



UNILEVER CARIBBEAN LIMITED

# Unaudited Financial Statements

for the Period ended 31 March 2019

Expressed in Trinidad & Tobago Dollars

## CHAIRMAN'S REVIEW

Q1-2019 results are compared to a Q1-2018 results restated to exclude Spreads, which are captured in the "Profit from discontinued Operations net of tax".

Turnover in Q1-2019 was lower than Q1-2018 by TT\$ 8.6m, impacted by lower results in both the Domestic and Export Markets. Excellent growth in Beauty and Personal Care could not offset the declines in the other Categories.

Continued execution of our Portfolio Shift Strategy and strategic pricing decisions resulted in improved Gross Margins from 29.4% to 35.6%, driven by improvements in both the Domestic and Export Markets in all Categories. This increased Gross Profit by TT\$1.5m, or 6.8% versus prior year.

Selling and Distribution Expenses were reduced by TT\$3.2 m (-15.8%) but Administrative Expenses increased by TT\$1.3 m mainly due to Exchange Rate Fluctuations (TT\$1.0m). Operating Profit for the period was TT\$ 286k (0.4% of Turnover) compared to an Operating Loss of TT\$4.4m (-6% of Turnover) for the corresponding period last year. Other Income and Finance Income contributed to a PBT of TT\$ 2.0m versus a Loss Before Tax of \$4.4m for the same period for 2018.

Earnings per Share for the period were TT\$0.06, compared to a Loss per Share of TT\$0.08 for the corresponding 2018 period.

Increases in Trade Receivables were offset by reductions in Inventories compared to Q1-2018 as Working Capital control continues to be a focus for the Company.

The Board and Management will continue to deliver improved Margins and Gross Profit through Portfolio Mix management, strategic pricing decisions and optimizing trade promotional activity. This will provide the fuel to increase investment in our Brands to now deliver growth in a more profitable mix.

We will continue to implement initiatives to further reduce operating costs to ensure Margin improvements are reflected in improved Profitability.

Nuria Hernández Crespo  
Chairman

## SUMMARY STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 31 Mar 2019 \$'000	31 Mar 2018 \$'000	AUDITED 31 Dec 2018 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	145,431	154,732	129,511
Retirement benefit asset	56,334	66,194	56,115
Deferred tax asset	9,123	7,704	8,311
	<u>210,888</u>	<u>228,630</u>	<u>193,937</u>
<b>Current assets</b>			
Inventories	44,685	54,520	40,994
Trade and other receivables	67,972	69,670	69,773
Value added tax recoverable	20,611	14,187	17,663
Due from related companies	167,602	13,498	169,901
Taxation recoverable	10,222	8,223	9,582
Cash at bank and in hand	63,573	53,731	63,593
	<u>374,665</u>	<u>213,829</u>	<u>371,506</u>
<b>Total assets</b>	<b><u>585,553</u></b>	<b><u>442,459</u></b>	<b><u>565,443</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Stated capital	26,244	26,244	26,244
Property revaluation surplus	35,643	35,643	35,643
Retained earnings	254,218	175,483	309,722
	<u>316,105</u>	<u>237,370</u>	<u>371,609</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Retirement and termination benefit obligation	26,482	25,679	26,666
Lease liabilities	10,029	-	-
Deferred tax liabilities	35,692	32,239	34,676
	<u>72,203</u>	<u>57,918</u>	<u>61,342</u>
<b>Current Liabilities</b>			
Trade and other payables	91,191	85,318	80,450
Dividends payable to minority shareholders	28,469	-	-
Lease liabilities	7,020	-	-
Provisions for other liabilities	18,934	7,661	26,793
Due to parent and related companies	23,151	54,192	25,249
Dividends payable to Parent & Holdings	28,480	-	-
	<u>197,245</u>	<u>147,171</u>	<u>132,492</u>
<b>Total liabilities</b>	<b><u>269,448</u></b>	<b><u>205,089</u></b>	<b><u>193,834</u></b>
<b>Total equity and liabilities</b>	<b><u>585,553</u></b>	<b><u>442,459</u></b>	<b><u>565,443</u></b>

Nicholas Gomez, Director

John De Silva, Director

## NOTES TO THE FINANCIAL STATEMENTS:

- Basis of preparation. These summary financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).
- Summary of significant accounting policies. The principal accounting policies applied in the preparation of these summary financial statements are consistent with those disclosed in the audited financial statements as at and for the year ended December 31, 2018, and have been consistently applied to all periods presented, unless otherwise stated,

## SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED 3 MONTHS ENDED 31 Mar 2019 \$'000	Restated 31 Mar 2018 \$'000	AUDITED 12 MONTHS ENDED 31 Dec 2018 \$'000
<b>Continuing operations</b>			
<b>Revenue</b>	<b>65,000</b>	<b>73,568</b>	<b>317,815</b>
Cost of sales	(41,890)	(51,933)	(210,373)
<b>Gross profit</b>	<b>23,110</b>	<b>21,635</b>	<b>107,442</b>
Selling and distribution costs	(17,329)	(20,571)	(76,058)
Administrative expenses	(5,964)	(4,661)	(25,559)
Impairment loss on trade receivables	469	(830)	(1,291)
<b>Operating profit/(loss)</b>	<b>286</b>	<b>(4,427)</b>	<b>4,534</b>
Other income	684	-	1,305
Finance income	1,070	3	2,008
<b>Profit/(loss) before taxation</b>	<b>2,040</b>	<b>(4,424)</b>	<b>7,847</b>
Taxation	(595)	2,110	(1,490)
<b>Profit/(loss) after taxation</b>	<b>1,445</b>	<b>(2,314)</b>	<b>6,357</b>
Discontinued operations	-	-	-
Profit from discontinued operations net of tax	-	5,365	162,167
<b>Profit for the period</b>	<b>1,445</b>	<b>3,051</b>	<b>168,524</b>
<b>Other comprehensive income</b>			
Re-measurements of defined benefit asset/liability	-	-	(12,664)
Related tax	-	-	3,799
<b>Total comprehensive income for the period</b>	<b>1,445</b>	<b>3,051</b>	<b>159,659</b>
Earnings per share - Continuing operations	0.06	(0.08)	0.24
Earnings per share - Discontinued operations	0.00	0.20	6.18
Total earnings per share	0.06	0.12	6.42

## SUMMARY STATEMENT OF CASH FLOWS

	UNAUDITED 3 MONTHS ENDED 31 Mar 2019 \$'000	Restated 31 Mar 2018 \$'000	AUDITED YEAR ENDED 31 Dec 2018 \$'000
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>			
Profit before taxation	2,040	(4,424)	7,847
Continued operations	-	5,770	166,293
Discontinued operations	-	-	(162,076)
Adjustment for items not affecting working capital	2,296	2,782	(12,064)
Operating profit before working capital changes	4,336	4,128	12,064
Net decrease/(increase) in working capital	(1,755)	21,143	(127,194)
<b>Cash flows from operating activities</b>	<b>2,581</b>	<b>25,271</b>	<b>(115,130)</b>
Taxation & interest paid (net of refunds)	(1,031)	(1,012)	(4,064)
<b>Net cash generated (used in)/from operating activities</b>	<b>1,550</b>	<b>24,259</b>	<b>(119,194)</b>
<b>Cash flows from/(used in) investing activities</b>			
Purchase of plant and equipment	(1,570)	(2,248)	(6,623)
Proceeds from sale of Spreads	-	-	192,857
<b>Net cash generated from/(used in) investing activities</b>	<b>(1,570)</b>	<b>(2,248)</b>	<b>186,234</b>
<b>Cash flows used in financing activities</b>			
Dividends paid	-	-	(35,167)
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>-</b>	<b>(35,167)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(20)</b>	<b>22,011</b>	<b>31,873</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>63,593</b>	<b>31,720</b>	<b>31,720</b>
<b>Cash and cash equivalents at the end of period</b>	<b>63,573</b>	<b>53,731</b>	<b>63,593</b>
<b>Represented by:</b>			
<b>Cash at bank and in hand</b>	<b>63,573</b>	<b>53,731</b>	<b>63,593</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated Capital \$'000	Property Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance as at 1 January, 2019</b>	26,244	35,643	309,722	371,609
Total comprehensive income for the period	-	-	1,445	1,445
Dividends payable	-	-	(56,949)	(56,949)
<b>Balance as at 31 March, 2019</b>	<b>26,244</b>	<b>35,643</b>	<b>254,218</b>	<b>316,105</b>
<b>Balance as at 1 January, 2018</b>	26,244	35,643	172,433	234,320
Adjustment on initial application of IFRS 9	-	-	(326)	(326)
Total comprehensive income for the period	-	-	159,659	159,659
Dividends paid	-	-	(22,044)	(22,044)
<b>Balance as at 31 December, 2018</b>	<b>26,244</b>	<b>35,643</b>	<b>309,722</b>	<b>371,609</b>

- Initial application of IFRS 16 leases. UCL has applied IFRS 16 and has not restated prior periods as allowed by the standard. The company has recognised the present value of the remaining lease payments as lease liabilities (Non Current \$10.03M and Current \$7.02M) and the right of use asset at \$19.92M.
- Q1 2018 has been restated to exclude the impact of the Spreads Business and therefore reflects only the Continuing Operations as a basis for suitable comparison.