



Moving FORWARD

Half Yearly Ended
December 31, 2021 (Un-audited)

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Shariq Ahmed

COMPANY SECRETARY

Mr. Farooq Akbar

INTERNAL AUDITORS

Grant Thornton Anjum Rahman,
Chartered Accountants

EXTERNAL AUDITORS

A.F. Ferguson & Company,
Chartered Accountants

LEGAL ADVISOR

Abdul Karim Khan & Company

BANKERS

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

REGISTERED OFFICE

2nd Floor, One IBL Center,
Block No. 7 & 8, DMMCHS,
Shahrah-e-Faisal, Karachi-75530
Tel: 37170183,
Fax: 35635530, 35682772

SHARE REGISTRAR

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

WEBSITE

www.ubrandz.biz

DIRECTORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY

The Board of Directors of United Brands Limited are pleased to present Directors' report together with the consolidated condensed interim financial information (unaudited) of the Company for six months period ended December 31, 2021. This consolidated condensed interim financial information (unaudited) is prepared in accordance with Section 228 of the Companies Act, 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are trading and distribution of consumer goods and allied products. During the period, the Company has entered into distribution agreement whereby the Company will distribute variety of products of Candyland brand.

SUMMARY OF FINANCIAL PERFORMANCE

	December 31, 2021	December 31, 2020
	(Rupees in thousand)	
Revenue	1,656,028	1,678,959
Gross profit	259,526	277,213
Gross margin (% of revenue)	15.7%	16.5%
Operating expenses	(235,331)	(215,824)
Other Income	12,605	56,165
Finance cost	(17,600)	(27,995)
(Loss) / Profit for the period	(3,435)	53,436

FINANCIAL OVERVIEW

The revenue of Company has decreased by PKR 23 million as compared to same period last year due to discontinuation of Molfix business. Gross margin has also decreased from 16.5% to 15.7% due to sales mix.

Operating expenses of Company have increased on account of logistics, transportation and warehousing cost linked with service income and execution of trading goods as a result of price hike in fuel cost and allied products and trade spend of consumer business lines. Finance cost has decreased by PKR 10.4 million due to repayment of Company's debt.

EARNINGS PER SHARE

(Loss) / Earnings per share for six months period ended December 31, 2021 is PKR (0.04) (Dec 31, 2020: PKR 0.58).

DIRECTORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY

FUTURE OUTLOOK

The Company is in the process of revamping its business model as distribution of imported products is affected badly due to overall economic situation of the Country. Company is determined to improve its profitability for which company is actively involved in negotiations with new principals having local production.

ACKNOWLEDGMENT

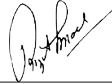
The Directors would like to express their gratitude to the customers, principals, employees, and other stakeholders for their continued support.

Karachi.

Date: February 25, 2022



Syed Nadeem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director

ڈائریکٹرز رپورٹ برائے حصص کنندگان

یونائیٹڈ برانڈز لمیٹڈ کے ڈائریکٹرز بمسرت اپنی رپورٹ مع ۳۱ دسمبر ۲۰۲۱ء کو ختم ہونے والی چھ ماہ کی مدت کے لئے مستحکم مجموعی عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پیش کر رہے ہیں۔ یہ مستحکم مجموعی عبوری معلومات کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۲۸ کے مطابق تیار کی گئی ہے۔

بنیادی سرگرمیاں:

کمپنی کی بنیادی سرگرمیاں اشیاء اور متعلقہ مصنوعات کی تجارت اور تقسیم ہیں۔ اس مدت کے دوران، کمپنی نے تقسیم کا معاہدہ کیا ہے۔ جس کے تحت کمپنی کیڈی لینڈ برانڈ کے مختلف قسم کی مصنوعات تقسیم کرے گی۔

مالیاتی کارکردگی کا جائزہ:

	Dec 31, 2021	Dec 31, 2020
	(Rupees in thousand)	
Revenue	1,656,028	1,678,959
Gross profit	259,526	277,213
Gross margin (% of revenue)	15.7%	16.5%
Operating expenses	(235,331)	(215,824)
Other Income	(12,605)	(56,165)
Finance cost	(17,600)	(27,995)
(Loss) / Profit for the period	(3,435)	53,436

مالی جائزہ:

کمپنی کی آمدنی میں پچھلے سال کے مقابلے میں 23 ملین روپے کی کمی واقع ہوئی ہے جسکی وجہ مولفکس کے کاروبار کا بند ہونا ہے۔ سیس کس کی وجہ سے کمپنی کا مارجن بھی 16.5 فیصد سے 15.7 فیصد ہو گیا ہے۔

ایئرس اور اس سے منسلک مصنوعات کی قیمتوں میں اضافے اور صارفین کی کاروباری لائنوں کے تجارتی اخراجات کے نتیجے میں سروں کی آمدنی اور تجارتی سامان کی تکمیل سے منسلک لا جشک، نقل و حمل اور گودام کی لاگت کی وجہ سے کمپنی کے آپریٹنگ اخراجات میں اضافہ ہوا ہے۔ کمپنی کے قرض کی ادائیگی کی وجہ سے مالیاتی لاگت میں 10.4 ملین کی کمی واقع ہوئی ہے۔

فی حصص آمدنی:

۳۱ دسمبر ۲۰۲۱ کو ختم ہونے والی چھ ماہ کی مدت میں فی حصص آمدنی میں (0.04) روپے رہی۔ (۳۱ دسمبر ۲۰۲۰ 0.58 روپے) ہے۔

مستقبل پر ایک نظر:

کمپنی اپنے کاروباری ماڈل کو بہتر بنانے کے عمل میں ہے کیونکہ ملک کی مجموعی اقتصادی صورتحال کی وجہ سے درآمدی مصنوعات کی تقسیم بری طرح متاثر ہوئی ہے۔ کمپنی اپنے منافع کو بہتر بنانے کے لئے پرعزم ہے جس کے لئے کمپنی مقامی پیداوار کے نئے پرنسپلز کے ساتھ بات چیت میں مصروف عمل ہے۔

اعتراف:

ڈائریکٹرز اپنے صارفین، پرنسپلز، ملازمین اور دیگر اسٹیک ہولڈرز کا ان کے مستقل تعاون اور حوصلہ افزائی پر ان کا شکریہ ادا کرتے ہیں اور کمپنی کے ملازمین کی جانب سے انجام دی گئی قابل قدر خدمات پر انہیں خراج تحسین پیش کرتے ہیں۔

کراچی

۲۵ فروری ۲۰۲۲ء



رضوان احمد

ڈائریکٹر



سید ندیم احمد

چیف ایگزیکٹو آفیسر



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of United Brands Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of United Brands Limited as at December 31, 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss, and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2021.

Scope of Review

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

Conclusion

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

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

Chartered Accountants
Karachi

Date: February 28, 2022

UDIN: RR202110073Yuf41V6rg

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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>

UNCONSOLIDATED FINANCIAL STATEMENTS

UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
ASSETS			
Non-current assets	Note	----- Rupees in '000 -----	
Property and equipment		7,768	9,113
Intangible assets		96	142
Investment in subsidiary		25,000	25,000
Long-term deposits		412	412
		<u>33,276</u>	<u>34,687</u>
Current assets			
Inventories	5	563,178	502,021
Trade and other receivables	6	325,461	354,703
Prepayments, advances and deposits	7	48,128	15,526
Taxation - payments less provision		44,902	38,653
Tax refunds due from Government - sales tax	8	67,086	67,112
Accrued Interest		151	196
Cash and bank balances		98,138	91,411
		<u>1,147,044</u>	<u>1,069,622</u>
Total assets		<u>1,180,320</u>	<u>1,104,309</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated loss		(914,275)	(862,939)
		<u>3,725</u>	<u>55,061</u>
LIABILITIES			
Non-current liabilities			
Long term borrowing	9	-	12,571
Deferred income - Government grant		-	267
		-	<u>12,838</u>
Current liabilities			
Trade and other payables	10	890,144	729,850
Short-term financing	11	247,921	272,232
Current portion of deferred income - Government grant		676	1,781
Current portion of long-term borrowings	9	28,832	29,344
Unclaimed dividend		353	353
Accrued mark-up		8,669	2,850
		<u>1,176,595</u>	<u>1,036,410</u>
Total Liabilities		<u>1,176,595</u>	<u>1,049,248</u>
Contingency and commitments	12		
Total equity and liabilities		<u>1,180,320</u>	<u>1,104,309</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

Syed Nalleem Ahmed
Chief Executive Officer

Rizwan Ahmad
Director

Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Quarter ended		Half Year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note ----- Rupees in '000 -----				
Revenue from contracts with customers 13	612,214	520,304	1,235,065	1,362,866
Cost of sales	(524,645)	(426,676)	(1,071,193)	(1,134,484)
Gross profit	87,569	93,628	163,872	228,382
Marketing and distribution expenses	(84,593)	(61,962)	(153,537)	(156,979)
Administrative and general expenses	(24,085)	(19,802)	(46,839)	(45,779)
Loss allowance on trade receivables	-	(3,302)	-	(3,302)
Other operating expenses 14	(1,150)	(217)	(4,715)	(2,195)
Other income 15	11,392	34,330	11,419	55,622
(Loss) / Profit from operations	(10,867)	42,675	(29,800)	75,749
Finance costs 16	(5,489)	(11,688)	(16,529)	(27,642)
(Loss) / Profit before income tax	(16,356)	30,987	(46,329)	48,107
Income tax expense	(1,558)	(10,449)	(5,007)	(27,013)
(Loss) / Profit for the period	(17,914)	20,538	(51,336)	21,094
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / profit for the period	(17,914)	20,538	(51,336)	21,094
Basic and diluted (loss) / earnings per share (Rupees)	(0.20)	0.22	(0.56)	0.23

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


Syed Nalleem Ahmed
 Chief Executive Officer


Rizwan Ahmad
 Director


Shariq Ahmed
 Chief Financial Officer



UNITED BRANDS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

		December 31, 2021	December 31, 2020
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	63,434	447,323
Long-term deposit receipt		-	1,800
Income taxes paid		(11,256)	(26,920)
Finance costs paid		(6,513)	(29,014)
Net cash inflow from operating activities		45,665	393,189
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		-	(850)
Interest received		45	-
Net cash generated from / (used in) investing activities		45	(850)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		-	44,940
Repayment of long-term financing		(14,672)	-
Repayment of short-term financing - net		(24,311)	(412,690)
Net cash used in financing activities		(38,983)	(367,750)
Net increase in cash and cash equivalents		6,727	24,589
Cash and cash equivalents at beginning of the period		59,319	11,587
Cash and cash equivalents at end of the period	18	66,046	36,176

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


Syed Nalleem Ahmed
Chief Executive Officer


Rizwan Ahmad
Director


Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Share Capital	Accumulated Loss	Total
----- Rupees in '000 -----			
Balance as at July 1, 2020	918,000	(866,666)	51,334
Total comprehensive profit for the half year ended December 31, 2020	-	21,094	21,094
Balance at December 31, 2020 (unaudited)	918,000	(845,572)	72,428
Balance as at July 1, 2021	918,000	(862,939)	55,061
Total comprehensive loss for the half year ended December 31, 2021	-	(51,336)	(51,336)
Balance at December 31, 2021 (unaudited)	918,000	(914,275)	3,725

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


 Syed Nalleem Ahmed
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Companies Act, 1913. The Company was renamed as UDL Industries Limited on March 16, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was again renamed as United Brands Limited, a public limited company on April 5, 2006 under the repealed Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at 2nd Floor, One IBL Center, Block no. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahra-e-Faisal, Karachi.

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

The principal activities of the Company are trading and distribution of consumer goods and allied products. During the period, the Company has entered into distribution agreement whereby the Company will distribute variety of products of Candyland brand.

2 BASIS OF PREPARATION

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

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

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

These unconsolidated condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2021.



UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

3.1 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

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

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. 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.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual unconsolidated financial statements as at and for the year ended June 30, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2021.



UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
----- Rupees in '000 -----		
5. INVENTORIES		
Raw and packing materials:		
- in hand	23,211	17,201
- in transit	10,672	9,573
	33,883	26,774
Finished goods - manufactured:		
- in hand	12,233	12,005
Trading good:		
- in hand - note 5.1	507,825	404,443
- in transit	9,237	58,799
	517,062	463,242
	563,178	502,021

- 5.1** This includes inventory amounting to Rs. 98.37 million (June 30, 2021: Rs. 71.42 million) which relates to various products of Hayat Kimya. The arrangement has been discontinued on mutual terms. Subsequent to year end, inventories, trade payables balance and claim receivables balance will be settled accordingly.

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
----- Rupees in '000 -----		
6. TRADE AND OTHER RECEIVABLES		
Trade receivables - note 6.1	240,588	243,029
Other receivables - note 6.2	84,873	111,674
	325,461	354,703
6.1 Trade receivables		
Considered good		
- Related parties	295	13
- Others	240,293	243,016
- Considered doubtful	59,431	59,431
	300,019	302,460
Less: Loss allowance on doubtful receivables	(59,431)	(59,431)
	240,588	243,029



UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

(Unaudited) December 31, 2021	(Audited) June 30, 2021
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----- Rupees in '000 -----

6.2 Other receivables

Considered good

- Related parties

- Others - note 6.2.1

13,381	11,983
71,492	99,691
84,873	111,674

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

(Unaudited) December 31, 2021	(Audited) June 30, 2021
-------------------------------------	-------------------------------

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

7. PREPAYMENTS, ADVANCES AND DEPOSITS

Prepayments

Advances - note 7.1

Deposits

837	43
46,861	15,176
430	307
48,128	15,526

7.1 These include advance paid to commercial banks against letter of credit amounting to Rs. 21.52 millions (June 30, 2021: Rs. 6.64 million) as per the BRPD Circular No. 02 of 2017 issued by the SBP under the Banking Companies Ordinance, 1962 for the import of goods.

8. TAX REFUND DUE FROM GOVERNMENT - SALES TAX

This includes an amount of Rs. 70.64 million relating to sales tax paid in the prior periods 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 good 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 millions 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 Custom 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.

4A

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

(Unaudited) December 31, 2021	(Audited) June 30, 2021
-------------------------------------	-------------------------------

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

9. LONG-TERM BORROWING

Balance at beginning of the period	41,915	13,749
Disbursements during the year	-	44,940
Less		
- Deferred income - Government grant	-	(4,516)
- Repayments	(14,672)	(16,409)
Unwinding of discount on salary refinancing	1,589	4,151
Less: Current maturity shown		
Under short-term borrowings	(28,832)	(29,344)
Balance at end of the period	-	12,571
Current portion	28,832	29,344
Long-term portion	-	12,571
	28,832	41,915

10. TRADE AND OTHER PAYABLES

These include Rs. 361.25 million (June 30, 2021: Rs. 225.51 million) payable to related parties.

11. SHORT-TERM FINANCING

- 11.1 These represent short term loans obtained under financing arrangement from commercial banks. These are secured by way of hypothecation charge over inventories and receivables of the company with 25% margin. These are maturing between January and June 2022.

The arrangements carry mark-up ranging from 6 months KIBOR + 0.15% to 6 months KIBOR + 2% (June 30, 2021: 6 months KIBOR + 0.15% to 2.5% and 3 months KIBOR + 1.75%) per annum.

- 11.2 The Company also has an available running finance facility under mark-up arrangements from a commercial bank amounted to Rs. 35 million (June 30, 2021: Rs. 35 million). The arrangements are secured by way of pari passu charge over the inventories and receivables of the Company with 25% margin.

The arrangement carries mark-up at the rate of 2.25% above one month KIBOR (June 30, 2021: 2.25% above one month KIBOR) to be determined on monthly basis.



UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

12. CONTINGENCY AND COMMITMENTS

12.1 Contingency

There have been no significant changes during the period in the contingencies reported in the annual audited financial statements for the year ended June 30, 2021 except as discussed below.

During the period 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 on account of short deduction of tax at the time of making certain payments. Subsequent to year end, the Company has filed an appeal against the aforesaid order before the Commissioner Inland Revenue (Appeals) - (CIRA). The Appeal is currently pending to be heard before CIRA. However, the management based on the opinion of its tax advisor is confident that the outcome will be in favor of the Company. Therefore, no provision has been made in these interim financial statements.

12.2 Commitments

The facilities for opening letter of credit and guarantees as at December 31, 2021 amounted to Rs. 250 million (June 30, 2021: Rs. 450 million) and Rs. 132.09 million (June 30, 2021: Rs. 132.09 million) respectively. The amount remaining unutilised as at reporting date for letter of credit and guarantees were Rs. 227.97 million (June 30, 2021: Rs. 443.15 million) and NIL (June 30, 2021: Nil) respectively.

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

(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
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----- Rupees in '000 -----

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

Gross Revenue	1,526,020	1,722,449
Less:		
- Trade discounts	(41,981)	(42,845)
- Sales return	(37,117)	(79,420)
- Sales tax	(211,857)	(237,318)
	1,235,065	1,362,866



UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
----- Rupees in '000 -----		
14. OTHER OPERATING EXPENSES		
Provision for expired and damaged stock	4,387	2,195
Exchange loss	328	-
	<u>4,715</u>	<u>2,195</u>
	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
----- Rupees in '000 -----		
15. OTHER INCOME		
Income from financial assets		
Profit on savings accounts	160	30
Profit on Term Deposit Receipts	719	-
Income from non-financial assets		
Exchange gain	-	46,892
Deferred income recognised on government grant	1,372	-
Severance payment	-	8,700
Scrap sales	9,168	-
	<u>11,419</u>	<u>55,622</u>
	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
----- Rupees in '000 -----		
16. FINANCE COSTS		
Bank charges	2,608	863
Finance charges on short-term financing	12,332	25,340
Interest expense including impact of unwinding	1,589	1,439
	<u>16,529</u>	<u>27,642</u>

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
----- Rupees in '000 -----		
17. CASH GENERATED FROM OPERATIONS		
Loss before income tax	(46,329)	48,107
Adjustments for non-cash charges and other items		
Depreciation and amortisation	1,410	1,391
Deferred income - Government grant	(1,372)	-
Unwinding of discount on salary refinancing	1,589	1,439
Finance costs	12,333	26,203
Provision for doubtful debts	-	3,116
	13,960	32,149
	(32,369)	80,256
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Inventories	(61,157)	61,518
Trade and other receivables	29,242	275,909
Prepayments, advances and deposits	(32,602)	67,152
Tax refunds due from Government - sales tax	26	848
	(64,491)	405,427
Increase / (decrease) in current liabilities:		
Trade and other payables	160,294	(38,360)
Cash generated from operations	63,434	447,323
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	66,046	56,587
Running finance under mark-up arrangement	-	(20,411)
	66,046	36,176



UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

19. TRANSACTIONS WITH RELATED PARTIES

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

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

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

Nature of relationship	Nature of transactions	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
		----- Rupees in '000 -----	
i. Holding company	- Corporate shared services	6,000	6,000
ii. Associated companies	- Purchases	40,469	72,332
	- Sale of goods	674	216
	- Funds transfer	107,748	78,951
	- Shared costs - note 19.2 cross charged from IBL Operations (Private) Limited.	40,129	47,378
	- Shared costs - note 19.2 cross charged to IBL Operations (Private) Limited.	42,054	8,360
iii. Employees' Provident Fund	Contribution paid	253	551
iv. Key Management Personnel	Salaries and other employee benefits	11,631	9,877
	Fee for attending meetings to Directors	75	376

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

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



Syed Nalleem Ahmed
Chief Executive Officer

Rizwan Ahmad
Director

Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statement were approved and authorised for issue by the Board of Directors of the Company on February 25, 2022.



Syed Nadeem Ahmed
Chief Executive Officer

Rizwan Ahmad
Director

Shariq Ahmed
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
ASSETS			
Non-current assets			
----- Rupees in '000 -----			
Property and equipment		14,062	14,736
Intangible assets		242	452
Investment in subsidiary		-	-
Long-term deposits		2,532	2,532
		<u>16,836</u>	<u>17,720</u>
Current assets			
Inventories	5	690,306	620,883
Trade and other receivables	6	608,778	549,632
Prepayments and advances	7	61,131	22,963
Taxation - payments less provision		31,177	31,843
Tax refunds due from Government - sales tax	8	53,388	74,976
Accrued Interest		151	196
Cash and bank balances		147,655	133,800
		<u>1,592,585</u>	<u>1,434,293</u>
Total assets		<u>1,609,421</u>	<u>1,452,013</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		918,000	918,000
Accumulated loss		(812,605)	(809,170)
		<u>105,395</u>	<u>108,830</u>
LIABILITIES			
Non-current liabilities			
Long term borrowing	9	-	12,571
Deferred grant		-	267
		-	<u>12,838</u>
Current liabilities			
Trade and other payables	10	1,217,576	987,821
Short-term financing	11	247,921	307,621
Current portion of long-term borrowings		28,832	29,344
Current portion of deferred income - Government grant		676	1,781
Unclaimed dividend		353	353
Accrued mark-up		8,669	3,425
		<u>1,504,027</u>	<u>1,330,345</u>
Contingency and commitments	12	1,504,027	1,343,183
Total equity and liabilities		<u>1,609,422</u>	<u>1,452,013</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


Syed Nalleem Ahmed
Chief Executive Officer


Rizwan Ahmad
Director


Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

		Quarter ended		Half year ended	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
----- Rupees in '000 -----					
Revenue from contracts with customers	13	820,997	674,997	1,656,028	1,678,959
Cost of sales and services		(694,999)	(560,485)	(1,396,502)	(1,401,746)
Gross profit		125,998	114,512	259,526	277,213
Marketing and distribution expenses		(99,096)	(68,253)	(183,777)	(166,619)
Administrative and general expenses		(24,085)	(20,108)	(46,839)	(43,708)
Loss allowance on trade receivables		-	(3,302)	-	(3,302)
Other operating expenses	14	(1,150)	(4,414)	(4,715)	(2,195)
Other income	15	12,281	34,701	12,605	56,165
Profit from operations		13,948	53,136	36,800	117,554
Finance costs	16	(5,885)	(11,932)	(17,600)	(27,995)
Profit / (loss) before income tax		8,063	41,204	19,200	89,559
Income tax expense		(9,315)	(14,582)	(22,635)	(36,123)
(Loss) / profit for the period		(1,252)	26,622	(3,435)	53,436
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / profit for the period		(1,252)	26,622	(3,435)	53,436
Basic and diluted (loss) / earnings per share (Rupees)		(0.01)	0.29	(0.04)	0.58

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


Syed Nalleem Ahmed
Chief Executive Officer


Rizwan Ahmad
Director


Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

		December 31, 2021	December 31, 2020
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	12,222	463,253
Long-term deposit receipt		-	1,800
Income taxes paid		(21,969)	(33,476)
Finance costs paid		(12,356)	(30,807)
Net cash inflow from operating activities		87,898	400,770
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		(1,471)	(1,106)
Interest received		1,584	-
Net cash outflow from investing activities		113	(1,106)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(14,455)	46,379
Repayment of short-term financing - net		(59,700)	(407,181)
Net cash outflow from financing activities		(74,155)	(360,802)
Net increase / (decrease) in cash and cash equivalents		13,855	38,862
Cash and cash equivalents at beginning of the period		133,800	27,683
Cash and cash equivalents at end of the period	18	147,655	66,545

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


Syed Nalleem Ahmed
Chief Executive Officer


Rizwan Ahmad
Director


Shariq Ahmed
Chief Financial Officer

UNITED BRANDS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Share Capital	Accumulated Loss	Total
----- Rupees in '000 -----			
Balance as at July 1, 2020	918,000	(871,010)	46,990
Total comprehensive profit for the half year ended December 31, 2020	-	53,436	53,436
Balance at December 31, 2020 (unaudited)	918,000	(817,574)	100,426
Balance as at July 1, 2021	918,000	(809,170)	108,830
Total comprehensive (loss) for the half year ended December 31, 2021	-	(3,435)	(3,435)
Balance at December 31, 2021 (unaudited)	918,000	(812,605)	105,395

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


 Syed Nalleem Ahmed
 Chief Executive Officer


 Rizwan Ahmad
 Director


 Shariq Ahmed
 Chief Financial Officer

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on March 13, 1965 as Batlay Match Industries Limited under the repealed Companies Act, 1913. The Company was renamed as UDL Industries Limited on March 16, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was again renamed as United Brands Limited, a public limited company on April 5, 2006 under the repealed Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at 2nd Floor, One IBL Center, Block no. 7 & 8, Delhi Mercantile Muslim Cooperative Housing Society, Main Shahra-e-Faisal, Karachi.

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

The principal activities of the Company are trading and distribution of consumer goods and allied products. During the period, the Company has entered into distribution agreement whereby the Company will distribute variety of products of Candyland brand.

2. BASIS OF PREPARATION

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

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

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

These consolidated condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2021.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

3.1 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

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

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. 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.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended June 30, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended June 30, 2021.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
----- Rupees in '000 -----		
5. INVENTORIES		
Raw and packing materials:		
- in hand	23,211	78,947
- in transit	10,672	17,201
	33,883	96,148
Finished goods - manufactured:		
- in hand	12,233	31,800
Trading good:		
- in hand - note 5.1	634,953	441,712
- in transit	9,237	51,223
	644,190	492,935
	690,306	620,883
5.1	This includes inventory amounting to Rs. 98.37 million (June 30, 2021: Rs. 71.42 million) which relates to various products of Hayat Kimya. The arrangement has been discontinued on mutual terms. Subsequent to year end, inventories, trade payables balance and claim receivables balance will be settled accordingly.	

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
----- Rupees in '000 -----		
6. TRADE AND OTHER RECEIVABLES		
Trade receivables - note 6.1	486,641	424,395
Other receivables - note 6.2	122,137	125,237
	608,778	549,632
6.1 Trade receivables		
Considered good		
- Related parties	80,356	51,095
- Others	406,284	373,300
- Considered doubtful	60,345	60,345
	546,986	484,740
Less: Loss allowance on doubtful receivables	(60,345)	(60,345)
	486,641	424,395

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

(Unaudited) December 31, 2021	(Audited) June 30, 2021
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6.2 Other receivables

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

Considered good

- Related parties

- Others - note 6.2.1

50,646	25,546
71,492	99,691
122,137	125,237

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

(Unaudited) December 31, 2021	(Audited) June 30, 2021
-------------------------------------	-------------------------------

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

7. PREPAYMENTS, ADVANCES AND DEPOSITS

Prepayments

Advances - note 7.1

Deposits

3,973	43
55,461	22,110
1,697	810
61,131	22,963

- 7.1. These include advance paid to commercial banks against letter of credit amounting to Rs. 21.52 million (June 30, 2021: Rs. 6.64 million) as per the BPRD Circular No. 02 of 2017 issued by the SBP under the Banking Companies Ordinance, 1962 for the import of goods.

8. TAX REFUND DUE FROM GOVERNMENT - SALES TAX

This includes an amount of Rs. 70.64 million relating to sales tax paid in the prior periods 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.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

(Unaudited) December 31, 2021	(Audited) June 30, 2021
-------------------------------------	-------------------------------

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

9. LONG-TERM BORROWING

Balance at beginning of the period	41,915	13,749
Disbursements during the year	-	44,940
Less		
- Deferred income - Government grant	-	(4,516)
- Repayments	(14,672)	(16,409)
Unwinding of discount on salary refinancing	1,589	4,151
Less: Current maturity shown under short-term borrowings	(28,832)	(29,344)
Balance at end of the period	-	12,571
Current portion	28,832	29,344
Long-term portion	-	12,571
	28,832	41,915

10. TRADE AND OTHER PAYABLES

These include Rs. 361.25 million (June 30, 2021: Rs. 225.51 million) payable to related parties.

11. SHORT-TERM FINANCING

- 11.1 These represent short term loans obtained under financing arrangement from commercial banks. These are secured by way of hypothecation charge over inventories and receivables of the Company with 25% margin. These are maturing between January and June 2022.

The arrangements carry mark-up ranging from 6 months KIBOR + 0.15% to 6 months KIBOR + 2% (June 30, 2021: 6 months KIBOR + 0.15% to 2.5% and 3 months KIBOR + 1.75%) per annum.

- 11.2 The Company also has an available running finance facility under mark-up arrangements from a commercial bank amounted to Rs. 35 million (June 30, 2021: Rs. 35 million). The arrangements are secured by way of pari passu charge over the inventories and receivables of the Company with 25% margin.

The arrangement carries mark-up at the rate of 2.25% above one month KIBOR (June 30, 2021: 2.25% above one month KIBOR) to be determined on monthly basis.

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

12. CONTINGENCY AND COMMITMENTS

12.1 Contingency

There have been no significant changes during the period in the contingencies reported in the annual audited financial statements for the year ended June 30, 2021 except as discussed below

During the period 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 on account of short deduction of tax at the time of making certain payments. Subsequent to year end, 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 interim financial statements.

12.2 Commitments

The facilities for opening letter of credit and guarantees as at December 31, 2021 amounted to Rs. 250 million (June 30, 2021: Rs. 450 million) and Rs. 132.09 million (June 30, 2021: Rs. 132.09 million) respectively. The amount remaining unutilised as at reporting date for letter of credit and guarantees were Rs. 227.97 million (June 30, 2021: Rs. 443.15 million) and Nil (June 30, 2021: Nil) respectively.

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

(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
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----- Rupees in '000 -----

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from

- Goods	1,684,482	1,826,327
- Services	333,149	255,333

Less:

- Trade discounts	(58,856)	(71,869)
- Sales return	(40,830)	(79,420)
- Sales tax	(211,857)	(237,318)
- Provisional Sales tax	(50,061)	(14,094)

1,656,028	1,678,959
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UNITED BRANDS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
	----- Rupees in '000 -----	
14. OTHER OPERATING EXPENSES		
Provision for expired and damaged stock	4,387	2,195
Exchange loss	328	-
	4,715	2,195
	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
	----- Rupees in '000 -----	
15. OTHER INCOME		
Income from financial assets		
Profit on savings accounts	819	30
Profit on term Deposit Receipts	719	-
Income from non-financial assets		
Exchange gain	527	47,435
Deferred income recognised on government grant	1,372	-
Severance payment	-	8,700
Scrap sales	9,168	-
	12,605	56,165
	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
	----- Rupees in '000 -----	
16. FINANCE COSTS		
Bank charges	2,608	1,216
Finance charges on short-term financing	12,332	25,340
Interest expense including impact of unwinding	1,589	1,439
	16,529	27,995

UNITED BRANDS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
----- Rupees in '000 -----		
17. CASH GENERATED FROM OPERATIONS		
Profit before income tax	19,200	89,559
Adjustments for non-cash charges and other items		
Depreciation and amortisation	2,355	1,391
Finance costs	17,600	27,995
Interest income	(1,538)	-
	18,417	29,386
	37,617	118,945

Effect on cash flow due to working capital changes

Decrease / (increase) in current assets:

Inventories	(69,423)	83,503
Trade and other receivables	(59,146)	255,968
Prepayments, advances and deposits	(38,168)	56,269
Tax refunds due from Government - sales tax	21,588	956

(145,149) 396,696

Increase / (decrease) in current liabilities:

Trade and other payables	229,755	(52,388)
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Cash generated from operations

122,222 **463,253**

	(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
----- Rupees in '000 -----		

18. CASH AND CASH EQUIVALENTS

Cash and bank balances	147,655	86,956
Running finance under mark-up arrangement	-	(20,411)
	147,655	66,545

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

19. TRANSACTIONS WITH RELATED PARTIES

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

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

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

		(Unaudited) December 31, 2021	(Unaudited) December 31, 2020
		----- Rupees in '000 -----	
Nature of relationship	Nature of transactions		
i. Holding company	- Corporate shared services	6,000	6,000
ii. Associated companies	- Purchases	40,469	68,625
	- Sale of goods	674	216
	- Funds transfer	107,748	78,951
	- Shared costs - note 19.2 cross charged from IBL Operations (Private) Limited.	66,558	47,378
	- Shared costs - note 19.2 cross charged to IBL Operations (Private) Limited.	42,054	8,360
iii. Employees' Provident Fund	Contribution paid	1,917	793
iv. Key Management Personnel	Salaries and other employee benefits	11,631	15,045
	Fee for attending meetings to Directors	98	376
19.2	The Company has an agreement with IBL Operations (Private) Limited - associated company, for sharing of expenses relating to sales and administrative infrastructure.		
19.3	There are certain assets in the books of an associated company IBL Operations (Private) Limited which are being commonly used by both the companies.		

UNITED BRANDS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM

FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

20. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on February 25,2022.



Syed Nalleem Ahmed
Chief Executive Officer



Rizwan Ahmad
Director



Shariq Ahmed
Chief Financial Officer

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