



UNILEVER CARIBBEAN LIMITED

Audited Financial Statements

for the year ended 31 December 2018

Expressed in Trinidad & Tobago Dollars

CHAIRMAN'S REVIEW

2018 was a challenging and transformational year for Unilever Caribbean Limited as the Spreads business was divested in July 2018 and the company embarked on several initiatives to improve efficiencies, reduce costs and improve the cash position. The Continuing Operations results for 2018 reflect the performance of the business excluding Spreads of \$6.3m.

Profit from discontinued operations, net of tax, \$162.2m, includes Revenue and Expenses for the period January to June 2018 and the gain on the spreads Disposal.

Reported Revenue reduced by \$146.2m mainly due to the Spreads divestment. Still, our Home Care business was impacted by demand contraction and increase of competition. Personal Care and Foods business performance were impacted by some exports markets underperformance, but partially off-set by strong growth in Personal Care in Trinidad and Tobago and an excellent growth in the Refreshment category in all major markets.

Portfolio shift to more on demand and higher-margin businesses will continue to be a strategic focus for the company going forward.

Expenses were reduced vs 2017 and will continue to be a focus area to drive improved operational efficiencies.

Working Capital improved with significant reductions in Inventories and Receivables.

Although trading conditions in our key markets will remain a challenge in the short-term, Unilever will focus on portfolio transformation, increase distribution and investing in people and brands to deliver profitable growth.

The Board of Directors has declared a Final Dividend of \$2.17 per share, bringing the total dividend for the year to \$2.25 per share (2017: \$0.76 per share), with an EPS of \$6.42 per share.

The continued efforts of our committed team, as well as the on-going support of our customers and shareholders are appreciated as we work to transform the business and significantly improve our financial results.

Nuria Hernández Crespo
Chairman

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of Unilever Caribbean Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2018, the summary statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Unilever Caribbean Limited ("the Company") for the year ended December 31, 2018.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the notes to the summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 27, 2019. That report also includes the communication of 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 for the current period.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis described in the notes to the summary financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

Chartered Accountants
March 27, 2019
Port of Spain
Trinidad, West Indies

SUMMARY STATEMENT OF FINANCIAL POSITION

	AUDITED AS AT			AUDITED AS AT	
	31 Dec 2018	31 Dec 2017		31 Dec 2018	31 Dec 2017
	\$'000	\$'000		\$'000	\$'000
ASSETS			EQUITY AND LIABILITIES		
Non-current assets			EQUITY		
Property, plant and equipment	129,511	154,741	Stated capital	26,244	26,244
Retirement benefit asset	56,115	68,432	Property revaluation surplus	35,643	35,643
Deferred tax asset	8,311	7,540	Retained earnings	309,722	172,433
	<u>193,937</u>	<u>230,713</u>	Total equity	<u>371,609</u>	<u>234,320</u>
Current assets			LIABILITIES		
Inventories	40,994	49,779	Non-current liabilities		
Trade and other receivables	87,436	111,180	Retirement and termination benefit obligation	26,666	27,391
Due from related companies	169,901	13,683	Deferred tax liabilities	<u>34,676</u>	<u>34,385</u>
Taxation recoverable	9,582	7,815		<u>61,342</u>	<u>61,776</u>
Cash at bank and in hand	63,593	31,720	Current liabilities		
	<u>371,506</u>	<u>214,177</u>	Trade and other payables	80,450	86,367
Total assets	<u>565,443</u>	<u>444,890</u>	Provisions for other liabilities	26,793	8,903
			Due to parent and related companies	<u>25,249</u>	<u>53,524</u>
				<u>132,492</u>	<u>148,794</u>
			Total liabilities	<u>193,834</u>	<u>210,570</u>
			Total equity and liabilities	<u>565,443</u>	<u>444,890</u>

Nicholas Gomez, Director

John De Silva, Managing Director



UNILEVER CARIBBEAN LIMITED

Audited Financial Statements

for the year ended 31 December 2018 (continued)

Expressed in Trinidad & Tobago Dollars

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	AUDITED 12 MONTHS ENDED	
	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Continuing operations		
Revenue	317,815	464,042
Cost of sales	(210,373)	(297,897)
Gross profit	107,442	166,145
Selling and distribution costs	(76,058)	(108,690)
Administrative expenses	(25,559)	(29,474)
Impairment loss on trade receivables	(1,291)	(6,556)
Gain/(loss) on disposal of plant and equipment	-	(1,910)
Operating profit	4,534	19,515
Other income	1,305	-
Finance income/(costs) – net	2,008	(352)
Profit before tax	7,847	19,163
Income tax expense	(1,490)	(8,693)
Profit after taxation	6,357	10,470
Discontinued operations		
Profit from discontinued operations net of tax	162,167	-
Profit for the period	168,524	10,470
Other comprehensive income		
Re-measurements of defined benefit asset/ liability	(12,664)	20,488
Related tax	3,799	(6,146)
Total comprehensive income for the period	159,659	24,812
Earnings per share – continuing operations	0.24	
Earnings per share – discontinued operations	6.18	
Total earnings per share	6.42	0.40

SUMMARY STATEMENT OF CASH FLOWS

	AUDITED 12 MONTHS ENDED	
	31 Dec 2018 \$'000	31 Dec 2017 \$'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continued operations	7,847	19,163
- Discontinued operations	166,293	-
Adjustment for items not affecting working capital	(162,076)	11,087
Operating profit before working capital changes	12,064	30,250
Net decrease /(increase) in working capital	(127,194)	11,127
Cash flows from operating activities	(115,130)	41,377
Taxation & interest paid (net of refunds)	(4,064)	(11,388)
Net cash generated (used in)/from operating activities	(119,194)	29,989
Cash flows from/(used in) investing activities		
Purchase of plant and equipment	(6,623)	(43,020)
Proceeds from sale of property, plant and equipment	-	487
Proceeds from sale of Spreads	192,857	-
Net cash generated from/(used in) investing activities	186,234	(42,533)
Cash flows used in financing activities		
Dividends paid	(35,167)	(13,121)
Net cash flows used in financing activities	(35,167)	(13,121)
Increase / (decrease) in cash and cash equivalents	31,873	(25,666)
Cash and cash equivalents at beginning of period	31,720	57,386
Cash and cash equivalents at the end of period	63,593	31,720
Represented by:		
Cash at bank and in hand	63,593	31,720

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated Capital \$'000	Property Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 January, 2018	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	-	-	(22,044)	(22,044)
Balance as at 31 December, 2018	26,244	35,643	309,722	371,609
Balance as at 1 January, 2017	26,244	35,643	173,865	235,752
Total comprehensive income for the period	-	-	24,812	24,812
Dividends	-	-	(26,244)	(26,244)
Balance as at 31 December, 2017	26,244	35,643	172,433	234,320

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

- 1. Basis of preparation.** 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, 2018, and have been consistently applied to all periods presented, unless otherwise stated.