# **Unaudited Financial Statements**

For the 9 months ended 30 September, 2018

Expressed in Trinidad & Tobago Dollars

# **CHAIRMAN'S REVIEW**

As previously announced, Unilever completed the sale of its Spreads business in July 2018, the impact of which is reflected in our Q3 results. The income from the disposal and services provided are reported as Other Income of 161.3 M and the proceeds from the Disposal are deposited within an interest-bearing account managed by Group Treasury and reported under Due from related companies.

In Q3 2018 UCL executed improvements across the operations, including growing the highermargin Categories to offset the lower-margin Homecare Category, and better Cost and Cash management.

Turnover for 03 2018, \$78.6 M declined by \$30.1 M compared to Q3 2017 \$108.7 M, impacted mainly by the Spreads disposal. Continued macro-economic challenges in Trinidad and Tobago and Barbados, combined with distribution re-alignment in Guyana also impacted Turnover. However, excellent growth in strategic Personal Care and Refreshment brands confirm early results of the ongoing strategic portfolio transformation.

Cost control and cash management measures continue to be implemented, achieving a 21% reduction in Selling and Distribution and Administrative Expenses, a 29% reduction in Trade and other receivables, and the Cash position doubled to \$60.8 M at the end of September 2018.

All these measures contributed to an Operating Profit of \$15.3 M, an improvement of 49.6%, and an Operating Profit Margin improvement from 2.9%, in the comparative period to 5.3% in Q3. Combined with Other and Finance Income, the PBT is \$177.6 M for the 9 months ended September 2018. The Board and Management are purposefully pursuing the transformation of UCL and in the

process of evaluating and implementing several strategic initiatives to deliver sustainable Turnover and Profitability improvements.

Nuria Hernandez Crespo Chairman

### SUMMARY STATEMENT OF FINANCIAL POSITION

	UNA UDITED AS AT 30 SEP 2018 \$'000	UNA UDITED AS AT 30 SEP 2017 \$'000	AUDITED 31-Dec-17 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	131,243	143,346	154,741
Retirement benefit asset	66,315	46,248	68,432
Deferred tax asset	7,255	7,737	7,540
	204,813	197,331	230,713
Current assets Inventories	49,854	61,553	49,779
Trade and other receivables	83.950	118,754	111,180
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Due from related companies Taxation recoverable	202,305 10,147	2,739 12,473	13,683 7,815
Cash at bank and in hand	60,772	28,599	<u>31,720</u>
Cash at bank and in hand	· · · · · · · · · · · · · · · · · · ·	·	
	407,028	224,118	214,177
Total assets	611,841	421,449	444,890
EQUITY AND LIABILITIES EQUITY			
Stated Capital	26,244	26,244	26,244
Property revaluation surplus	35,643	35,643	35,643
Retained earnings	326,492	154,624	172,433
Total equity	388,379	216,511	234,320
LIABILITIES Non-current liabilities			
Retirement and termination benefit	obligation 24,183	25,790	27,391
Deferred tax liabilities	34,829	31,572	34,385
	59,012	57,362	61,776
Current liabilities			
Trade and other payables	99,330	85,066	86,367
Provisions for other liabilities	10,769	8,518	8,903
Due to parent and related companies	54,351	53,992	53,524
	164,450	147,576	148,794
Total liabilities	223,462	204,938	210,570
Total equity and liabilities	611,841	421,449	444,890

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John De Silva, Managing Director

Nanda Persad, Finance Director

## NOTES TO THE 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, 2017, 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		UNAUDITED 9 MONTHSENDED		AUDITED YEAR ENDED
	<b>30 SEP</b> 2018 \$'000	30 SEP 2017 \$'000	30 SEP 2018 \$'000	30 SEP 2017 \$'000	31 Dec 2017 \$'000
Turnover	78,562	108,664	293,542	350,294	464,042
Cost of sales	(51,481)	(72,462)	(189,934)	(224,426)	<u>(297,897)</u>
Gross profit Selling and distribution costs Administrative expenses	<b>27,081</b> (18,918) (5,571)	<b>36,202</b> (30,201) (5,527)	<b>103,607</b> (74,078) (17,662)	<b>125,868</b> (93,563) (21,878)	<b>166,145</b> (115,245) (29,474)
Gain/(loss) on disposal of plant and equipment	<u>3.469</u>	<u>(172)</u>	3,469	<u>(172)</u>	<u>(1,910)</u>
Operating profit	6,062	301	15,337	10,255	19,515
Other income	161,279	((1))	161,279	(200)	(252)
Finance income/(costs)-net Profit before taxation	<u>892</u> 168,232	<u>(61)</u> 240	<u>934</u> 177,550	<u>(306)</u> <b>9,949</b>	<u>(352)</u> <b>19,163</b>
Taxation	(1,021)	<u>(71)</u>	<u>(3,997)</u>	(2,946)	(8,693)
Profit after taxation Other comprehensive income Re-measurements of defined	167,211	169	173,553	7,003	10,470
benefit asset/liability Related tax			2,552		20,488 ( <b>6,146</b> )
Total comprehensive income for the period	167,211	169	<u>176,105</u>	7,003	<u>24,812</u>
Earnings per share	\$6.37	\$0.01	\$6.61	\$0.27	\$0.40

### SUMMARY STATEMENT OF CASH FLOWS

		UDITED HS ENDED 30 SEP 201 7 \$'000	UNAUD 9 MONTH 305EP 2018 30 \$'000	S ENDED	AUDITED YEAR ENDED 31-Dec-17 \$'000
<b>Operating activities</b> Profit before taxation Adjustment for items not	168,232	240	177,550	9,949	19,163
affecting working capital Operating profit before	233	2,347	3,567	<u>11,115</u>	11,087
working capital changes Net decrease /(increase)	168,465	2,587	181,117	21,064	30,250
in working capital Cash flows <b>from</b>	(168,149)	7,679	(132,689)	<u>1,504</u>	<u>11,127</u>
<b>operating activities</b> Taxation & interest paid	316	10,266	48,428	22,568	41,377
(net of refunds)	(1,023)	881	(3,048)	(10,507)	(11,388)
Net cash flows from operating activities	<u>(707)</u>	11,147	45,380	12,061	29,989
Cash flows used in investing activities Purchase of plant and equi Proceeds from sale of property plant and equipment		(17,448)	(4,312) 23,151	(27,727)	(43,020) 487
Net cash flows used in investing activities	21,793	(17,448)	18,840	(27,727)	(42,533)
Cash flows used in financing activities Dividends paid <b>Net cash flows used in</b> financing activities	<u>(2,099)</u> (2,099)		<u>(35,167)</u> (35,167)	<u>(13,121)</u> (13,121)	<u>(13,121)</u> ( <u>13,121)</u>
Increase/(decrease)in cash and cash equivalents	18,987	(6,301)	29,052	(28,787)	(25,666)
Cash and cash equivalents at beginning of period	<u>41,785</u>	34,900	<u>31,720</u>	<u>57,386</u>	<u>57,386</u>
Cash and cash equivalents at the end of period	60,772	28,599	60,772	<u>28,599</u>	<u>31,720</u>
Represented by: Cash at bank and in hand	60,772	28,599	60,772	28,599	31,720

#### SUMMARY STATEMENT OF CHANGES IN EQUITY

rroperty			
Stated	Revaluation	Retained	Total
Capital	Surplus	Earnings	Equity
\$'000	\$'000	\$'000	\$'000
26,244	35,643	172,433	234,320
		176,105	176,105
		(22,045)	(22,045)
26,244	35,643	326,492	388,379
26,244	35,643	173,865	235,752
		7,003	7,003
		(26,244)	(26,244)
26,244	35,643	154,624	216,511
	Capital \$'000 26,244 <b>26,244</b> 26,244	Stated Capital \$'000         Revaluation Surplus \$'000           26,244         35,643           26,244         35,643           26,244         35,643	Stated Capital \$'000         Revaluation Surplus \$'000         Retained Earnings \$'000           26,244         35,643         172,433 176,105 (22,045)           26,244         35,643         326,492           26,244         35,643         173,865 7,003 (26,244)