



UNILEVER CARIBBEAN LIMITED

# Audited Financial Statements

for the year ended 31 December 2017

Expressed in Trinidad & Tobago Dollars

## CHAIRMAN'S REVIEW

2017 was another difficult and challenging year for the Trinidad and Tobago economy. The lack of consumer confidence, reduced spending, scarcity of foreign exchange, increased tax rates and an uncharacteristic series of climate events have had a significant impact on the manufacturing industry within the consumer goods segment. This led Unilever Caribbean Limited to a decrease in our turnover by 18% for the year, to TT\$464 million and profit before tax of TT\$19.2 million.

Against the backdrop of recessionary pressure and economy uncertainty, the company managed to improve trade receivables by 25% and end in a solid cash position of TT\$32 million, when considering the latest stage of the strategic investment of TT\$61 million in the upgrade of our manufacturing site, in improving safety standards and reducing our impact on the environment. We are proud to report that the company now reached 30 consecutive months with no recordable accidents and that the programme "Zero Waste to Landfill" is progressing as planned.

Globally, Unilever, for the seventh consecutive year, topped the Global Scan Sustainability ranking of over 1,000 sustainability experts around the world, and once again ranked first in the Personal Products sector of the 2017 Dow Jones Sustainability Index, one of the most credible and high-profile markers of corporate sustainability leadership, demonstrating the company's commitment to the Unilever Sustainable Living Plan. Also in 2017, it announced the intention to divest the spreads business to improve product portfolio and financial flexibility.

Looking ahead, difficult conditions are expected to continue in the new year. We can expect yet another challenging year for the Trinidad and Tobago market. In addressing these challenges, Unilever will remain committed to investing in building strong brands, latest technology and to develop the talent of our people.

At Board level, the Directors have declared a final dividend of TT\$0.76 per share, with an EPS of \$0.40 per share.

Finally, I would like to thank our hard-working team for their efforts in such adverse conditions, our customers for their support, as well as our shareholders, the new management and my Board colleagues, and I look forward to another year working together.

**Pablo Garrido**  
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, 2017, 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, 2017.

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 29, 2018. 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 29, 2018  
Port of Spain  
Trinidad, West Indies

## SUMMARY STATEMENT OF FINANCIAL POSITION

	AUDITED AS AT			AUDITED AS AT	
	31 Dec 2017 \$'000	31 Dec 2016 \$'000		31 Dec 2017 \$'000	31 Dec 2016 \$'000
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>		
<b>Non-current assets</b>			<b>EQUITY</b>		
Property, plant and equipment	154,741	121,188	Stated capital	26,244	26,244
Retirement benefit asset	68,432	50,751	Property revaluation surplus	35,643	35,643
Deferred tax asset	7,540	7,614	Retained earnings	172,433	173,865
	<u>230,713</u>	<u>179,553</u>	<b>Total equity</b>	<u>234,320</u>	<u>235,752</u>
<b>Current assets</b>			<b>LIABILITIES</b>		
Inventories	49,779	60,451	<b>Non-current liabilities</b>		
Trade and other receivables	111,180	149,201	Retirement and termination benefit obligation	27,391	28,092
Due from related companies	13,683	1,853	Deferred tax liabilities	<u>34,385</u>	<u>24,816</u>
Taxation recoverable	7,815	1,624		<u>61,776</u>	<u>52,908</u>
Cash at bank and in hand	<u>31,720</u>	<u>57,386</u>	<b>Current liabilities</b>		
	<u>214,177</u>	<u>270,515</u>	Trade and other payables	86,367	79,676
<b>Total assets</b>	<u>444,890</u>	<u>450,068</u>	Provisions for other liabilities	8,903	7,790
			Due to parent and related companies	<u>53,524</u>	<u>73,942</u>
				<u>148,794</u>	<u>161,408</u>
			<b>Total liabilities</b>	<u>210,570</u>	<u>214,316</u>
			<b>Total equity and liabilities</b>	<u>444,890</u>	<u>450,068</u>

Nanda Persad, Finance Director

John De Silva, Managing Director



UNILEVER CARIBBEAN LIMITED

# Audited Financial Statements

for the year ended 31 December 2017 (continued)

Expressed in Trinidad & Tobago Dollars

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

	UNAUDITED 3 MONTHS ENDED		AUDITED 12 MONTHS ENDED	
	31 Dec 2017 \$'000	31 Dec 2016 \$'000	31 Dec 2017 \$'000	31 Dec 2016 \$'000
<b>Turnover</b>	<b>113,748</b>	<b>156,886</b>	<b>464,042</b>	<b>566,302</b>
Cost of sales	(73,470)	(97,079)	(297,897)	(337,891)
<b>Gross profit</b>	<b>40,278</b>	<b>59,807</b>	<b>166,145</b>	<b>228,411</b>
Selling and distribution costs	(21,683)	(31,437)	(115,245)	(137,522)
Administrative expenses	(7,597)	(7,087)	(29,474)	(29,247)
Loss on disposal of plant and equipment	(1,738)	-	(1,910)	(24)
<b>Operating profit</b>	<b>9,261</b>	<b>21,283</b>	<b>19,515</b>	<b>61,618</b>
Finance costs-net	(46)	(92)	(352)	(289)
<b>Profit before taxation</b>	<b>9,214</b>	<b>21,191</b>	<b>19,163</b>	<b>61,329</b>
Taxation	(5,747)	(8,804)	(8,693)	(18,839)
<b>Profit after taxation</b>	<b>3,467</b>	<b>12,387</b>	<b>10,470</b>	<b>42,490</b>
<b>Other comprehensive income</b>				
Re-measurements of defined benefit asset/ liability	20,488	19,623	20,488	19,623
Revaluation of property	-	512	-	512
Related tax	(6,146)	(6,041)	(6,146)	(6,041)
<b>Total comprehensive income for the period</b>	<b>17,809</b>	<b>26,481</b>	<b>24,812</b>	<b>56,584</b>
<b>Earnings per share</b>	<b>\$0.13</b>	<b>\$0.47</b>	<b>\$0.40</b>	<b>\$1.62</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY

	Share Capital \$'000	Property Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance as at January 1, 2017</b>	26,244	35,643	173,865	235,752
Total comprehensive income for the period	-	-	24,812	24,812
Dividends	-	-	(26,244)	(26,244)
<b>Balance as at December 31, 2017</b>	<b>26,244</b>	<b>35,643</b>	<b>172,433</b>	<b>234,320</b>
<b>Balance as at 1 January 2016</b>	26,244	35,284	150,445	211,973
Total comprehensive income for the period	-	359	56,225	56,584
Dividends paid	-	-	(32,805)	(32,805)
<b>Balance as at 31 December 2016</b>	<b>26,244</b>	<b>35,643</b>	<b>173,865</b>	<b>235,752</b>

## SUMMARY STATEMENT OF CASH FLOWS

	UNAUDITED 3 MONTHS ENDED		AUDITED 12 MONTHS ENDED	
	31 Dec 2017 \$'000	31 Dec 2016 \$'000	31 Dec 2017 \$'000	31 Dec 2016 \$'000
<b>Operating activities</b>				
Profit before taxation	9,214	21,191	19,163	61,329
Adjustment for items not affecting working capital	(28)	4,031	11,087	9,576
Operating profit before working capital changes	9,186	25,222	30,250	70,905
Net decrease /(increase) in working capital	9,623	(18,079)	11,127	(24,804)
<b>Cash flows from operating activities</b>	<b>18,809</b>	<b>7,143</b>	<b>41,377</b>	<b>46,101</b>
Taxation & interest paid (net of refunds)	(881)	(4,201)	(11,388)	(14,892)
<b>Net cash flows from operating activities</b>	<b>17,928</b>	<b>2,942</b>	<b>29,989</b>	<b>31,209</b>
<b>Cash flows used in investing activities</b>				
Purchase of plant and equipment	(15,293)	(12,378)	(43,020)	(32,850)
Proceeds from sale of property, plant and equipment	487	-	487	-
<b>Net cash flows used in investing activities</b>	<b>(14,806)</b>	<b>(12,378)</b>	<b>(42,533)</b>	<b>(32,850)</b>
<b>Cash flows used in financing activities</b>				
Dividends paid	-	-	(13,121)	(32,805)
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>-</b>	<b>(13,121)</b>	<b>(32,805)</b>
<b>Increase /(decrease) in cash and cash equivalents</b>	<b>3,122</b>	<b>(9,436)</b>	<b>(25,666)</b>	<b>(34,446)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>28,598</b>	<b>66,822</b>	<b>57,386</b>	<b>91,832</b>
<b>Cash and cash equivalents at the end of period</b>	<b>31,720</b>	<b>57,386</b>	<b>31,720</b>	<b>57,386</b>
<b>Represented by:</b>				
<b>Cash at bank and in hand</b>	<b>31,720</b>	<b>57,386</b>	<b>31,720</b>	<b>57,386</b>

## 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, 2017, and have been consistently applied to all periods presented, unless otherwise stated.