



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
ASSETS			
Non-current assets			
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
	170,382	210,888	172,697
Current assets			
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
	273,241	374,665	289,682
Total assets	443,623	585,553	462,379
EQUITY AND LIABILITIES			
EQUITY			
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
Total equity	264,797	316,105	260,233
LIABILITIES			
Non-current liabilities			
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
	37,079	72,203	37,058
Current liabilities			
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	-
	141,747	197,245	165,088
Total liabilities	178,826	269,448	202,146
Total equity and liabilities	443,623	585,553	462,379

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
Continuing operations			
Revenue	81,435	65,000	284,548
Cost of sales	(44,271)	(41,890)	(179,194)
Gross profit	37,164	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)
Operating profit	5,880	286	464
Restructuring cost	-	-	(103,744)
Operating profit/(loss) after restructuring	5,880	286	(103,280)
Finance income	-	1,070	419
Other income	707	684	3,796
Profit/(loss) before taxation	6,587	2,040	(99,065)
Tax (expense)/credit	(2,023)	(595)	23,548
Profit/(loss) from continuing operations	4,564	1,445	(75,517)
Discontinued operations			
Loss from discontinued operations, net of tax	-	-	(418)
Profit/(loss) for the period	4,564	1,445	(75,935)
Other comprehensive income			
Re-measurements of defined benefit asset/ liability	-	-	30,970
Related tax	-	-	(9,291)
Total comprehensive income/(loss) for the period	4,564	1,445	(54,256)
Earnings/(loss) per share - continuing operations	0.17	0.06	(2.88)
Earnings/(loss) per share - discontinued operations	0.00	0.00	(0.01)
Total earnings/(loss) per share	0.17	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
Cash flows (used in)/from generated operating activities			
Profit/(loss) before taxation	6,587	2,040	(99,065)
Continued operations	-	-	(557)
Discontinued operations	1,859	1,226	79,681
Adjustment for items not affecting working capital	8,446	3,266	(19,941)
Operating profit/(loss) before working capital changes	(7,942)	924	52,016
Net (increase)/decrease in working capital	504	4,190	32,075
Cash flows generated from operating activities	(590)	(1,178)	(2,784)
Taxation & interest paid			
Net cash (used in)/generated from operating activities	(86)	3,012	29,291
Cash flows used in from investing activities			
Interest received	145	1,217	1,409
Purchase of plant and equipment	(1,101)	(1,570)	(2,134)
Net cash used in investing activities	(956)	(353)	(725)
Cash flows used in financing activities			
Dividends paid	-	-	(56,949)
Payment of lease liabilities	(2,808)	(2,679)	(11,505)
Net cash flows used in financing activities	(2,808)	(2,679)	(68,454)
Decrease in cash and cash equivalents	(3,850)	(20)	(39,888)
Cash and cash equivalents at beginning of period	23,705	63,593	63,593
Cash and cash equivalents at the end of period	19,855	63,573	23,705
Represented by: Cash at bank and in hand	19,855	63,573	23,705

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Property Revaluation Surplus	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January, 2020	26,244	35,643	198,346	260,233
Total comprehensive income for the period	-	-	4,564	4,564
Balance as at 31 March, 2020	26,244	35,643	202,910	264,797
Balance as at 1 January, 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 loss for the period	-	-	(54,256)	(54,256)
Dividends paid	-	-	(56,949)	(56,949)
Balance as at 31 December, 2019	26,244	35,643	198,346	260,233