



# UNILEVER CARIBBEAN LIMITED

# Unaudited Financial Statements

for the Period ended 30 June 2017

Expressed in Trinidad & Tobago Dollars

## CHAIRMAN'S REVIEW

Economic headwinds and foreign exchange shortage continue to affect our market and business operations, adversely impacting consumer confidence and spending. This, compounded with distributors restructuring in key markets, resulted in lower than expected Profit Before Tax for half year to TT\$9.7 million. Against this difficult environment, our sales saw a positive momentum quarter-on-quarter, improving from the negative 14% in quarter one to a negative 8% for quarter two, ending the half-year negative 11.5%, TT\$ 241.6 million.

Despite these challenges, Unilever Caribbean Ltd. remains determined to engage the market with strong customer relationships, launching new brand innovations and activities, achieving positive sales growth in over 60% of the categories in which we participate, led by the refreshment category with double-digit growth of 14%. For the second quarter in 2017, we delivered a gross margin improvement of 39%, compared to 35% in quarter one.

Regardless of this backdrop, our ambition to build a world class manufacturing facility continues apace. We entered the last phase of our investment programme of TT\$50 million to upgrade the plant and equipment at our Champs Fleurs site.

In view of the less-than-stellar results and cash commitments, the Board of Directors has taken the decision not to pay an interim dividend.

The outlook for the region continues to be demanding, with the necessity for economic adjustment as pressure will only intensify. Management will continue to review and adapt plans to suit this dynamic environment and looks forward to an improved performance for the second half of the year.

Pablo Garrido  
Chairman

## UNAUDITED STATEMENT OF FINANCIAL POSITION

	UNAUDITED 30 JUN 17 \$'000	UNAUDITED 30 JUN 16 \$'000	AUDITED 31 DEC 16 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	127,907	98,490	121,188
Retirement benefit asset	46,907	32,313	48,055
Deferred tax asset	7,568	6,652	7,614
	<u>182,382</u>	<u>137,455</u>	<u>176,857</u>
<b>Current assets</b>			
Inventories	64,892	63,665	60,451
Trade and other receivables	133,720	141,284	149,201
Due from related companies	4,466	9,700	1,853
Taxation recoverable	9,774	5,432	1,624
Cash at bank and in hand	34,900	68,674	57,386
	<u>247,752</u>	<u>288,755</u>	<u>270,515</u>
<b>Total assets</b>	<u>430,134</u>	<u>426,210</u>	<u>447,372</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	26,244	26,244	26,244
Property revaluation surplus	35,643	35,284	35,643
Retained earnings	154,455	148,035	173,865
<b>Total equity</b>	<u>216,342</u>	<u>209,563</u>	<u>235,752</u>
<b>Non-current liabilities</b>			
Retirement and termination obligations	25,228	26,608	25,396
Deferred taxation	28,634	18,139	24,816
	<u>53,862</u>	<u>44,747</u>	<u>50,212</u>
<b>Current liabilities</b>			
Trade and other payables	97,949	83,951	79,676
Provisions for other liabilities	6,400	4,717	7,790
Due to parent and related companies	55,580	83,232	73,942
	<u>159,929</u>	<u>171,900</u>	<u>161,408</u>
<b>Total liabilities</b>	<u>213,791</u>	<u>216,647</u>	<u>211,620</u>
<b>Total equity and liabilities</b>	<u>430,134</u>	<u>426,210</u>	<u>447,372</u>

Seamus Clarke, Director

Lucy Walsh, Managing Director

## NOTES TO THE FINANCIAL STATEMENTS:

1. Basis of preparation: These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
2. Significant account policies: The principal accounting policies adopted in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2016.

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED 3 MONTHS ENDED		UNAUDITED 6 MONTHS ENDED		AUDITED YEAR ENDED
	30 JUN 17 \$'000	30 JUN 16 \$'000	30 JUN 17 \$'000	30 JUN 16 \$'000	31 DEC 16 \$'000
<b>Turnover</b>	126,550	138,439	241,631	273,082	566,302
Cost of sales	(77,030)	(76,828)	(151,964)	(158,222)	(337,891)
<b>Gross profit</b>	49,520	61,610	89,666	114,861	228,411
Selling and distribution costs	(37,704)	(35,026)	(63,361)	(67,848)	(137,522)
Administrative expenses	(7,689)	(7,576)	(16,351)	(15,110)	(29,271)
<b>Operating profit</b>	4,128	19,008	9,955	31,903	61,618
Finance income/(costs)- net	(127)	(72)	(245)	(124)	(289)
<b>Profit before taxation</b>	4,001	18,936	9,709	31,779	61,329
Taxation	(1,012)	(4,734)	(2,875)	(7,945)	(18,839)
<b>Profit after taxation</b>	2,989	14,202	6,834	23,834	42,490
<b>Other comprehensive income</b>					
Unrecognised actuarial gains	0	0	0	0	19,623
Revaluation of property	0	0	0	0	512
Related tax	0	0	0	0	(6,041)
<b>Total comprehensive income for the period</b>	<u>2,989</u>	<u>14,202</u>	<u>6,834</u>	<u>23,834</u>	<u>56,584</u>
<b>Earnings per share</b>	<u>\$0.11</u>	<u>\$0.54</u>	<u>\$0.26</u>	<u>\$0.91</u>	<u>\$1.70</u>

## UNAUDITED STATEMENT OF CASH FLOWS

	UNAUDITED 3 MONTHS ENDED		UNAUDITED 6 MONTHS ENDED		AUDITED YEAR ENDED
	30 JUN 17 \$'000	30 JUN 16 \$'000	30 JUN 17 \$'000	30 JUN 16 \$'000	31 DEC 16 \$'000
<b>Operating activities</b>					
Profit before taxation	4,001	18,936	9,709	31,779	61,329
Adjustment for items not affecting working capital	2,174	1,594	8,767	4,209	9,576
Operating profit before working capital changes	6,175	20,530	18,476	35,988	70,905
Net decrease/(increase) in working capital	21,251	(6,262)	(6,175)	(17,456)	(24,804)
<b>Cash flows from operating activities</b>	27,426	14,268	12,301	18,532	46,101
Taxation & interest paid (net of refunds)	(6,549)	(3,259)	(11,388)	(7,484)	(14,892)
<b>Net cash inflows from operating activities</b>	<u>20,877</u>	<u>11,009</u>	<u>914</u>	<u>11,048</u>	<u>31,209</u>
<b>Investing activities</b>					
Purchase of plant and equipment	(6,191)	(3,826)	(10,279)	(7,962)	(32,850)
<b>Net cash outflows from investing activities</b>	<u>(6,191)</u>	<u>(3,826)</u>	<u>(10,279)</u>	<u>(7,962)</u>	<u>(32,850)</u>
<b>Financing activity</b>					
Dividends paid	(13,121)	(26,244)	(13,121)	(26,244)	(32,805)
<b>Increase in cash and cash equivalents</b>	<u>1,566</u>	<u>(19,061)</u>	<u>(22,486)</u>	<u>(23,158)</u>	<u>(34,446)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>33,334</u>	<u>87,735</u>	<u>57,386</u>	<u>91,832</u>	<u>91,832</u>
<b>Cash and cash equivalents at the end of period</b>	<u>34,900</u>	<u>68,674</u>	<u>34,900</u>	<u>68,674</u>	<u>57,386</u>
<b>Represented by:</b>					
Cash at bank and in hand	<u>34,900</u>	<u>68,674</u>	<u>34,900</u>	<u>68,674</u>	<u>57,386</u>

## UNAUDITED STATEMENT OF CHANGES IN EQUITY

	Share Capital \$'000	Property Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance as at 1 January 2017</b>	26,244	35,643	173,865	235,752
Total Comprehensive Income for the period	-	-	6,834	6,834
Dividends	-	-	(26,244)	(26,244)
<b>Balance as at 30 June 2017</b>	<u>26,244</u>	<u>35,643</u>	<u>154,455</u>	<u>216,342</u>
<b>Balance as at 1 January 2016</b>	26,244	35,284	150,445	211,973
Total Comprehensive Income for the period	-	-	23,834	23,834
Dividends	-	-	(26,244)	(26,244)
<b>Balance as at 30 June 2016</b>	<u>26,244</u>	<u>35,284</u>	<u>148,035</u>	<u>209,563</u>