Financial Statements of

UNILEVER CARIBBEAN LIMITED

December 31, 2020
(Expressed in Trinidad and Tobago Dollars)

UNILEVER CARIBBEAN LIMITED

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Statement of Management Responsibilities
Unilever Caribbean Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Unilever Caribbean Limited (the Company), which comprise the statement of financial position as at December 31, 2020, the statement of profit or loss, statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;

- Ensuring that the Company keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud and the achievement of the Company's operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Jean-Marc Mouttet, Managing Director

Tim Grothauzen, Finance Director

Date: 30 March, 2021

Date: 30 March, 2021

Independent Auditors' Report
To the Shareholders of Unilever Caribbean Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Unilever Caribbean Limited ("the Company"), , which comprise the statement of financial position as at December 31, 2020, the statement of profit or loss, statement of comprehensive income, statement of changes in equity, and statement of cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago and we have fulfilled our other ethical responsibilities in accordance with these requirements.
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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Revenue recognition

Key audit matter	**How our audit addressed the key audit matter**
Refer to Note 4 (p) and Note 17 The Company recognises revenue when control of products has been transferred to the customer. Indicators that the Company typically considers in determining transfer of control include legal title, physical possession and significant risks and rewards of ownership. We identified revenue recognition to be a key audit matter because revenue is one of the key performance indicators for the Company and therefore there is an inherent risk of manipulation of the timing and recognition of revenue by management to meet performance expectations.	Our audit procedures included, among others: • obtaining an understanding of the Company's revenue recognition procedures and assessing the design, implementation and operating effectiveness of key internal controls over the recognition of revenue; • assessing the operating effectiveness of those IT controls which we considered to be critical to the timing of revenue recognition; • challenging management assumptions used as the basis for preparing journal entries affecting revenue raised by comparing the details of the entries with relevant underlying documentation; • Challenging management judgements around sales cut off by tracing a sample of sales transactions around the financial year end to underlying documentation, which included goods delivery notes and/ or shipping documents. • evaluating the adequacy of the financial statement disclosures of key assumptions, judgements and sensitivities.

Revenue recognition – Rebates

Key audit matter	**How our audit addressed the key audit matter**
Refer to Note 3 (v) Revenue is measured net of rebates, price reductions, incentives given to customers, promotional couponing and trade communication costs (''discounts''). Certain discounts for goods sold in the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. The variable consideration represents the portion of discounts that are not directly deducted on the invoice and is complex as a result of diversity in the terms in contractual arrangements with customers. The	Our audit procedures in this area included, among others: • obtaining an understanding of the Company's rebates accrual procedures, evaluated the design and implementation of certain controls related to the revenue process, particularly controls over the rebate agreements, calculation of the rebate accrual, rebate payments and the Company's review over the rebate accrual. • evaluating the historical accuracy of the Company's assessment of rebate accruals, as a basis for developing and forming an expectation of the year end rebate accrual. We undertook further corroborative evidence by comparing this

unsettled portion of the variable consideration results in discounts due to customers per 31 December 2020 ("rebate accrual"). Due to the fact that the terms in contractual arrangements vary from customer to customer, we have determined rebate accrual to be a key audit matter. There is also a risk that revenue may be overstated due to fraud through manipulation of the rebate accrual recognised resulting from the pressure management may feel to achieve performance targets.	expectation to the actual rebate accrual, and agreeing these to underlying documentation as appropriate. . • challenging the Company's judgement by testing a sample of rebate accruals after 31 December 2020 and assessed whether the accrual is recorded in the proper period. • Tested a selection of credit notes made after 31 December 2020 and, where relevant, compared the credit note to the related rebate accrual. • challenging management's underlying assumptions and rationale, including tying to supporting documents, manual journals for unusual or irregular transactions, recorded to revenue. • evaluating the adequacy of the financial statement disclosures of key assumptions, judgements and sensitivities. .

Key Audit Matters (continued)

Measurement of expected credit losses on trade and other receivables

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Refer to Note 4 (f), Note 6 and Note 12

The valuation of trade receivables requires management judgement due to the credit risks associated with each individual trade receivable. Gross trade receivables amounted to $56, million (net - $53.9 million).

Management assesses the recoverability of trade receivables by reviewing customers' aging profile, assessing forward looking economic information, credit history and status of subsequent settlement, and determines whether an impairment provision is required.

The determination of Expected Credit Loss (ECL) is highly subjective and requires management to make significant judgements and assumptions.

We considered this to be a key audit matter because of the subjective judgements by management in determining the necessity for, and then estimating the size of, allowances against trade receivables.</td><td>Our audit procedures in this area included, among others:

• obtaining an understanding of the Company's credit control procedures and assessing the design, implementation of key internal controls over granting of credit to customers;

Engaging our own financial risk management specialists to challenge the Company's methods and assumptions by:

• testing a sample of the data used in the model to the underlying accounting records
.
• evaluating the ECL model calculations, agreeing the data inputs and checking the mathematical accuracy of the calculations.

• assessing the Company's methods and assumptions by applying industry experience and external data sources and comparing these with the methods and assumptions used by the Company;

• evaluating the adequacy of the financial statement disclosures of key assumptions, judgements and sensitivities.</td></tr>
</table>

Key Audit Matters (continued)

Fair valuation of Plan assets

The key audit matter	How the matter was addressed in our audit
Refer to Notes 4 (m), 9 and 12 to the financial statements. The Company operates a defined benefit pension plan scheme. Within the defined benefit pension plan are several unquoted bonds. The valuation of these bonds, using significant unobservable inputs, requires judgement in determining the appropriate valuation methodology, data and assumptions. The need for judgements and estimations to be applied when valuing unquoted bonds, and in the choice of valuation methodology, has led us to consider this to be a key audit matter.	Our audit procedures in this area, included: • testing the design and implementation of the Company's controls around the valuation of the unquoted bonds. • involving our own valuation specialist to support us in challenging the valuations produced by the Company, and the methodology used to values the unquoted bonds. In particular: - the methodologies adopted and key assumptions used in valuing the unquoted bonds, and comparing these to our own industry experience and external data sources; - challenged key assumptions by independently pricing a sample of bonds and comparing the results of our independent pricing to the fair value estimate developed by the Company; and - assessing the appropriateness of the methods and assumptions used to develop the fair value estimate by reference to the requirements of the accounting standards • compared the Company's accounting policies and disclosures with the requirements of the relevant accounting standards. • evaluating the adequacy of the financial statement disclosures of key assumptions, judgements and sensitivities.

Key Audit Matters (continued)

Valuation of employee benefits obligation

Key audit matter	How our audit addressed the key audit matter
Refer to Notes 4(m) and Note 9 viii (a) iv. The Company operates a defined benefit pension plan scheme. The estimation of the retirement benefit obligation is based on assumptions and judgements whereby minor changes in these assumptions can have a significant impact on the valuation of the retirement benefit obligation. The use of assumptions and judgments increases the risk that the estimate of the retirement benefit obligation can be materially misstated and required special audit consideration. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of the defined benefit obligations has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements note 9 (vii) disclose the sensitivity estimated by the Company. We have, on that basis, considered this to be a key audit matter.	Our audit procedures in this area, included: • testing both the design and implementation, of the Company's controls applicable to the development of the estimate of the retirement benefit obligation. • involved our own actuarial specialist to support us in challenging the key assumptions applied (discount rate, inflation rate, and mortality rate) including a comparison of key assumptions against market data. • Assessing the reasonableness of the data used in the estimate by selecting a sample of the underlying data and corroborating this with the underlying source records. • assessed the sensitivity of the defined benefit obligation to changes in certain assumptions. • assessed the competence, independence and integrity of the Company's actuarial expert. • assessing the appropriateness of the methodology adopted by reference to the requirements of the relevant accounting standards; • considered adequacy of the Company's disclosures in respect of the sensitivity of the net surplusto changes in key assumptions. • evaluating the adequacy of the financial statement disclosures of key assumptions, judgements and sensitivities.

Key Audit Matters (continued)

Carrying value of Plant and Machinery

Key audit matter	How our audit addressed the key audit matter
Refer to Notes 4(d), Note 8 and Note 29. In 2019, the Company restructured its operations, which resulted in certain assets being impaired or written off. In the current year, the Company has engaged a third party valuator, to determine the fair value of these assets. The inherent uncertainty and judgement involved in determining the appropriate assumptions, and the significant value of the assets, led us to deem this area as a key audit matter.	Our audit procedures included: • Testing both the design and implementation, of the Company's controls applicable to the estimation of fair value for these assets. Involving our own valuation specialists, to help us challenge assess the methods, assumptions and judgments adopted by the Company, to develop the estimate. In particular: • Challenging the assumptions used in the depreciable cost models by forming an expectation of the assumptions in light of our knowledge of the entity and experience of the industry in which the Company operates in. • Challenging the reasonableness of the data used in the estimate by selecting a sample of the underlying data and corroborating this with the underlying source records. • Comparing the Company's accounting policies and disclosures with the requirements of the relevant accounting standards. • Evaluating the adequacy of the financial statement disclosures.

Key Audit Matters (continued)

Fair value of Land and Building

Key audit matter	How our audit addressed the key audit matter
Refer to Notes 4(c), Note 8 and Note 29. The Company owns Land and Buildings that are carried at fair value. The determination of the fair value is an area where management judgments and assumptions could impact the values significantly. Such assumptions are complex and use significant unobservable inputs.	Our audit procedures in this area, included: • Testing the design and implementation, and operating effectiveness of the Company's controls around the determination of the fair value of the land and building Involving our own valuation specialist, to help us challenge the methods and assumptions adopted by the Company, by: • Applying on our industry experience and external data sources to compare these with the methods and

The effect of these matters could impact our materiality threshold for the financial statements as a whole. We therefore considered the fair value measurement of land and building as a significant risk requiring special audit consideration, and thus a key audit matter.	assumptions used by the Company; • Independently pricing a sample of comparative land and building and comparing the results to the fair value estimate developed by the Company; • Performing market research of lease transactions and listings of properties similar to the Company otherwise held in Trinidad and Tobago based on comparable listings and characteristics. • Assessing the appropriateness of the methods and assumptions used to develop the fair value estimate by reference to the requirements of the accounting standards; • Performing an independent estimate using the Replacement Cost New Less Depreciation Approach (RCNLD) for the land and building and compared to Management's estimate of fair value. • Comparing the Company's accounting policies and disclosures with the requirements of the relevant accounting standards. • Evaluating the adequacy of the financial statement disclosures of key assumptions, judgements and sensitivities.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The 2020 Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the 2020 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Company's financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate treats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 in charge on the audit resulting in this independent auditors' report is Dushyant Sookram.

KPMG

Chartered Accountants

Port of Spain
Trinidad and Tobago
March 31, 2021

UNILEVER CARIBBEAN LIMITED

Statement of Financial Position

December 31, 2020
(Expressed in Trinidad and Tobago Dollars)

	Notes	2020	2019
		$'000	$'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	65,802	66,002
Retirement benefit asset	9	109,505	91,017
Deferred tax asset	10	15,156	15,678
		190,463	172,697
Current assets			
Inventories	11	25,757	45,000
Taxation recoverable		9,559	9,703
Trade and other receivables	12	91,837	108,211
Due from related companies	13	43,574	103,063
Cash at bank and in hand		75,384	23,705
		246,111	289,682
Total assets		436,574	462,379
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	14	26,244	26,244
Property revaluation surplus		36,568	35,643
Retained earnings		228,775	198,346
Total equity		291,587	260,233
LIABILITIES			
Non-current liabilities			
Retirement and termination benefit obligation	9	9,362	10,777
Lease liabilities	27	-	364
Deferred tax liabilities	10	35,284	25,917
		44,646	37,058
Current liabilities			
Trade and other payables	15	53,922	81,006
Lease liabilities	5	136	9,872
Due to related companies	13	39,395	38,005
Provisions for other liabilities	16	6,888	36,205
		100,341	165,088
Total liabilities		144,987	202,146
Total equity and liabilities		436,574	462,379

The notes on pages 17 to 77 are an integral part of these financial statements.

On March 30, 2021 the Board of Directors of Unilever Caribbean Limited authorised these financial statements for issue.

_________________________ Director _________________________ Director

UNILEVER CARIBBEAN LIMITED

Statement of Profit or Loss

Year ended December 31, 2020
(Expressed in Trinidad and Tobago Dollars)

	Notes	2020	2019
		$'000	**$'000**
Continuing operations			
Revenue	17	290,009	284,548
Cost of sales		(159,643)	(179,194)
Gross profit		130,366	105,354
Expenses			
Selling and distribution costs		(83,850)	(76,227)
Administrative expenses		(25,858)	(26,809)
Impairment gain (loss) on trade receivables	12	1,176	(1,235)
Gain (loss) on disposal of plant and equipment		185	(619)
		(108,347)	(104,890)
Operating profit		22,019	464
Restructuring cost	18	(555)	(103,744)
Operating profit (loss) after restructuring costs		21,464	(103,280)
Finance (expense)/income – net	20	(239)	419
Other income		3,724	3,796
Profit (loss) before tax		24,949	(99,065)
Taxation (expense) credit	21	(6,342)	23,548
Profit (loss) from continuing operations		18,607	(75,517)
Profit (loss) from discontinued operations, net of tax	30	-	(418)
Profit (loss) for the year		18,607	(75,935)
Earnings per share for profit attributable to the equity holders of the Company during the year			
Basic and diluted earnings per share			
- Continuing operations		$0.71	($2.88)
- Discontinued operations		-	($0.01)
- Basic and diluted earnings per ordinary share	22	$0.71	($2.89)

The notes on pages 17 to 77 are an integral part of these financial statements.

UNILEVER CARIBBEAN LIMITED

Statement of Comprehensive Income

Year ended December 31, 2020

(Expressed in Trinidad and Tobago Dollars)

	Notes	2020 $'000	2019 $'000
Profit (loss) for the year		18,607	(75,935)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property	8	1,322	-
Tax on revaluation of property	10	(397)	-
Re-measurements of retirement and termination benefit obligation	9	16,889	30,970
Tax on re-measurement of retirement and termination benefit obligations	10	(5,067)	(9,291)
Other comprehensive income net of tax		12,747	21,679
Total comprehensive income (loss)		31,354	(54,256)

The notes on pages 17 to 77 are an integral part of these financial statements.

UNILEVER CARIBBEAN LIMITED

Statement of Changes in Equity

December 31, 2020
(Expressed in Trinidad and Tobago Dollars)

	Note	Stated Capital $'000	Property Revaluation Surplus $'000	Retained Earnings $'000	Total Equity $'000
Year ended December 31, 2019					
Balance at January 1, 2019		26,244	35,643	309,722	371,609
Adjustment on initial application of IFRS 16		-	-	(171)	(171)
Adjusted balance at January 1, 2019		26,244	35,643	309,551	371,438
Total comprehensive income					
Loss for the year		-	-	(75,935)	(75,935)
Other comprehensive income		-	-	21,679	21,679
Total comprehensive loss		-	-	(54,256)	(54,256)
Transaction with owners of the Company					
Dividends	23	-	-	(56,949)	(56,949)
Balance at December 31, 2019		**26,244**	**35,643**	**198,346**	**260,233**
Year ended December 31, 2020					
Balance at January 1, 2020		26,244	35,643	198,346	260,233
Total comprehensive income					
Income for the year		-	-	18,607	18,607
Other comprehensive income		-	925	11,822	12,747
Total comprehensive income		-	925	30,429	31,354
Balance at December 31, 2020		**26,244**	**36,568**	**228,775**	**291,587**

The notes on pages 17 to 77 are an integral part of these financial statements.

UNILEVER CARIBBEAN LIMITED
Statement of Cash Flows

Year ended December 31, 2020
(Expressed in Trinidad and Tobago Dollars)

	Notes	2020	2019
		$'000	**$'000**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) for the year		18,607	(75,935)
Adjustments for:			
Depreciation	8	10,768	17,811
Interest expense	20	392	990
(Gain)/Loss on disposal of and impairment losses on property, plant and equipment		(9,634)	68,354
Impairment change-inventories	18	-	13,755
Net pension cost	9	861	(11,681)
Contributions paid	9	(3,875)	(8,140)
Interest income	20	(153)	(1,409)
Taxation expense (credit)	21	6,342	(23,687)
Operating profit (loss) before working capital changes		23,308	(19,942)
Changes in:			
- Inventories		19,243	(17,761)
- Trade and other receivables		18,840	(20,775)
- Due from related companies		59,488	66,838
- Trade and other payables		(26,662)	1,546
- Provisions for other liabilities		(29,317)	9,412
- Due to related companies		1,390	12,756
Cash from operating activities		66,290	32,074
Interest paid	20	(392)	(990)
Taxation paid		(1,773)	(1,793)
Net cash generated from operating activities		64,125	29,291
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		153	1,409
Purchase of plant and equipment	l	(2,106)	(2,134)
Proceeds from sale of PPE		29	-
Net cash used in investing activities		(1,924)	(725)
CASH FLOWS FINANCING ACTIVITIES			
Dividends paid	23	-	(56,949)
Payment of lease liabilities	27	(10,522)	(11,505)
Net cash used in financing activities		(10,522)	(68,454)
Increase (decrease) in cash and cash equivalents		51,679	(39,888)
Cash and cash equivalents at beginning of year		23,705	63,593
Cash and cash equivalents at end of year		75,384	23,705
Represented By:			
Cash at bank and in hand		75,384	23,705

The notes on pages 17 to 77 are an integral part of these financial statements.

1. General Information

Unilever Caribbean Limited ('the Company') was incorporated in the Republic of Trinidad and Tobago in 1929, and its registered office is located at Eastern Main Road, Champs Fleurs. The Company is a public limited liability company and is listed on the Trinidad and Tobago Stock Exchange. The principal business activity is the sale of home care, personal care and food products. The Company is a subsidiary of Unilever Overseas Holdings AG (50.01% of shares held), which is a wholly owned subsidiary of Unilever PLC, a company incorporated in the United Kingdom.

Discontinued operations are excluded from the results of the continuing operations and presented as profit and loss from discontinued operations (Note 30).

2. Basis of Accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by:

- The revaluation of freehold properties;
- Net defined benefit asset (obligation) is recognised at fair value of plan assets, adjusted by re-measurements through other comprehensive income (OCI), less the present value of the defined benefit obligation adjusted by experience gains (losses) on revaluation, limited as explained in Note 4(m) and Note 9.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to meet the mandatory repayment terms of its current liabilities. The Company has recognised income of $18.6M after tax for the year ended December 31, 2020 and as at that date, current assets exceed current liabilities by $145.7M.

3. Use of Accounting Estimates and Judgements

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses and contingent assets and liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year to amounts reported as at and for the year ended December 31st, 2020 is included below:

(i) Allowance for expected credit losses (ECL) – trade receivables

Trade receivables are evaluated for impairment on the basis described in accounting policy 4(f) (i).

Management exercises judgement in determining the adequacy of provisions established for accounts receivable balances. Judgement is used in the measurement of ECLs for trade receivables. Key assumptions are used in the determination of the weighted-average loss rate. Additional information is disclosed in Note 12.

(ii) Measurement of defined benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations. The significant assumptions used in determining the estimate include the discount rate, as well as the rate for future pension increases.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of medium term government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

3. Use of Accounting Estimates and Judgements (continued)

A. Assumptions and estimation uncertainties (continued)

(ii) Measurement of defined benefit obligations (continued)

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 9.

(iii) Valuation of Pension Assets

The measurement of the fair value of the government bonds is based on unobservable inputs. The investment manager calculates the fair value of the government bonds by discounting expected future proceeds using a constructed yield curve. Additional information is disclosed in Note 9.

(iv) Impairment of assets

Determination of the recoverable amount for the non-current assets is based on significant unobservable inputs and key assumptions that are subjective and complex, which result in an increased estimation uncertainty.

Additional information is disclosed in Note 8.

(v) Rebate Accruals

Discounts can either be immediately deducted from the sales value on the invoice or off-invoice and settled later through credit notes when the precise amounts are known. Rebates are generally off-invoice. Amounts provided for discounts at the end of a period require estimation; historical data and accumulated experience is used to estimate the provision using the most likely amount method and in most instances the discount can be estimated using known facts with a high level of accuracy. Any differences between actual amounts settled and the amounts provided are not material and recognised in the subsequent reporting period.

4. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except if mentioned otherwise (see note 5)

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are presented in Trinidad and Tobago dollars, which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to cash and cash equivalents are presented in profit or loss within administration expenses.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management committee that makes strategic decisions.

(c) Property, plant and equipment

Cost or revaluation

Freehold land and buildings are shown at fair value, based on valuations performed by external independent valuers periodically and with sufficient frequency, less subsequent depreciation for buildings. Additions to freehold land and buildings subsequent to the date of revaluation are shown at cost. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is adjusted to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

4. Significant Accounting Policies (continued)

(c) Property, plant and equipment (continued)

Cost or revaluation (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of freehold land and buildings are credited to other comprehensive income (OCI) and shown as 'property revaluation surplus' in shareholders' equity. This reserve is non-distributable. Decreases that offset previous increases in the same asset are charged in other comprehensive income and debited against 'property revaluation surplus' directly in equity; all other decreases are charged to profit or loss.
Depreciation methods, useful lives and residual values are measured at each reporting date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount (Note 4(d)).

Depreciation

Depreciation is calculated to write off the cost/valuation of items of property, plant and equipment less their estimated residual values using the straight-line method over the shorter of their estimated useful lives and lease term and is recognized in profit or loss. Land and capital work in progress are not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Freehold buildings	- 40 years
Plant and equipment	- 3 - 15 years
Motor vehicles/Warehouse/Forklifts	- Lease term

Gains and losses on disposal of property, plant and equipment are determined by reference to the proceeds and their carrying amounts and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

4. Significant Accounting Policies (continued)

(d) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset`s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash-Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss.

(e) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

4. Significant Accounting Policies (continued)

(e) Financial instruments (continued)

(ii) Classification (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial assets or liability (or, where appropriate, a shorter period) to the gross carrying amount of the financial asset or the amortised cost of the financial liability. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

4. Significant Accounting Policies (continued)

(e) Financial instruments (continued)

(iii) Derecognition (continued)

Financial assets (continued)

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value depending on the classification of the financial asset. The category ‘trade and other receivables’ would have been disclosed net of its expected credit loss as at that date with the Company’s calculation of the credit loss allowance provided in Note 6 i (b).

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Financial liabilities

Financial instruments are classified as a financial liability if they include a contractual obligation upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company.

4. Significant Accounting Policies (continued)

(f) Impairment of Non-Derivative financial assets

(i) Financial assets

Financial instruments

The Company recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;

  When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

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

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets are carried at amortised cost are credit-impaired.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

4. Significant Accounting Policies (continued)

(f) Impairment of Non-derivative financial assets (continued)

(i) Financial assets (continued)

Credit-impaired financial assets (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

(ii) Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due, and an individual assessment has been performed with respect to the timing and amount of write-off. If based on the outcome of this assessment the Company expects no significant recovery from the outstanding amount, it will be written off. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4. Significant Accounting Policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term highly liquid investments with original maturities of three months or less and are carried at amortised cost.

(h) Inventories Cost is determined on the following bases, which has been consistently applied:

- Inventories are stated at the lower of weighted average cost or net realisable value. The inventories relating to the spreads business were derecognized and classed as other receivables.
- The cost of finished goods are determined on a weighted average cost basis.
- Engineering and general stores are valued at weighted average cost.
- Goods in transit are valued at suppliers' invoice cost.
- Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and less applicable variable selling expenses.

(i) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Other receivables consist mainly of Value Added Tax (VAT) recoverable, prepayments and amounts receivable from Upfield Trinidad and Tobago Limited as part of the Reverse Master Supply Agreement related to spreads production and sale.

Trade and other receivables are carried at amortised cost, less impairment losses.

(j) Share capital

Ordinary shares are classified as equity.

(k) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables comprise outstanding statutory liabilities as well as accruals for advertising and promotion. Trade and other payables are carried at amortised cost.

4. Significant Accounting Policies (continued)

(l) Taxation

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption. Deferred tax assets and liabilities are offset only if certain criteria are met.

4. Significant Accounting Policies (continued)

(m) Employee benefits

(i) Short-term

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Post-employee benefits are accounted for as described below.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(ii) Defined benefit plans (Post-employment)

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

4. Significant Accounting Policies (continued)

(m) Employee benefits (continued)

(ii) Defined benefit plans (Post-employment) (continued)

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on Government bonds are used.

The Company also operates a supplementary pension scheme. This is a closed scheme providing ex-gratia pensions for which no additional employees are expected to qualify. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Valuations of these obligations are carried out annually by independent qualified actuaries.

The funds of the Plan are administered by the trustee and are separate from the Company's assets.

The industrial agreement covering the hourly rated employees provides for a termination benefit which functions as a retirement benefit for those employees who are not in the pension plan.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. These benefits are payable in accordance with the Industrial Agreement between the Company and the Trade Union. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

4. Significant Accounting Policies (continued)

(m) Employee benefits (continued)

(iv) Profit-sharing and bonus plans

The Company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(n) 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 will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Company recognizes a provision for restructuring when the Company meets its constructive obligation requirements. In accordance with IAS 37 a constructive obligation is met when a formal plan is developed which specifies:

- The business or part of the business concerned;
- The principal locations affected;
- The location, function and approximate number of employees whose services will be terminated;
- The expenditures that will be undertaken; and
- When the plan will be implemented and completed.

The Company created a valid expectation of those affected that it will carry out the plan by either starting to implement the plan or announcing its main features to those affected by it.

(o) Restructuring Expense

Restructuring provisions and expenses primarily include people costs such as redundancy costs and the cost of compensation where manufacturing, distribution, service or selling agreements are to be terminated reversals of impairment and provisions that did not occur as a result of an estimate materialising. The Company expects these provisions to be substantially utilised within the next few years. Refer to note 16, and 18 (c).

4. Significant Accounting Policies (continued)

(p) Revenue recognition

The Company's policies under IFRS 15 are as follows:

Revenue is recognized at a point in time in the amount of the price, before tax on sales, expected to be received for goods and services supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Revenues are decreased by any trade discounts or volume rebates granted to customers.

Variable consideration is recognized when it is highly probable that a significant reversal in the amount of cumulative revenue recognized for the contract will not occur and is measured using the expected value or the most likely amount method, whichever is expected to better predict the amount based on the terms and conditions of the contract.

Revenue is shown net of value-added tax, rebates and discounts. Specific revenue streams are recognised as follows:

Sales of goods

Discounts given by the Company include rebates, price reductions, incentives given to customers, promotional couponing and trade communication costs and are based on the contractual arrangements with each customer. Discounts can either be immediately deducted from the sales value on the invoice or off-invoice and settled later through credit notes when the precise amounts are known.

Customer contracts generally contain a single performance obligation and sales of goods are recognised when control of the products being sold has transferred to the customer as there are no longer any unfulfilled obligations. This is generally on delivery to the customer, but depending on the terms, this can be at the time of dispatch, delivery or upon formal customer acceptance. This is considered the appropriate point where the performance obligations in the contracts are satisfied as the company no longer has control over the inventory.

Interest income

Interest income is recognised when it is determined that such income will accrue to the Company. Interest income is recognised using the effective interest method.

Other income

Other income is recognised when the right to receive payment is established. Additional information is disclosed in Note 19.

4. Significant Accounting Policies (continued)

(p) Revenue recognition (continued)

Agent transactions

For procurement and sales of goods and services by the Company, revenue is recognized as commission fees for transactions where the Company does not have control of the goods and services before their transfer to the customer, in other words, transactions where the Company has arranged the procurement as the customer's agent.

To determine whether or not the Company has control over goods and services before their transfer to the customer, the following aspects are considered: a) whether the Company is primarily responsible for fulfilling the promise to provide the specified good or service; b) whether the Company has inventory risk before the specified good or service is transferred to a customer, or after transfer of control to the customer; and c) whether the Company has discretion in establishing the price for the good or service

(q) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in the IFRS 16 policy.

The cost of a leased asset is measured as the lease liability and other direct costs at inception, less any incentives granted by the lessor. When a lease liability is re-measured, the related lease asset is adjusted by the same amount. Depreciation is provided on a straight-line basis from the commencement date of the lease, to the end of the lease term.

Refer to Note 27 for additional details.

4. Significant Accounting Policies (continued)

(r) New and revised IFRS Standards in issue but not yet effective

The following new standards, amendments and interpretations are required to be applied for annual periods beginning after January 1, 2020, and that are available for early adoption in annual periods beginning on 1 January 1, 2020. These standards are not expected to have a significant impact on the Company's financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) 01 Jun 2020
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9), IAS 39, IFRS 7, IFRS 4 and IFRS 16) 01 Jan 2021
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) 01 Jan 2022
- Annual Improvements to IFRS Standards 2018-2020 01 Jan 2022
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) 01 Jan 2022
- Reference to the Conceptual Framework (Amendments to IFRS 3) 01 Jan 2022
- IFRS 17 Insurance Contracts ~ 01 Jan 2023
- Classification of liabilities as current or non-current (Amendments to IAS 1) 01 Jan 2023
- Amendments to IFRS 17 ~ 01 Jan 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

All other standards or amendments to standards that have been issued by the IASB and are effective from 1 January 2021 onwards are not applicable or material to the Company.

5. Changes in Significant Accounting Policies

The following accounting policies have changed per effective date January 1, 2020.

Changes in significant accounting policies

The Company has not had any changes in significant accounting policies for the twelve months ended December 31, 2020. A number of new standards are effective from January 1, 2020, but do not have a material effect on the Company's financial statements.

(i) New standards, amendments and interpretations adopted by the Company

The following standards were new standards, amendments and interpretations requiring adoption by the Company for the first time for the financial year beginning on January 1, 2020.

Amendments to References to Conceptual Framework in IFRS Standards

The amendments have implications for how and when assets and liabilities are recognized and derecognized in the financial statements. The specific amendments allow for 1) a new 'bundles of rights' approach to assets to be taken; 2) changes the approach for recognition of liabilities; and 3) changes the approach of derecognition of assets to a new control-based approach.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments redefine the definition of material to make it easier to understand. The new definition of material is as follows: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform – Phase 1

The amendments provide targeted relief for financial instruments qualifying for hedge accounting. These amendments have been issued to address uncertainties related to the ongoing reform of interbank offered rates (IBOR), focusing on the interest rate benchmark.

Amendments to IFRS 3 Definition of a Business

The amendments provide additional guidance on the definition of a business, in order to assist companies in assessing whether a transaction would result in an asset or a business acquisition. The amendments are inclusive of a new concentration test to help assess the above.

None of the above listed amendments have had a significant effect on the financial statements. All other standards or amendments to standards that have been issued by the IASB and are effective from January1, 2020 onwards are not applicable or material to the Company.

6. Financial Risk Management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company's management system includes activities which assists in the identification and analysis of the risks the Company faces, setting appropriate risk limits and controls, and monitoring the risks and adherence to limits by means of a reliable and up-to-date information systems.

Risk management is carried out in line with policies approved by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar. Foreign exchange risk arises from commercial transactions when recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

The Company monitors its exposure to fluctuations in foreign currencies and the appropriate steps are taken to minimise the risk such as purchases and sales in the same currency so as to avoid mismatch.

A 1% weakening of the TT dollar against US dollar with all other variables held constant, would have led to approximately $175 thousand (2019: $790 thousand) after tax profit gain in profit or loss. A 1% strengthening of the TT dollar would have led to an equal but opposite effect.

This is as a result of translation of US dollar dominated bank accounts, accounts renewable and related parties.

6. Financial Risk Management

(i) Financial risk factors

(a) Market risk

(i) Foreign exchange risk

The table below shows the Company's exposure to foreign exchange risk:

	2020			
	USD	**GBP**	**Euro**	**Total**
	$	**$**	**$**	**$**
Trade receivables (Note 12)	14,093	-	-	14,093
Due from related parties (Note 13)	43,574	-	-	43,574
Trade payables	(166)	(3)	(96)	(265)
Due to related parties (Note 13)	(38,536)	(50)	(809)	(39,395)
Net statement of financial position exposure	**18,965**	**(53)**	**(905)**	**18,007**

	2019			
	USD	**GBP**	**Euro**	**Total**
	$	**$**	**$**	**$**
Trade receivables	23,477	-	-	23,477
Due from related Parties (Note 13)	103,063	-	-	103,063
Trade payables	(5,152)	-	(929)	(6,081)
Due to related parties (Note 13)	(29,460)	(53)	-	(29,513)
Net statement of financial position exposure	**91,928**	**(53)**	**(929)**	**90,946**

6. Financial Risk Management (continued)

(i) Financial risk factors (continued)

(a) Market risk (continued)

(ii) *Cash flow and fair value interest rate risk*

As the Company has no significant interest-bearing assets and liabilities other than deposits held at banks and lease liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

(iii) *Price risk*

The Company is not exposed to equity securities price risk since there are no investments held as fair value through profit or loss or as fair value through other comprehensive income.

(b) Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers. The Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Credit risk arises primarily from credit exposures from sales to distributors and retail customers, including outstanding receivables (See Notes 12 and 24(b)).

The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. In light of the COVID-19 pandemic, the Company has enhanced its credit control framework in order to reduce any potential increase in credit risk. Management does not expect any losses from non-performance by counterparties in excess of the provision made.

The maximum exposure to credit risk at the reporting date is the fair value of cash and cash equivalents as well as each class of receivables mentioned in Note 12 and Note 24(b) and due from related parties.

Cash at bank and in hand of $75m (2019: $24m) are held with reputable financial institutions. The income in foreign currency is deposited in an intercompany interest bearing current account managed by the Company Treasury and reported under due from related companies. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(c) Liquidity risk.

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

6. Financial Risk Management (continued)

(i) Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Company's non-derivative financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances.

	2020 $'000	2019 $'000
Less than one year		
Trade and other payables	53,922	81,006
Due to related companies	39,395	38,005
Lease liabilities	136	9,872
Provisions for other liabilities	6,888	36,205
	100,341	165,088
More than one year		
Lease liabilities	-	364

(ii) Fair value estimation

The carrying amount of short-term financial assets and liabilities comprising: cash at bank and in hand, due from related companies, trade and other receivables, trade and other payables, lease liabilities and due to related companies are a reasonable estimate of its fair values because of the short-term maturity of these instruments.

7. Capital Risk Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. The Company currently has no borrowings to constitute net debt. The Company's capital structure consists of equity and lease liabilities. There are no capital requirements imposed on the Company.

8. Property, Plant and Equipment

	Freehold Land $'000	Freehold Buildings $'000	Plant and Equipment $'000	Motor Vehicle $'000	Work in Progress $'000	Total $'000
Year ended December 31, 2020						
Opening net book value	37,000	24,589	3,192	986	235	66,002
Revaluation	(300)	1,622	-	-	-	1,322
Additions	-	-	-	-	2,106	2,106
Reclassification	-	(4,935)	4,935	-	-	-
Transfers	-	-	1,321	-	(1,321)	-
Disposals	-	-	(2,310)	(213)	-	(2,523)
Reversal of Impairment	-	4,686	7,091	-	-	11,777
Impairment	-	(278)	(1,836)	-	-	(2,114)
Depreciation charge	-	(8,435)	(1,686)	(647)	-	(10,768)
Closing net book value	36,700	17,249	10,707	126	1,020	65,802
At December 31, 2020						
Cost or valuation	36,700	40,106	138,095	2,879	1,020	218,800
Accumulated depreciation	-	(22,331)	(70,230)	(2,753)	-	(95,314)
Impairment	-	(526)	(57,158)	-	-	(57,684)
Net book value	36,700	17,249	10,707	126	1,020	65,802

	Freehold Land $'000	Freehold Buildings $'000	Plant and Equipment $'000	Motor Vehicle $'000	Work in Progress $'000	Total $'000
Year ended December 31, 2019						
Opening net book value	37,000	13,973	73,552	-	4,986	129,511
Recognition of	-	16,713	2,134	1,676	-	20,523
Adjusted balance at January 1, 2019	37,000	30,686	75,686	1,676	4,986	150,034
Additions	-	-	-	-	2,134	2,134
Transfers	-	2,546	4,186	-	(6,732)	-
Disposals	-	(19)	(600)	-	(153)	(772)
Impairment charge	-	-	(67,583)	-	-	(67,583)
Depreciation charge	-	(8,624)	(8,497)	(690)	-	(17,811)
Closing net book value	37,000	24,589	3,192	986	235	66,002
At December 31, 2019						
Cost or valuation	37,000	38,484	140,986	3,092	235	219,797
Accumulated depreciation	-	(13,895)	(70,211)	(2,106)	-	(86,212)
Impairment	-	-	(67,583)	-	-	(67,583)
Net book value	37,000	24,589	3,192	986	235	66,002

8. Property, Plant and Equipment (continued)

During 2020, the Company modified the classification of impairment expense to reflect more appropriately the way in which the costs were classed per category of asset.

(i) Work in progress

Work in progress represents site improvement projects which are estimated to be completed during the financial year 2021.

(ii) Depreciation expense

Depreciation expense of $121 thousand (2019: $6,663 thousand has been charged in cost of sales, $9,820 thousand (2019: $10,252 thousand) in distribution costs and $827 thousand (2019: $623 thousand) in administrative expenses.

(iii) Valuation

An independent valuation of land and buildings was performed by professional valuators on January 19, 2021, with effective date December 31, 2020. This valuation, which conforms to International Valuation Standards, was determined by reference to recent market transactions on an arm's length basis. The revaluation surplus net of tax was credited to other comprehensive income and is shown in "property revaluation surplus" in equity.

If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2020	**2019**
	$'000	**$'000**
Cost	20,131	20,131
Accumulated depreciation	(6,251)	(5,761)
Net book amount	13,880	14,370

(iv) Impairment loss

During the financial year 2019, the restrictions of movement during the COVID 19 pandemic prevented the Company from engaging a Valuations specialist to value the Building and Plant and Equipment. Consequently, the Company performed a Directors' valuation for these assets. As a result of this Directors' valuation there was an impairment recognised of approximately $67.5 million, based on the information available at that time, a nil value was estimated for the assets involved in the restructuring. Subsequently, government restrictions were lifted, and a valuation specialist was obtained to value these assets, this resulted in a change in the 2019 estimate and a reversal of impairment of $9.5 million in 2020. Additionally, a $2.2 million impairment was reversed due to the sale of assets (previously valued at a nil value) to a related entity. The total reversal of impairment amounted to $11.7 million. Refer to note 29.

8. Property, Plant and Equipment (continued)

(v) Right-of-use

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment. The book value of right-of-use assets are stated below:

2020	**Land and Building**	**Plant and Equipment**	**Motor Vehicles**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at January 1	8,357	305	986	9,648
Depreciation charge for the year	(8,357)	(305)	(647)	(9,309)
Disposal	-	-	(213)	(213)
Balance at December 31	-	-	126	126

2019	**Land and Building**	**Plant and Equipment**	**Motor Vehicles**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at January 1	16,713	2,134	1,676	20,523
Depreciation charge for the year	(8,356)	(1,829)	(690)	(10,875)
Balance at December 31	8,357	305	986	9,648

The Company signed into a new warehousing agreement, as well as multiple vehicle agreements on January 1, 2021. In accordance with IFRS 16, the right of use asset, as well as the lease liability will be recognized upon commencement of the contract commencing January 1, 2021.

9. Post-Employment and Termination Benefits

The Company contributes to defined benefit pension plans (the Pension Plans), for its monthly paid and permanent hourly paid employees, which entitles a retired employee to receive an annual pension payment. Employees may retire at age 60-65 and are entitled to receive annual payments based on a percentage of their final salary. Employees may retire earlier under certain conditions.

The Company's Pension Plans are funded by the Company and employees, the assets of the Pension Plans being managed separately by the Trustee. The funding requirements are based on the pension fund's actuarial measurement performed by an independent qualified actuary.

The Company also has two other post-retirement employee benefits arrangements.

(1) An unfunded pension plan for persons who retired prior to the establishment of the two pension plans mentioned above.

(2) A termination lump sum plan for hourly-paid employees as part of its 2007 – 2010 Collective Labour Agreement.

All four of the Company's post-retirement employee benefits arrangements are collectively referred to as "the Plans".

	2020 $'000	2019 $'000
Defined benefit asset (liability)		
(i) Retirement benefit asset:		
Monthly paid staff (a)	109,505	91,017
(ii) Retirement benefit and termination liabilities:		
Hourly paid staff (b)	(1,952)	(2,546)
Supplementary pension scheme (c)	(617)	(976)
Termination benefits – lump sum plan (d)	(6,793)	(7,255)
	(9,362)	(10,777)

9. Post-Employment and Termination Benefits (continued)

Defined benefit asset (liability) (continued)

	2020 $'000	2019 $'000
(iii) Movement in net defined benefit asset:		
Retirement benefit asset	109,505	91,017
Retirement and termination benefit obligations	(9,362)	(10,777)
	100,143	80,240
Balance at January 1	80,240	29,449
Net pension (cost) benefit	(861)	11,681
Re-measurements recognised in OCI	16,889	30,970
Contributions paid	3,875	8,140
Balance at December 31	100,143	80,240
(iv) Total amounts recognised in OCI:		
Monthly paid staff	(16,338)	(27,565)
Hourly paid staff	(356)	(1,403)
Supplementary pension scheme	(344)	201
Termination benefits – lump sum plan	149	(2,203)
	(16,889)	(30,970)
(v) Total amounts recognised in profit or loss:		
Current service cost	5,092	7,352
Net interest on net defined benefit asset	(4,567)	(1,911)
Gains on curtailment and settlement	-	(17,620)
Administration expenses	336	498
Net pension expense (Note 18 (b))	(861)	(11,681)

The curtailment arose in the previous year, due to a significant reduction in the number of employees covered by the Plans.

Net pension expense includes:

	2020 $'000	2019 $'000
Monthly paid staff	(590)	(5,156)
Hourly paid staff	965	1,467
Supplementary pension scheme	52	44
Termination benefits – lump sum plan	434	(8,036)
	861	(11,681)

9. Post-Employment and Termination Benefits (continued)

Defined benefit asset (liability) (continued)

Pension expense of $213 thousand (2019: $3,160 thousand) has been charged in cost of sales, $445 thousand (2019: $1,729 thousand) in distribution costs and $628 thousand (2019: $1,019 thousand) in administrative expenses.

(vi) The principal assumptions are as follows:

	Per annum 2020 %	Per annum 2019 %
Discount rate (all Plans)	5.75	5.50
Salary increases:		
- Monthly paid employees	4.50	4.50
- Weekly paid employees	4.00	4.00
- Supplementary pension	2.75	2.75
- Termination/lump sum	4.00	4.00
NIS ceiling/pension increases		
- Future pension increases	2.75	2.75
- Future NIS pension increases	0.00	0.00

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at December 31, are as follows:

	2020 Years	2019 Years
Life expectancy at age 60 for current pensioner		
- Male	21.8	21.7
- Female	26.0	26.0
Life expectancy at age 60 for current members age 40		
- Male	22.7	22.6
- Female	27.0	26.9

The discount rate was increased by 25 basis points, due to a slight increase in the long-term government bond yields since the end of 2019.

9. Post-Employment and Termination Benefits (continued)

Defined benefit asset (liability) (continued)

(vi) The principal assumptions are as follows: (continued)

The weighted average duration of the defined benefit obligation at year end is:

	2020 Years	2019 Years
Monthly	14.3	14.7
Hourly	11.5	12.4

The weighted average duration decreased as a result of the above mentioned change in discount rate.

(vii) Sensitivity analysis

The following table summarises how the defined benefit obligation as at December 31, 2020, would have changed as a result of a change in the other assumptions used:

	2020 1% pa increase $'000	2020 1% pa decrease $'000	2019 1% pa increase $'000	2019 1% pa decrease $'000
Monthly-Rated Pension Plan				
Discount rate	(24,982)	31,804	(27,735)	35,706
Future pension increase	5,321	(4,563)	5,611	(4,782)
Future salary increase	25,975	(21,296)	29,567	(23,937)

An increase of one (1) year in the assumed life expectancies shown in (Note 9(vi)) would increase the defined benefit obligation at December 31, 2020, by $4.879 million.

9. Post-Employment and Termination Benefits (continued)

Defined benefit asset (liability) (continued)

(vii) Sensitivity analysis (continued)

	2020 1% pa increase $'000	2020 1% pa decrease $'000	2019 1% pa increase $'000	2019 1% pa decrease $'000
Hourly-Rated Pension Plan				
Discount rate	(2,295)	3,134	(2,735)	3,606

An increase of one (1) year in the assumed life expectancies shown in (Note 9(vi)) would increase the defined benefit obligation at December 31, 2020, by $0.471 million.

	2020 1% pa increase $'000	2020 1% pa decrease $'000	2019 1% pa increase $'000	2019 1% pa decrease $'000
Termination Lump Sum Plan				
Discount rate	(559)	675	(626)	765
Future salary increase	610	(513)	769	(639)
Supplementary Pension Plan				
Discount rate	(36)	41	(54)	60
Future salary increase	45	(40)	66	(60)

These sensitivities were calculated by recalculating the defined benefit obligations using the revised assumptions.

9. Post-Employment and Termination Benefits (continued)

(viii) Change in Plan assets and liabilities (continued)

(a) Retirement benefit asset (Monthly paid staff)

	2020 $'000	2019 $'000
(i) Amounts recognised in the statement of financial position are as follows:		
Fair value of plan assets	316,924	316,103
Present value of defined benefits obligation	(207,419)	(225,086)
Retirement benefit asset	109,505	91,017
(ii) Movement in the asset recognised in the statement of financial position:		
Asset as at January 1	91,017	56,115
Net pension cost	590	5,156
Re-measurements recognised in OCI	16,338	27,565
Contributions paid	1,560	2,181
Asset as at December 31	109,505	91,017
(iii) Amounts recognised in profit or loss:		
Current service cost	4,277	5,707
Net interest	(5,085)	(3,196)
Gains on curtailment and settlement	-	(7,977)
Administration expenses	218	310
Net pension cost	590	(5,156)
(iv) Change in plan assets		
Plan assets at start of year	316,103	288,096
Return on plan assets	(432)	21,825
Interest income	16,960	15,590
Company contributions	1,560	2,181
Members' contributions	1,562	2,181
Benefits paid	(18,611)	(13,460)
Expenses paid	(218)	(310)
Plan assets at end of year	316,924	316,103

9. Post-Employment and Termination Benefits (continued)

(viii) Change in Plan assets and liabilities (continued)

(a) Retirement benefit asset (Monthly paid staff) (continued)

(iv) Change in plan assets (continued)

Plan assets are comprised as follows:

	2020		2019	
	$'000	**%**	**$'000**	**%**
Locally listed equities	85,772	27	90,022	28
Overseas equities	66,717	21	61,838	20
TT$ denominated bonds	86,832	28	96,975	31
US$ denominated bonds	57,695	18	60,029	19
Property (mutual funds)	128	-	369	-
Cash and cash equivalents	19,621	6	6,624	2
Other (annuity policies)	159	-	246	-
Fair value of Plan assets	316,924	100	316,103	100

Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve. The majority of the Plan's TT$ bonds were either issued or guaranteed by the Government of Trinidad and Tobago.

The Plan's assets are invested in a strategy agreed with the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan. Refer to Note 9 ((viii) (b) (iv)) for hourly pension plan assets).

(v) Change in defined benefit obligation

	2020	2019
	$'000	**$'000**
Defined benefit obligation at start	225,086	231,981
Service cost	4,277	5,707
Interest cost	11,875	12,394
Members' contribution	1,562	2,181
Gains on curtailment and settlement	-	(7,977)
Experience adjustment	(9,531)	(10,856)
Actuarial losses from changes		
in demographic assumptions	-	5,116
in financial assumptions	(7,239)	-
Benefits paid	(18,611)	(13,460)
Defined benefit obligation at end of year	207,419	225,086

9. Post-Employment and Termination Benefits (continued)

(viii) Change in Plan assets and liabilities (continued)

(a) Retirement benefit asset (Monthly paid staff) (continued)

(vi) Funding

The Company meets the balance of the cost of funding the defined benefit Pension Plan and the Company must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above. The Company expects to pay $1.3 million to the Pension Plan during 2021.

(b) Retirement benefit obligation (Hourly paid staff)

	2020 $'000	2019 $'000
(i) Amounts recognised in the statement of financial position are as follows:		
Fair value of plan assets	22,680	24,299
Present value of defined benefit obligation	(24,632)	(26,845)
Retirement benefit obligation	(1,952)	(2,546)
(ii) Movement in the obligation recognised in the statement of financial position:		
Defined benefit obligation as at January 1	(2,546)	(4,168)
Net pension cost	(965)	(1,467)
Remeasurements recognised in OCI	356	1,403
Contributions paid	1,203	1,686
Defined benefit obligation as at December 31	(1,952)	(2,546)

9. Post-Employment and Termination Benefits (continued)

(viii) Change in Plan assets and liabilities (continued)

(b) Retirement benefit obligation (Hourly paid staff) (continued)

	2020 $'000	2019 $'000
(iii) Amounts recognised in profit or loss:		
Current service cost	752	1,186
Net interest	95	163
Gains on curtailment and settlement	-	(70)
Administration expenses	118	188
Net pension cost	965	1,467
(iv) Change in plan assets		
Plan assets at start of year	24,299	21,597
Return on plan assets	(527)	1,155
Interest income	1,272	1,197
Company contributions	1,203	1,686
Members' contributions	586	940
Benefits paid	(4,035)	(2,088)
Expense allowance	(118)	(188)
Plan assets at end of year	22,680	24,299

Plan assets are comprised as follows:

	2020 $'000	2020 %	2019 $'000	2019 %
Locally listed equities	5,560	25	6,409	26
Overseas equities	4,785	21	4,538	19
TT$ denominated bonds	9,818	43	10,596	44
US$ denominated bonds	1,690	7	1,573	6
Cash and cash equivalents	827	4	1,183	5
Fair value of Plan assets	22,680	100	24,299	100

9. Post-Employment and Termination Benefits (continued)

(viii) Change in Plan assets and liabilities (continued)

(b) Retirement benefit obligation (Hourly paid staff) (continued)

	2020 $'000	2019 $'000
(v) Change in defined benefit obligation		
Defined benefit obligation at start	26,845	25,765
Service cost	752	1,186
Interest cost	1,367	1,360
Members' contribution	586	940
Gains on curtailment and settlement	-	(70)
Experience adjustments	(193)	(583)
Actuarial losses from changes		
in demographic assumptions	-	335
in financial assumptions	(690)	-
Benefits paid	(4,035)	(2,088)
Defined benefit obligation at end of year	24,632	26,845

(vi) Funding

The Company meets the balance of the cost of funding the defined benefit Pension Plan and the Company must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above. The Company expects to pay $1 million to the Pension Plan during 2021.

(c) Supplementary pension scheme

(i) Amounts recognised in the statement of financial position are as follows:

	2020 $'000	2019 $'000
Present value of defined benefit obligation	(617)	(976)

9. Post-Employment and Termination Benefits (continued)

(viii) Change in Plan assets and liabilities (continued)

(c) Supplementary pension scheme (continued)

(ii) Re-measurements recognised in OCI

Experience (gains) losses	(344)	201

(iii) Amounts recognised in profit or loss:

Interest on defined benefit obligation	52	44

(iv) Change in defined benefit obligation

Defined benefit obligation at start	(976)	(854)
Interest cost	(52)	(44)
Actuarial gains	344	(201)
Benefits paid	67	123
Defined benefit obligation at end of year	(617)	(976)

(v) Funding

The Company pays the pension benefits as they fall due. The Company expects to pay $0.094 million to the Pension Plan during 2021.

(d) Termination benefits lump sum plan

(i) Amounts recognised in the statement of financial position are as follows:

	2020 $'000	**2019 $'000**
Present value of defined benefit obligation	(6,793)	(7,255)

(ii) Re-measurements recognised in OCI

Experience (gains) losses	149	(2,203)

9. Post-Employment and Termination Benefits (continued)

(c) Termination benefits lump sum plan (continued)

	2020 $'000	2019 $'000
(iii) Amounts recognised in profit or loss:		
Current service cost	63	459
Interest on defined benefit obligation	371	1,078
Gains on curtailment and settlement	-	(9,573)
Net pension cost	434	(8,036)
(vi) Change in defined benefit obligation:		
Defined obligation at start	7,255	21,644
Current service cost	63	459
Interest cost	371	1,078
Gains on curtailment and settlement	-	(9,573)
Experience adjustment	306	(2,203)
Actuarial losses from changes in financial assumptions	(157)	-
Benefits paid	(1,045)	(4,150)
Defined benefit obligations at end of year	6,793	7,255

(v) Funding

The Company pays the termination lump sums as they fall due. The Company expects to pay $0.909 million to the Pension Plan during 2021.

10. Deferred Taxation

Deferred tax asset and liabilities in the statement of financial position and the deferred tax (credit) charge in profit or loss and other comprehensive income (OCI) are attributable to the following items:

	2019	Note 21 Charge (Credit) to Profit or Loss	Charge to OCI	2020
	$'000	$'000	$'000	$'000
Deferred tax liabilities				
Accelerated tax depreciation	(3,941)	3,424	-	(517)
Retirement benefit asset	27,306	479	5,067	32,852
Property revaluation surplus	2,552	-	397	2,949
	25,917	3,903	5,464	35,284
Deferred tax asset				
Accumulated tax losses	(12,445)	741	-	(11,704)
Retirement benefit obligation	(3,233)	425	-	(2,808)
IFRS 9	-	(641)	-	(641)
Net lease liability	-	(3)	-	(3)
	(15,678)	522	-	(15,156)
Net deferred tax liability	10,239	4,425	5,464	20,128

	2018	Charge (Credit) to Profit or Loss	Charge to OCI	2019
	$'000	$'000	$'000	$'000
Deferred tax liabilities				
Accelerated tax depreciation	15,289	(19,230)	-	(3,941)
Retirement benefit asset	16,835	1,180	9,291	27,306
Property revaluation surplus	2,552	-	-	2,552
	34,676	(18,050)	9,291	25,917
Deferred tax asset				
Accumulated tax losses	(311)	(12,134)	-	(12,445)
Retirement benefit obligation	(8,000)	4,767	-	(3,233)
	(8,311)	(7,367)	-	(15,678)
Net deferred tax liability	26,365	(25,417)	9,291	10,239

	2020 $'000	2019 $'000

11. Inventories

	2020 $'000	2019 $'000
Finished goods	20,505	27,191
Raw materials and supplies	-	5,929
Goods in transit (finished goods)	5,743	12,089
	26,248	45,209
Impairment allowance	(491)	(209)
	25,757	45,000

Analysis of movements of impairment allowance is as follows:

	2020 $'000	2019 $'000
At January 1	209	2,944
Impairment charge for the year	1,429	12
Write-offs	(1,147)	(2,747)
At December 31	491	209

The cost of inventories recognised as an expense and included in cost of sales of continued operations amounted to $141.5 million (2019: $159.2 million).

12. Trade and Other Receivables

	2020 $'000	2019 $'000
Trade receivables	22,864	58,198
Allowance for expected credit losses	(2,137)	(9,004)
Trade receivables – net	20,727	49,194
Value added tax recoverable	10,605	12,516
Other receivables and prepayments	60,505	46,501
	91,837	108,211

The Company does not consider the fair values of trade and other current receivables to be significantly different from their carrying values. Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low across regions and so trade receivables are considered to be a single class of financial assets. Impairment for trade receivables are calculated for specific receivables with known or anticipated issues affecting the likelihood of recovery and for balances past due with a probability of default based on historical data as well as relevant forward-looking information.

12. Trade and Other Receivables (continued)

Other Receivables consist of $55 million (2019: $38 million), which is resulting from the Reverse Master Supply Agreement between the Company and Upfield Trinidad and Tobago Limited, effective October 1, 2019, with a 90-day payment term. ECL recorded as a result was $142 thousand.

Trade receivables (excluding VAT receivable) analysed by loss allowance is stated below:

December 31, 2020 $'000	Weighted average Loss rate	Gross Carrying Amount	Expected Loss Allowance	Credit Impaired
Current (not past due)	0.5%	46,335	(232)	No
Overdue by less than 3 months	5.0%	7,852	(392)	No
Overdue by less than 3 to 6 months	15.0%	351	(53)	No
Overdue by less than 6 to 12 months	41.9%	30	(13)	No
Overdue by greater than 12 months	98.8%	1,465	(1,447)	No
		56,033	(2,137)	

December 31, 2019 $'000	Weighted average Loss rate	Gross Carrying Amount	Expected Loss Allowance	Credit Impaired
Current (not past due)	0.5%	55,751	(279)	No
Overdue by less than 3 months	5.0%	27,091	(1,355)	No
Overdue by less than 3 to 6 months	15.0%	152	(23)	No
Overdue by less than 6 to 12 months	53.3%	269	(143)	No
Overdue by greater than 12 months	100%	7,204	(7,204)	No
		90,467	(9,004)	

12. Trade and Other Receivables (continued)

During the year, an amount overdue greater than 12 months of $5.7 million, was written off. The amount is related to a customer who defaulted on their payments in 2017. Management has reviewed the recoverability of the debt through a means and assets evaluation, as well as legal advice, and has deemed that there is no reasonable expectation of recovery. The amount was already fully provided for since 2017.

Analysis of movements in allowance for expected credit losses is as follows:

	2020	**2019**
	$'000	**$'000**
Balance at January 1	9,004	7,769
Impairment		
Net remeasurement of loss allowance	(1,176)	1,235
Amounts written off	(5,691)	-
Balance at December 31	2,137	9,004

The carrying amounts of trade and other receivables are denominated in the following currencies:

	2020	**2019**
	$'000	**$'000**
Trinidad and Tobago dollars	77,744	84,734
United States dollars	14,093	23,477
	91,837	108,211

13. Related Party Transactions and Balances

A related party is a person or entity that is related to the Company. These include both people and entities that have, or are subject to, the influence or control of the Company. The following transactions were carried out with related parties:

		2020 $'000	2019 $'000
(i)	Sales to related companies (Note 17)	-	6,304
(iv)	Sale of Equipment to related companies (Note 8)	2,466	-
(v)	Sale of raw material inventory to related companies	6,123	-
(iii)	Purchases from related companies	112,545	92,734
(iv)	Royalties and service fees charged to the Company (Note 18)	16,628	15,804
(iv)	Related party shared services (Note 18)	6,638	7,915
(v)	Key management compensation:		
	- Short-term employee benefits	7,390	6,747
	- Post-employment benefits	328	279
	- Termination benefits	595	-

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan (Note 9).

From time to time directors of the Company, or other related entities, may buy goods from the Company.

(vi) Year end balances arising from sales/purchases of goods/services, royalties and service fees:

	2020 $'000	2019 $'000
Due from related companies	43,574	103,063
Due to related companies	39,395	38,005

The amounts due from related companies included $38 million which is held in a Company Treasury account. No expense has been recognised in the current year or prior year for expected credit losses in respect of amounts due from related parties. The amounts due to related companies have no fixed repayment terms and represent normal trading activities.

14. Stated Capital

Authorised
An unlimited number of ordinary shares of no par value

Issued and fully paid

26,243,832 ordinary shares of no par value	26,244	26,244

15. Trade and Other Payables

	2020 $'000	**2019 $'000**
Trade payables	21,996	37,870
Other payables and accruals	31,926	43,136
	53,922	81,006

16. Provisions for Other Liabilities

	2020 $'000	**2019 $'000**
At January 1	36,205	26,793
Additional provisions	5,421	34,249
Unused amounts reversed	-	(684)
Used during the year	(34,738)	(24,153)
At December 31	6,888	36,205

The Company expects these provisions to be substantially utilised within the next few years.

17. Revenue

	2020 $'000	**2019 $'000**
Third party sales	290,009	278,244
Sales to related companies (Note 13)	-	6,304
	290,009	284,548

Due to the change in business model, the Company is no longer exporting products to related companies.

18. Expenses (Continuing and Discontinued Operations)

(a) *Expenses by nature*

	2020 $'000	2019 $'000
Cost of imported goods sold	126,353	77,296
Raw materials and packaging materials used	-	35,304
Employee benefit expense (Note 18 (b))	54,865	82,501
Royalties and service fees (Note 13)	16,628	15,804
Shared services (Note 13)	6,638	7,915
Production costs	-	11,867
Advertising and promotional costs	12,302	11,210
Distribution costs	13,891	5,914
Human resources costs	3,410	3,358
Depreciation (Note 8)	10,768	17,811
Information technology costs	1,734	2,236
Marketing and sales	12,387	10,753
Merchandising expenses	4,270	4,850
TSA- Administration, selling and distribution *	-	(8,712)
(Gain)/loss on disposal of property, plant and equipment	(185)	619
Other expenses	4,929	5,358
Restructuring costs (Note 18 (c))	555	103,744
Total cost of sales, selling and distribution costs administrative expenses and one-off restructuring	**268,545**	**387,828**

During December 2019, UCL committed to a plan to restructure product lines in the Home Care manufacturing category due to the decrease in demand from deteriorating economic conditions and lack of competitiveness. Following the announcement of the plan, UCL recognized an expense of $104 million for expected restructuring costs including contract termination costs, consulting fees and employee termination benefits. During 2020, further costs were incurred, and the Company moved into a new warehousing location during December as part of its transformation of the distribution operations. An independent valuation of the Home Care & Liquids plant assets was performed by professional valuers during the year, which resulted in a partial reversal of the asset impairment.

*Transactional Sales Agreement (TSA) relates to the cost recovery of management of the discontinued operations.

18. Expenses (Continuing and Discontinued Operations) (continued)

(a) *Expenses by nature* (continued)

	2020 $'000	2019 $'000
Discontinued Operations (Note 30)		
Loss on disposal WIP	-	153
Other expenses	-	404
Total cost of sales, selling and distribution and administrative expenses	-	557

(b) *Employee benefit expense*

	2020 $'000	2019 $'000
Wages and salaries	51,608	72,283
National insurance	2,396	4,279
Pension expense (Note 9)	861	5,939
	54,865	82,501
Pension expense before curtailment	861	5,939
Gain on curtailment and settlement	-	(17,620)
Net Pension cost (Note 9(v))	861	(11,681)

(c) *Restructuring costs*

	2020 $'000	2019 $'000
Net Impairment PPE	(9,662)	67,583
Restoration	3,840	
Impairment charge inventories	-	13,755
Manpower cost	4,552	30,410
Other expenses	1,825	9,616
Restructuring cost	555	121,364
Pension gains on curtailment/settlement	-	(17,620)
Net restructuring costs	555	103,744

19. Other Income

	2020 $'000	2019 $'000
Other Income	3,724	3,796

The other income is generated through the Reverse Master Supply Agreement with Upfield Trinidad & Tobago Limited.

20. Net Finance (Expense) Income

	2020 $'000	2019 $'000
Interest Income	153	1,409
Interest Expense	(392)	(990)
Net finance (expense) income	(239)	419

The interest expense is in relation to IFRS 16 whereas the interest income, is income generated from an interest-bearing account managed by the Company Treasury.

21. Taxation Expense (Credit)

(a) Taxation expense comprises:

	2020	2019
Current tax	1,774	1,707
Change in estimates related to prior years	143	23
	1,917	1,730
Origination and reversal of temporary differences (Note 10)	4,425	(25,417)
	6,342	(23,687)
Continued Operations	6,342	(23,548)
Discontinued Operations (Note 30)	-	(139)
Taxation expense (credit)	6,342	(23,687)

21. Taxation Expense (Credit) (continued)

(b) Reconciliation of effective tax rate:

The Company's effective tax rate varies from the statutory rate of 30% as a result of the differences shown below:

	2020		2019	
	$'000	%	$'000	%
Profit (loss) before tax	24,948	100	(99,622)	100
Tax using the Company's tax rate	7,484	30	(29,886)	(30)
Tax effects of:				
Income not subject to tax	(59)	(0.24)	(86)	(0.09)
Expenses not deductible for tax purposes	(279)	(1.12)	4,498	4.51
Business levy	1,774	7.11	1,707	1.71
Changes in estimates related to prior years	(2,578)	(10.33)	80	0.08
Tax expense (credit)	6,342	25.42	(23,687)	(23.79)

(c) Amounts recognised in OCI:

	Before Tax	Tax Expense	After Tax
	$	$	$
2020			
Revaluation of PPE (note 8)	1,322	(397)	925
Remeasurements of defined benefit asset/liability (note 9 (iv))	16,889	(5,067)	11,822
	18,211	(5,464)	12,747
2019			
Remeasurements of defined benefit asset/liability	30,970	(9,291)	21,679

22. Earnings Per Share – Basic and Diluted

Basic earnings per ordinary share is calculated by dividing the profit or loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2020	**2019**
Profit (loss) attributable to equity holders ($'000)	18,607	(75,935)
Weighted average # of ordinary shares in issue ('000) (Note 14)	26,244	26,244
Basic and diluted earnings (loss) per share ($)	0.71	(2.89)

23. Dividends

On March 30, 2021, the Board of Directors declared a final dividend of $0.60 bringing the total dividend in respect of 2020 to $0.60 per share (2019: $0 per share). These financial statements do not reflect the final dividend which will be accounted for as an appropriation of retained earnings in the year ending December 31, 2021.

Dividends accounted for as an appropriation of retained earnings are as follows:

	2020	**2019**
	$'000	**$'000**
Final dividend for 2019 – $0.00 per share (2018 - $0.08 per share)	-	56,949
Interim dividend for 2020 – $0.00 per share (2019 - $0.00 per share)	-	-
	-	56,949

24. Financial Instruments

Financial instruments carried on the statement of financial position include cash at bank, lease liabilities, trade and other payables, trade and other receivables and due to and from related companies.

Classification and measurement of financial instruments

This classification of financial assets comprises the following captions:

- Cash and cash equivalents.
- Trade receivables and other current accounts receivable (excluding statutory receivables). Due to their short-term nature, the Company initially recognizes these assets at the original invoiced or transaction amount less expected credit losses.

The Company's financial liabilities include accounts payable and accruals and finance lease liabilities which are recognised initially at fair value and present value of future lease payments respectively.

Impairment losses of financial assets, including trade accounts receivable, are recognized using the expected credit loss model for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred, considering for their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability.

(a) Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2020 $'000	2019 $'000
Receivables at amortised cost:		
Assets as per statement of financial position		
Trade and other receivables	91,837	108,211
Cash at bank and in hand	75,384	23,705
Due from related parties	43,574	103,063
	210,795	234,979
Financial liabilities at amortised cost:		
Liabilities as per statement of financial position		
Trade and other payables	53,922	81,006
Lease liabilities	136	10,236
Due to related parties	39,395	38,005
	93,453	129,247

24. Financial Instruments (continued)

(b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2020 $'000	2019 $'000
Trade receivables		
Counterparties without external credit rating		
Company 1	-	-
Company 2 (Note 12)	20,727	49,194
Company 3	-	-
Total unimpaired trade receivables	20,727	49,194

Company 1 - new customers
Company 2 - existing customers with no default in the past year.
Company 3 - existing customers with some defaults in the past year.

Cash and cash equivalents

	2020 $'000	2019 $'000
Reputable financial institutions:		
Cash at bank	75,384	23,448

25. Bank Facilities

The Company has facilities with the following financial institutions:

- RBC Royal Bank (Trinidad and Tobago) Limited – overdraft facilities to a maximum of TT$12 million (2019: TT$12 million) on its TTD denominated accounts, with interest at the commercial prime rate of 7.5% (2019: 9.25%).

- Citibank (Trinidad and Tobago) Limited
  - Trade financing facility to a maximum of US$5 million (2019: US$5 million).
  - Working capital financing facility to a maximum of US$1.25 million (2019: US$1.25 million).
  - Overdraft temporary cash US$1.25 million (2019: US$1.25 million)

26. Contingent Liabilities

	2020 $'000	2019 $'000
Custom bonds and other guarantees	7,030	7,070

These consist of bonds required to be kept by the Company in order to meet legal requirements with the government of Trinidad and Tobago. The probability of this bond being utilised is remote.

The Company is a defendant in various Industrial Relations matters at the reporting date. Management expects a favourable outcome from the matters.

27. Lease Commitments

The Company recognises short term and low value lease payments as an expense to the P&L on a straight-line basis over the lease term.

2020 lease payments recognised directly in profit or loss for short term and low value leases under IFRS 16 amount to $0.077 million. Interest on finance leases amount to $0.288 million, and depreciation expenses amount to $9.8million (note 8). Total lease payments amount to $10.5 million.

2019 lease payments recognised directly in profit or loss under IFRS 16 amount to $0.097 million. Interest on finance leases amount to $0.99 million, and depreciation expenses amount to $10.88 million (note 8). Total lease payments amount to $11.51 million.

The maturity analysis of lease liabilities is as follows:

	2020 $'000	2019 $'000
Less than one year	136	9,872
More than one year, but more than five years	-	364
	136	10,236

The future aggregate minimum lease payments under the terms of non-cancellable operating leases is as follows:

	2020 $'000	2019 $'000
Less than one year	160	64
More than one year, but no more than five years	180	-
	340	64

The Company also signed a new warehousing agreement, as well as new vehicle agreements as per January 1, 2021. As per IFRS 16, the right of use asset, as well as the lease liability will be recognized upon commencement of the contract per January 1, 2021 and are therefore not yet included above. These future lease commitments amount to $4.3 million with a timing less than one year, and $1.2 million with more than one year.

28. Operating Segments

(a) Basis for segmentation

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker, which is the management committee, that are used to make strategic decisions.

The Company is organised into three main business segments:

- Home care - sale of a range of laundry detergents and other household products. This is related primarily to the sales of fabrics cleaning and conditioners as well as dish wash and a wide range of general household cleaning products.

- Beauty and Personal care - sale of a range of skin cleansing (soap, shower), hair care (shampoo, conditioner), skin care (face, hand & body moisturisers) and deodorants products.

- Foods and Refreshments – primarily sales of tea, ice-cream and dressings.

There are no sales or other transactions between the business segments.

(b) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

(i) Business

	Home Care		Beauty & Personal Care		Foods & Refreshments		Discontinued Operations		Total Continued Operations	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Segment revenue	125,889	136,266	90,790	82,159	73,330	66,123			290,009	284,548
Operating Profit (loss) before restructuring cost	3,615	(4.628)	10,656	2,998	7,748	2,094	-	(557)	22,019	464

28. Operating Segments

(b) Information about reportable segments

(ii) Geographical - Continued Operations

	Revenue		(Operating) Profit before restructuring cost	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Trinidad and Tobago	182,349	164,696	14,377	355
Other	107,660	119,852	7,642	109
	290,009	284,548	22,019	464

	Total Assets	
	2020	**2019**
	$'000	**$'000**
Trinidad and Tobago	422,482	438,902
Other	14,093	23,477
	436,575	462,379

The "other" segment includes revenue and receivables from sales to other Caribbean countries including CARICOM and the Dutch Caribbean.

29. Determination of Fair Values

(a) Valuation models

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

29. Determination of Fair Values (continued)

(a) *Valuation models* (continued)

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

(b) Non-financial instruments measured at fair value

(i) Methodology

The Company's freehold land and buildings were last valued on January 19, 2021, by an independent professional valuator. The valuation surveyors used the Investment Method to determine the value of land and buildings, i.e. the capitalization of the estimated net income realizable for the property. The highest and best use of the property is determined as light industrial/warehousing, which is the basis of the valuation. The surplus arising was credited to the property revaluation surplus in equity. The fair value for land and buildings of $53.9 million (2019: $48.3 million) has been classified as Level 3 in the fair value hierarchy. The inputs were based on the current prices being paid for comparable properties in the open market

The movement in land and buildings – Level 3 hierarchy is disclosed in Note 8.

29. Determination of Fair Values (continued)

(b) Non-financial instruments measured at fair value (continued)

(i) Methodology (continued)

An independent valuation of the Home Care & Liquids machinery was performed by a professional valuator during the year. This was triggered by the events mentioned in Note 8 (iv). This valuation used the depreciated replacement cost approach, and conforms to International Valuation Standards, and was used to determine the recoverable amount of the assets.

The cost to sell was subsequently deducted from the valuation to determine the fair value. The fair value for machinery of $7.4 million has been classified as Level 3 in the fair value hierarchy.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during the year.

(ii) Significant unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used in measuring items categorised as Level 3 in the fair value hierarchy. There were no items categorised as Level 1 or 2.

Fair value measurements at the end of the reporting period using:

Description	**31/12/20**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Recurring Fair Value Measurements				
Land	$36.7m	-	-	$36.7m
Buildings	$17.2m	-	-	$17.2m
Total	$53.9m	-	-	$53.9m
Non-Recurring Fair Value Measurements				
Machinery	$7.4m	-	-	$7.4m
Total	$7.4m	-	-	$7.4m

29. Determination of Fair Values (continued)

(b) Non-financial instruments measured at fair value (continued)

(ii) Significant unobservable inputs used in measuring fair value (continued)

Description	31/12/19	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring Fair Value Measurements				
Land	$37.0m	-	-	$37.0m
Buildings	$16.2m	-	-	$16.2m
Total	$53.2m	-	-	$53.2m
Non-Recurring Fair Value Measurements				
Machinery	$2.8m	-	-	$2.8m
Total	$2.8m	-	-	$2.8m

Based on the Directors' valuation performed in 2019, the value of the machinery related to the Home Care manufacturing was nil. Refer to Note 8 (iv).

Reconciliation of the Recurring Fair Value Measurement, categorised within Level 3

Description	Carrying Amount 01/01/20	Additions/ (Transfers)/ (Disposals)	(Depreciation)/ (Impairment) (Retirement)	Revaluation gain/(loss)	Carrying Amount 31/12/20
Land	$37.0m	-	-	$(0.3)m	$36.7m
Buildings	$16.2m	$(0.5)m	$(0.1)m	$1.6m	$17.2m
Total	$53.2m	$(0.5)m	$(0.1)m	$1.3m	$53.9m

Description	Carrying Amount 01/01/19	Additions/ Transfers/ (Disposals)	(Depreciation)/ (Impairment) (Retirement)	Revaluation gain/(loss)	Carrying Amount 31/12/19
Land	$37.0m	-	-	-	$37.0m
Buildings	$14.0m	$2.5m	$(0.3)m	-	$16.2m
Total	$51.0m	$2.5m	$(0.2)m	-	$53.2m

29. Determination of Fair Values (continued)

(b) Non-financial instruments measured at fair value (continued)

(ii) Significant unobservable inputs used in measuring fair value (continued)

Valuation Techniques and Significant Unobservable Inputs

31/12/2020 Description	**Level 3 Fair Value at December 31, 2020**	**Valuation Technique**	**Significant Unobservable Inputs**
Land	$36.7 million	Investment Method	- Gross monthly rental value - Perpetuity Rate
Buildings	$17.2 million	Investment Method	- Outgoings - Perpetuity Rate
Machinery	$7.4 million	Cost Approach	- Depreciation rate & Condition - Cost to sell

Sensitivities to changes in unobservable inputs for recurring fair value measurement

	1% pa increase	**1% pa decrease**
	$'000	**$'000**
Land & Building		
Gross monthly rental value	720	(720)
Outgoings	17	(17)
Perpetuity Rate	550	(550)

(c) Financial instruments not measured at fair value

The financial instruments not measured at FVTPL include cash and cash equivalents, accounts receivable, due from related companies, trade and other payables and due to related companies and finance lease liabilities. These are short-term financial assets and financial liabilities whose carrying amounts approximate fair value because of their short-term nature and the high credit quality of counterparties.

30. Discontinued Operations

	2020 $'000	2019 $'000
Gross loss	-	-
Administrative expenses	-	(557)
Operating loss	-	(557)
Other income	-	-
Loss before tax	-	(557)
Taxation credit	-	139
Loss from discontinued operations	-	(418)

Effective April 26, 2018, the Company agreed to the sale of its Spreads Business to Upfield Trinidad and Tobago Limited. This entity is a wholly owned subsidiary of Kohlberg Kravis Roberts LP (KKR).

Unilever is providing certain services to the Spreads Business for a transitional period as part of the Reverse Master Supply Agreement.

31. Covid-19 Response

The Covid-19 pandemic has continued to affect businesses across the world in many different ways, and the Company was no exception to this. Below it is outlined how the pandemic affected the Company and how it responded to address the risks.

(i) Unavailability of Company Personnel

All office personnel have been working from home full-time to ensure the safety and health of the employees. The Company personnel were accustomed to agile working, and as such there was only a very short acclimatization period, without a significant impact on work productivity.

31. Covid-19 Response (continued)

(ii) Delays in collection

At the onset of the pandemic, the Company tightened its credit control framework, through the weekly credit committee meetings where it monitors the experiences of each of the customers, and addresses any potential credit risk. The Company managed to make a strong improvement in its collections throughout the year as a result of these actions, despite of the pandemic environment.

(iii) Supply Chain disruption

During 2020 the Company faced supply chain disruptions as a result of the Covid-19 pandemic, especially throughout the earlier months of the year, when factories globally were still adapting to the new conditions. The Company managed to reduce most of this risk by leveraging the access to many alternative sourcing options within the Unilever Group, and it holds sufficient safety stock levels to not have this impact the business results significantly.

(iv) Reduced business and economic activity due to disruptions in tourism, sports, cultural

The Company operates in a few markets where disruptions in tourism has caused impacts to the economic activity, but due to the diverse regions that the Company operates in, and the diverse portfolio it offers, the Company was able to deal with these risks.

(v) Impacts on valuation of Property, Plant & Equipment

The Covid-19 pandemic has brought a lot of uncertainties in the real estate market, and paired with the adverse effect of prolonged low energy prices, has begun to adversely affect the property market. The effect however on the company does not seem to be significant as yet, as the revaluation of the Land & Building performed, did not significantly affect the value.

32. Events after the Reporting Date

The Company has evaluated events occurring after December 31 2020, in order to assess and determine the need for potential recognition or disclosure in these financial statements. Such events were evaluated through March 30, 2021, the date these financial statements were available to be issued. Based upon this evaluation, the Company has determined that there are no subsequent events that require disclosure.