



# UNILEVER PAKISTAN FOODS LIMITED

---

CONDENSED INTERIM FINANCIAL INFORMATION  
FOR QUARTER ENDED MARCH 31, 2015



# UNILEVER PAKISTAN FOODS LIMITED

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Kamran Y. Mirza	Independent Director & Chairman of the Board
Ms. Fariyha Subhani	Executive Director & Chief Executive
Mr. Ali Tariq	Executive Director & CFO
Mr. Ehsan A. Malik	Executive Director
Mr. Zulfikar Monnoo	Non-Executive Director
Mian M. Adil Monnoo	Non-Executive Director
Mr. Kamal Monnoo	Non-Executive Director
Mr. Badruddin F. Vellani	Non-Executive Director
Ms. Shazia Syed	Non-Executive Director

### COMPANY SECRETARY

Mr. Amar Naseer

### AUDIT COMMITTEE

Mr. Zulfikar Monnoo	Chairman & Member
Mian M. Adil Monnoo	Member
Mr. Badruddin F. Villani	Member
Mr. Kamran Y. Mirza	Member
Mr. Azhar Shahid	Secretary & Head of Internal Audit

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Zulfikar Monnoo	Chairman & Member
Mr. Kamal Monnoo	Member
Mr. Ehsan A. Malik	Member
Mr. Amar Naseer	Company Secretary

### AUDITORS

Messrs KPMG TASEER HADI & CO.  
Chartered Accountants.  
Sheikh Sultan Trust Building No. 2,  
Beaumont Road Karachi - 75530  
Pakistan

### REGISTERED OFFICE

Avari Plaza  
Fatima Jinnah Road  
Karachi - 75530

### SHARE REGISTRATION

Share Registrar Department,  
**Central Depository Company of Pakistan Limited,**  
CDC House, 99-B, Block "B", S.M.C.H.S,  
Main Shahra-e-Faisal, Karachi - 74400

### WEBSITE ADDRESS

[www.unileverpakistan.com.pk](http://www.unileverpakistan.com.pk)  
[www.unileverpakistanfoods.com.pk](http://www.unileverpakistanfoods.com.pk)

# UNILEVER PAKISTAN FOODS LIMITED

## Directors' Review

The directors are pleased to present the financial information for the three months ended March 31, 2015.

Sales grew by 9.5% on the back of innovations and strong brand equity. Gross Margin reduced by 104bps vs. same period last year due to adverse sales mix and costs incurred to strengthen formulations. Due to higher investment in innovations, EPS grew by 1%.

Financial Highlights	Three Months ended March 31,		Increase %
	2015	2014	
	Rs '000		
Net Sales	2,136,441	1,951,390	9.5%
Profit before Taxation	424,516	423,427	0.3%
Profit after Taxation	296,711	293,458	1.1%
Earnings per Share (Rs.)	48.19	47.66	1.1%

## Future Outlook

The political, operating and economic environment continues to pose challenges for the business in general, despite improvement in some key economic indicators. We will continue to drive our agenda of improving consumer lives through relevant innovations and stronger brand equity.

On behalf of the Board

Kamran Y. Mirza  
Chairman

Karachi  
April 17, 2015

# UNILEVER PAKISTAN FOODS LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

	Note	Unaudited March 31, 2015 (Rupees in thousand)	Audited December 31, 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,854,453	1,803,992
Intangible assets		81,637	81,637
Long term loans		13,342	17,855
Retirement benefit - prepayment		1,776	1,776
		<u>1,951,208</u>	<u>1,905,260</u>
<b>Current assets</b>			
Stores and spares		21,004	25,682
Stock in trade		946,182	849,057
Trade debts		320,731	204,351
Loans and advances		23,567	16,077
Trade deposits and short term prepayments		53,964	60,067
Other receivables		50,154	51,901
Taxation- net		218,480	173,843
Sales tax refundable		-	42,690
Cash and bank balances		137,995	137,024
		<u>1,772,077</u>	<u>1,560,692</u>
<b>Total assets</b>		<u><b>3,723,285</b></u>	<u><b>3,465,952</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		61,576	61,576
Reserves		1,018,533	721,822
		<u>1,080,109</u>	<u>783,398</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Retirement benefits - obligation		1,853	1,368
Deferred taxation		110,414	110,870
		<u>112,267</u>	<u>112,238</u>
<b>Current liabilities</b>			
Trade and other payables		2,222,703	2,518,818
Provision	5	23,130	21,791
Accrued interest / mark-up		4,937	757
Short term borrowings		227,519	28,950
Sales tax payable		52,620	-
		<u>2,530,909</u>	<u>2,570,316</u>
<b>Total liabilities</b>		<u><b>2,643,176</b></u>	<u><b>2,682,554</b></u>
<b>Total equity and liabilities</b>		<u><b>3,723,285</b></u>	<u><b>3,465,952</b></u>
<b>Contingencies and commitments</b>	6		

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

**Fariyha Subhani**  
Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer

**UNILEVER PAKISTAN FOODS LIMITED**

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**

**FOR THE THREE MONTHS ENDED MARCH 31, 2015 - UNAUDITED**

	March 31, 2015 (Rupees in thousand)	March 31, 2014
Sales	2,136,441	1,951,390
Cost of sales	<u>(1,261,855)</u>	<u>(1,132,113)</u>
Gross profit	874,586	819,277
Distribution cost	(389,347)	(337,009)
Administrative expenses	(36,551)	(36,425)
Other operating expenses	(31,967)	(31,653)
Other income	<u>17,219</u>	<u>14,125</u>
<b>Profit from operations</b>	<b>433,940</b>	<b>428,315</b>
Finance cost	<u>(9,424)</u>	<u>(4,888)</u>
<b>Profit before taxation</b>	<b>424,516</b>	<b>423,427</b>
Taxation		
- current	<span style="border: 1px solid black;">(128,260)</span>	<span style="border: 1px solid black;">(130,908)</span>
- deferred	<span style="border: 1px solid black;">455</span>	<span style="border: 1px solid black;">939</span>
	<u>(127,805)</u>	<u>(129,969)</u>
<b>Profit after taxation</b>	<b>296,711</b>	<b>293,458</b>
Other comprehensive income	<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>	<b><u>296,711</u></b>	<b><u>293,458</u></b>
Basic and diluted earnings per share (Rupees)	<u><b>48.19</b></u>	<u><b>47.66</b></u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

**Fariyha Subhani**  
Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer

**UNILEVER PAKISTAN FOODS LIMITED**

**CONDENSED INTERIM CASH FLOW STATEMENT**

**FOR THE THREE MONTHS ENDED MARCH 31, 2015 - UNAUDITED**

	Note	March 31, 2015	March 31, 2014
		(Rupees in thousand)	
Cash generated from operations		37,718	707,678
Mark-up paid on short term borrowings		(1,580)	(3,302)
Income tax paid		(172,441)	(101,434)
Decrease in long term loans		4,513	2,289
Increase in retirement benefits obligations		485	252
Net cash (used in) / generated from operating activities		(131,305)	605,483
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(70,900)	(32,206)
Return received on savings and deposit accounts		4,607	4,591
Net cash used in investing activities		(66,293)	(27,615)
<b>CASH FLOW USED IN FINANCING ACTIVITY</b>			
		-	-
Net (decrease) / increase in cash and cash equivalents		(197,598)	577,868
Cash and cash equivalents at the beginning of the period		108,074	258,593
Cash and cash equivalents at the end of the period	7	(89,524)	836,461

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

**Fariyha Subhani**  
Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer

**UNILEVER PAKISTAN FOODS LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2015 - UNAUDITED**

	SHARE CAPITAL	RESERVES				SUB TOTAL	TOTAL
		CAPITAL		REVENUE			
		Share Premium	Special	General	Unappropriated Profit		
← (Rupees in thousand) →							
Balance as at January 1, 2015	61,576	24,630	628	138	696,426	721,822	783,398
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	296,711	296,711	296,711
<b>Balance as at March 31, 2015</b>	<b>61,576</b>	<b>24,630</b>	<b>628</b>	<b>138</b>	<b>993,137</b>	<b>1,018,533</b>	<b>1,080,109</b>
Balance as at January 1, 2014	61,576	24,630	628	138	362,757	388,153	449,729
Total comprehensive income for the three months ended March 31, 2014	-	-	-	-	293,458	293,458	293,458
<b>Balance as at March 31, 2014</b>	<b>61,576</b>	<b>24,630</b>	<b>628</b>	<b>138</b>	<b>656,215</b>	<b>681,611</b>	<b>743,187</b>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

**Fariyha Subhani**  
Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer

# UNILEVER PAKISTAN FOODS LIMITED

## SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 2015 – UNAUDITED

### 1. BASIS OF PREPARATION

This condensed interim financial information of Unilever Pakistan Foods Limited (the Company) for the three months ended March 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard No. 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

### 2. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2014.

### 3. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements as at and for the year ended December 31, 2014.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2014.

<b>Unaudited</b>	<b>Audited</b>
<b>March 31,</b>	<b>December 31,</b>
<b>2015</b>	<b>2014</b>

(Rupees in thousand)

### 4. PROPERTY, PLANT AND EQUIPMENT

Operating assets - at net book value	<b>1,077,929</b>	995,280
Capital work in progress - at cost	<b>776,524</b>	808,712
	<b><u>1,854,453</u></b>	<b><u>1,803,992</u></b>



4.1 Additions of operating assets during the period are as follows:

	<b>Additions (at cost)</b>	
	<b>March 31, 2015</b>	March 31, 2014
	(Rupees in thousand)	
Building on freehold land	<b>95,640</b>	10,060
Plant and machinery	-	10,542
Furniture and Fixtures	<b>5,957</b>	-
	<b>101,597</b>	<b>20,602</b>

	<b>Unaudited</b>	Audited
	<b>March 31, 2015</b>	December 31, 2014
<b>5. PROVISIONS</b>		
Sindh Infrastructure Cess - note 5.1	<b>16,117</b>	14,778
Restructuring	<b>7,013</b>	7,013
	<b>23,130</b>	<b>21,791</b>

5.1 The change represents provision made during the period.

**6. CONTINGENCIES AND COMMITMENTS**

**6.1 Contingencies**

There has been no change in status of contingency reported in the financial statements for the year ended December 31, 2014.

**6.2 Commitments**

The commitments for capital expenditure outstanding as at March 31, 2015 amounted to Rs. 79.33 million (December 31, 2014: Rs. 166.72 million).

	<b>Unaudited</b>	Unaudited
	<b>March 31, 2015</b>	March 31, 2014
	(Rupees in thousand)	
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>137,995</b>	836,461
Short term borrowings	<b>(227,519)</b>	-
	<b>(89,524)</b>	<b>836,461</b>

## 8. RELATED PARTY TRANSACTIONS

Significant related party transactions during the period are as follows:

<b>Relationship with the company</b>	<b>Nature of transactions</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
(Rupees in thousand)			
i) Holding company	Royalty	<b>36,597</b>	64,248
ii) Other related parties	Technology fee	<b>23,382</b>	32,339
	Purchase of goods	<b>462,499</b>	388,242
	Sale of goods	<b>55,719</b>	5,145
	Fee for receiving of services from related parties	<b>53,913</b>	51,454
	Fee for providing of services to related parties	<b>7,211</b>	6,904
	Contribution to:		
	- Defined Contribution plan	<b>5,930</b>	3,881
	- Defined Benefit plans	<b>4,326</b>	-
	Settlement on behalf of:		
	- Defined Contribution plan	<b>7,042</b>	977
	Receipts from / on behalf of Defined Contribution plan	<b>6,121</b>	787
	Receipts from / on behalf of Defined Benefit plan	<b>1,689</b>	-
iii) Key management personnel	Salaries and other short-term employee benefits	<b>1,633</b>	2,253

## 9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 17, 2015 by the Board of Directors of the Company.

**Fariyha Subhani**  
Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer



Unilever Pakistan Foods Limited  
Avari Plaza , Fatima Jinnah Road,  
Karachi-75530  
T: +92 21 35660062-9  
F: +92 21 35681705  
[www.unileverpakistan.com.pk](http://www.unileverpakistan.com.pk)  
[www.unileverpakistanfoods.com.pk](http://www.unileverpakistanfoods.com.pk)