institute By Pass Road, Timergarrah
Umar Kot	Ward No. 314, Uddipuri Mohalla Near Govt. Boys High School, Umar Kot
Wah Cantt	Street No.1, Green Town Ghatiya Road Wah Garden. IBL Wah Cantt.

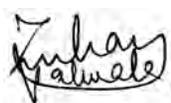
DISTRIBUTION WAREHOUSES ADDRESSES

National Warehouse	Plot # 56, Sector 7, Sharifabad Near Leather Market, Korangi industrial area Karachi.
--------------------	---

35 . DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved by the Board of directors of the Group and authorised for issue on September 26, 2023.


 Syed Naveem Ahmed
 Chief Executive Officer


 Zubair Razzak Palwala
 Director


 Shariq Ahmed
 Chief Financial Officer

Pattern of Shareholding

As of June 30, 2023

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children	8	304,849	0.33%
Associated Companies, undertaking and related parties	2	88,243,591	96.13%
Executive	1	142	0.00%
NIT and ICP	1	1,650	0.00%
Banks DFIs, NBFIs	1	4	0.00%
Insurance Companies	0	-	0.00%
Modarabas and Mutual Funds	1	219,570	0.24%
General Public Local	1,044	2,969,434	3.23%
General Public Foreign	3	16,000	0.02%
Foreign Companies	0	-	0.00%
Others	9	44,760	0.05%
Total	1,070	91,800,000	100%

Share holders holding 10% or more	Number of Shareholders	Shares Held	Percentage
International Brands Limited	1	88,200,462	96.08%

Number of Shareholders	Shareholding's Slab			Total Shares Held
569	1	to	100	9,717
136	101	to	500	48,993
107	501	to	1000	97,131
162	1001	to	5000	425,692
31	5001	to	10000	239,669
16	10001	to	15000	199,500
10	15001	to	20000	179,665
8	20001	to	25000	181,250
5	25001	to	30000	138,301
1	30001	to	35000	35,000
1	35001	to	40000	37,000
9	40001	to	45000	384,576
1	45001	to	50000	50,000
2	50001	to	55000	103,300
2	65001	to	70000	136,950
1	70001	to	75000	73,000
1	75001	to	80000	77,125
1	80001	to	85000	83,200
2	100001	to	105000	205,750
1	135001	to	140000	136,200
1	200001	to	205000	201,199
1	215001	to	220000	219,570
1	335001	to	340000	336,750
1	88200001	to	88205000	88,200,462
1029				91,800,000

Pattern of Shareholding

As of June 30, 2023

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
Directors And Their Spouse(S) And Minor Children					
1	01826-102244	HASAN TARIQ KHAN		83,200	0.09
2	03277-93293	ZUBAIR RAZZAK PALWALA		8,700	0.01
3	817	ZUBAIR PALWALA		500	0.00
4	818	SYED NADEEM AHMED		4,250	0.00
5	05116-25660	SYED QAISER ABBAS NAQVI		2,250	0.00
6	03277-39675	MUNIS ABDULLA		201,199	0.22
7	843	MR. MONIS ABDULLAH		4,250	0.00
8	06122-104240	TAYYABA RASHEED		500	0.00
			8	304,849	0.33

Associated Companies, undertakings and related parties

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	03277-12714	SHAKILA RASHID		43,129	0.05
2	03277-2937	INTERNATIONAL BRANDS LTD.		88,200,462	96.08
			2	88,243,591	96.13

Executive

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	854	SHARIQ AHMED (R-1)	1	142	0.00
			1	142	0.00

NIT and ICP

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	00083-36	IDBL (ICP Unit)	1	1,650	0.00
			1	1,650	0.00

Banks, DFIs, NBFCs, insurance companies, takaful, modarbas, pension funds

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	03889-28	NATIONAL BANK OF PAKISTAN	1	4	0.00
			1	4	0.00

Insurance Companies

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1		NIL			-

Pattern of Shareholding

As of June 30, 2023

Modarabas and Mutual Funds

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	03277-1651	First UDL Modaraba	1	219,570	0.24
			1	219,570	0.24

Foreign Companies

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	NIL				

Others

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	812	NAEEM'S SECURITIES (PVT) LTD.		2,000	0.00
2	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND		733	0.00
3	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		26	0.00
4	03525-54825	NAEEM'S SECURITIES (PVT) LTD		15,000	0.02
5	03525-87235	MAPLE LEAF CAPITAL LIMITED		1	0.00
6	04341-3265	RAO SYSTEMS (PVT.) LTD.		2,000	0.00
7	14118-27	ASDA SECURITIES (PVT.) LTD.		15,000	0.02
8	14241-22	FIKREES (PRIVATE) LIMITED		5,000	0.01
9	18432-46846	GPH SECURITIES (PRIVATE) LIMITED		5,000	0.01
			9	44,760	0.05

General Public Foreign

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
1	01164-20751	IMRAN QAMAR	1	2,500	0.00
2	03277-113643	MUHAMMAD KAMRAN	1	3,500	0.00
3	03277-119778	ZULFIQAR ALI	1	10,000	0.00
			3	16,000	0.01

General Public Local

S. No.	Folio No./CDS Account No.	Name of Shareholders	No. of Shareholders	No. of shares	%
			1044	2,969,434	3.23%
			1044	2,969,434	3.23%

FORM OF PROXY

Company Secretary
UNITED BRANDS LIMITED
2nd, One IBL Centre,
Block No. 7 & 8, DMMCHS,
Shahrah-e-Faisal, Karachi.

Please quote:
No. of shares held. _____
Folio No. _____

I/We, _____ of _____, holding Computerized National Identity Card (CNIC)/Passport No. _____ and being a member of **UNITED BRANDS LIMITED**, hereby appoint _____ of _____, holding CNIC/Passport No. _____, or failing him/her hereby appoint _____ of _____, holding CNIC/Passport No. _____, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, October 27, 2023 at 12:30 pm and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2023
Signed by the Said _____ in the presence of _____

Witnesses:

1. Signature _____
Name _____
Address _____
CNIC/Passport No. _____
2. Signature _____
Name _____
Address _____
CNIC/Passport No. _____



Signature

Rupee five
revenue
stamp

Notes:

- Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.
- CDC shareholders and their proxies are requested to attach an attested photocopy of their CNIC or Passport with this proxy form before submission to the Company.

پراکسی فارم

جناب کمپنی سیکریٹری
یونائیٹڈ برانڈز لمیٹڈ
سیکنڈ فلور، ون آئی بی ایل سینٹر، شاہراہ فیصل، کراچی۔

میں / ہم _____ کی جانب سے _____ بحیثیت یونائیٹڈ برانڈز لمیٹڈ کے ممبران
اور _____ عام حصص اندراج فولیو نمبر _____ اور سب اکاؤنٹ نمبر _____
اپنی طرف سے _____ کو بطور پراکسی نامزد کرتے ہیں، یہ میری / ہماری جانب سے ون آئی بی ایل سینٹر، شاہراہ فیصل کراچی میں
بروز جمعہ مورخہ 27 اکتوبر 2023 کو بوقت 12:30 بجے دوپہر منعقد کمپنی کے سالانہ اجلاس عام میں ووٹ دینے کے مجاز ہیں۔

لہذا گواہان کی موجودگی میں، میں / ہم نے مورخہ _____ 2023 کو اپنے دستخط کر دیئے ہیں۔

ریونیواسٹیٹپ



دستخط

ا۔ دستخط

نام:

پتہ:

شناختی کارڈ / پاسپورٹ نمبر:

(دستخط نامزد کنندہ کے رجسٹرڈ دستخط سے مماثل ہونے چاہئے)

نوٹس

- ☆ کمپنی کا ممبر میٹنگ میں حاضر ہونے اور ووٹ دینے کا اختیار کسی دوسرے کو بطور پراکسی دے سکتا ہے۔ مکمل پر ہوئے پراکسی میٹنگ شروع ہونے سے 48 گھنٹے پہلے تک کمپنی کے رجسٹرڈ آفس کو موصول ہو جانے چاہئے۔
- ☆ اجلاس میں شرکت اور ووٹ دینے کے مستحق سی ڈی سی حصص داران اپنی شناخت کے لئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ مہیا کریں اور پراکسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی مصدقہ کاپی لازمی منسلک کریں۔

www.jamapunji.pk



سرمایہ کاری سمجھداری کے ساتھ



Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator
(based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



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