



Unilever Caribbean Limited

# Unaudited Financial Statements

for the First Quarter ended 31 March 2020

Expressed in Trinidad & Tobago Dollars

## CHAIRMAN'S REVIEW

The Company delivered a positive start to the year as Revenue increased by 25.3% to TT\$81.4m compared to TT\$65.0m in 2019. Gross Profit increased by 61% to TT\$37.1m, after the impact of one-time charges of TT\$1.4m to Cost of Sales. Operating Profit was TT\$5.9m compared TT\$0.3m in the prior year.

The growth was achieved in all categories and key markets. This was accelerated at the end of March as the company responded to increased demand for its hygiene focused Personal Care and Home Care portfolios. Additionally, the Home Care Category benefitted from a change in sourcing which contributed to a Gross Margin improvement.

An increase in Selling and distribution expenses was driven by one-time costs of TT\$4.8m associated with the transition to a new Distribution Operation model. The increase in Administrative Expenses reflected new shared services charges.

Profit Before Tax was TT\$6.6m compared to TT\$2.0 in the prior year and Profit After Tax was TT\$4.6m, compared to TT\$1.4m in 2019. The most significant cashflow item in the reporting period was the Severance payment of TT\$28.8m.

The Covid-19 global pandemic is having an unprecedented effect on our consumers and economies. The Company has moved quickly to support its stakeholders and maintain operations at the same time, maintaining an agility to prepare for any challenges that lie ahead. The Company will continue to focus on protecting its employees, ensuring continuous product supply, adapting to changing demand patterns, supporting communities and strengthening its cash position.

Rodrigo Sotomayor, Chairman

## SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited as at		Audited
	31 Mar 2020	31 Mar 2019	31 Dec 2019
	\$'000	\$'000	\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	64,122	145,431	66,002
Retirement benefit asset	91,692	56,334	91,017
Deferred tax asset	14,568	9,123	15,678
	<b>170,382</b>	<b>210,888</b>	<b>172,697</b>
<b>Current assets</b>			
Inventories	45,005	44,685	45,000
Taxation recoverable	9,702	10,222	9,703
Trade and other receivables	114,305	67,972	95,695
Value added tax recoverable	9,793	20,611	12,516
Due from related companies	74,581	167,602	103,063
Cash at bank and in hand	19,855	63,573	23,705
	<b>273,241</b>	<b>374,665</b>	<b>289,682</b>
<b>Total assets</b>	<b>443,623</b>	<b>585,553</b>	<b>462,379</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	202,910	254,218	198,346
<b>Total equity</b>	<b>264,797</b>	<b>316,105</b>	<b>260,233</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Retirement and termination benefit obligation	10,330	26,482	10,777
Lease liabilities	364	10,029	364
Deferred tax liabilities	26,385	35,692	25,917
	<b>37,079</b>	<b>72,203</b>	<b>37,058</b>
<b>Current liabilities</b>			
Trade and other payables	85,658	91,191	81,006
Dividends payable to minority shareholders	-	28,469	-
Lease liabilities	7,209	7,020	9,872
Provisions for other liabilities	3,462	18,934	36,205
Due to parent and related companies	45,418	23,151	38,005
Dividends payable to Parent & Holdings	-	28,480	-
	<b>141,747</b>	<b>197,245</b>	<b>165,088</b>
<b>Total liabilities</b>	<b>178,826</b>	<b>269,448</b>	<b>202,146</b>
<b>Total equity and liabilities</b>	<b>443,623</b>	<b>585,553</b>	<b>462,379</b>

John De Silva, Managing Director

Nicholas Gomez, Director

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

**1. 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).

**2. 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, 2019, and have been consistently applied to all periods presented, unless otherwise stated.

## SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 3 months ended		Audited
	31 Mar 2020	31 Mar 2019	31 Dec 2019
	\$'000	\$'000	\$'000
<b>Continuing operations</b>			
<b>Revenue</b>	<b>81,435</b>	65,000	284,548
Cost of sales	(44,271)	(41,890)	(179,194)
<b>Gross profit</b>	<b>37,164</b>	23,110	105,354
Selling and distribution costs	(23,713)	(17,329)	(76,227)
Administrative expenses	(7,581)	(5,964)	(26,809)
Impairment gain/(loss) on trade receivables	10	469	(1,235)
Loss on disposal of plant and equipment	-	-	(619)
<b>Operating profit</b>	<b>5,880</b>	286	464
Restructuring cost	-	-	(103,744)
Operating profit/(loss) after restructuring	<b>5,880</b>	286	(103,280)
Finance income	-	1,070	419
Other income	707	684	3,796
<b>Profit/(loss) before taxation</b>	<b>6,587</b>	2,040	(99,065)
Tax (expense)/credit	(2,023)	(595)	23,548
Profit/(loss) from continuing operations	<b>4,564</b>	1,445	(75,517)
Discontinued operations	-	-	-
Loss from discontinued operations, net of tax	-	-	(418)
<b>Profit/(loss) for the period</b>	<b>4,564</b>	1,445	(75,935)
<b>Other comprehensive income</b>			
Re-measurements of defined benefit asset/ liability	-	-	30,970
Related tax	-	-	(9,291)
<b>Total comprehensive income/(loss) for the period</b>	<b>4,564</b>	1,445	(54,256)
Earnings/(loss) per share - continuing operations	<b>0.17</b>	0.06	(2.88)
Earnings/(loss) per share - discontinued operations	<b>0.00</b>	0.00	(0.01)
<b>Total earnings/(loss) per share</b>	<b>0.17</b>	0.06	(2.89)

## SUMMARY STATEMENT OF CASH FLOWS

	Unaudited 3 months ended		Audited
	31 Mar 2020	31 Mar 2019	31 Dec 2019
	\$'000	\$'000	\$'000
<b>Cash flows (used in)/from generated operating activities</b>			
Profit/(loss) before taxation			(99,065)
Continued operations	6,587	2,040	(557)
Discontinued operations	-	-	(57)
Adjustment for items not affecting working capital	1,859	1,226	79,681
Operating profit/(loss) before working capital changes	<b>8,446</b>	3,266	(19,941)
Net (increase)/decrease in working capital	(7,942)	924	52,016
<b>Cash flows generated from operating activities</b>	<b>504</b>	4,190	32,075
Taxation & interest paid	(590)	(1,178)	(2,784)
<b>Net cash (used in)/generated from operating activities</b>	<b>(86)</b>	3,012	29,291
<b>Cash flows used in from investing activities</b>			
Interest received	145	1,217	1,409
Purchase of plant and equipment	(1,101)	(1,570)	(2,134)
<b>Net cash used in investing activities</b>	<b>(956)</b>	(353)	(725)
<b>Cash flows used in financing activities</b>			
Dividends paid	-	-	(56,949)
Payment of lease liabilities	(2,808)	(2,679)	(11,505)
<b>Net cash flows used in financing activities</b>	<b>(2,808)</b>	(2,679)	(68,454)
<b>Decrease in cash and cash equivalents</b>	<b>(3,850)</b>	(20)	(39,888)
<b>Cash and cash equivalents at beginning of period</b>	<b>23,705</b>	63,593	63,593
<b>Cash and cash equivalents at the end of period</b>	<b>19,855</b>	63,573	23,705
<b>Represented by: Cash at bank and in hand</b>	<b>19,855</b>	63,573	23,705

## SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Property Revaluation Surplus	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 January, 2020</b>	26,244	35,643	198,346	260,233
Total comprehensive income for the period	-	-	4,564	4,564
<b>Balance as at 31 March, 2020</b>	<b>26,244</b>	<b>35,643</b>	<b>202,910</b>	<b>264,797</b>
<b>Balance as at 1 January, 2019</b>	26,244	35,643	309,722	371,609
Adjustment on initial application of IFRS 16	-	-	(171)	(171)
<b>Adjusted balance at January 1, 2019</b>	<b>26,244</b>	<b>35,643</b>	<b>309,551</b>	<b>371,438</b>
Total comprehensive loss for the period	-	-	(54,256)	(54,256)
Dividends paid	-	-	(56,949)	(56,949)
<b>Balance as at 31 December, 2019</b>	<b>26,244</b>	<b>35,643</b>	<b>198,346</b>	<b>260,233</b>