



**Unilever Nigeria Plc**  
**Unaudited Interim Financial Statements**  
**For the Six Months ended 30 June 2016**

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**Income Statement**  
**For three months ended 30 June 2016**

	Note	2016 N'000	2015 N'000
Revenue	6	15,495,654	13,810,842
Cost of sales		<u>(11,175,180)</u>	<u>(9,122,474)</u>
<b>Gross profit</b>		4,320,474	4,688,368
Selling and distribution expenses		(732,095)	(654,980)
Marketing and administrative expenses	7	(3,334,929)	(4,108,033)
Profit on disposal of property, plant and equipment		<u>-</u>	<u>19,549</u>
<b>Operating profit</b>		253,450	(55,096)
Finance income		163,677	75,606
Finance costs		<u>(349,215)</u>	<u>(791,182)</u>
<b>Profit before taxation</b>		67,912	(770,672)
Taxation	11	<u>(15,717)</u>	<u>265,797</u>
<b>Profit for the period</b>		<u><u>52,195</u></u>	<u><u>(504,875)</u></u>
<b>Attributable to:</b>			
Equity holders		<u><u>52,195</u></u>	<u><u>(504,875)</u></u>
<b>Earnings per share for profit attributable to equity holders:</b>			
Basic and diluted earnings per share (Naira)		<u><u>0.01</u></u>	<u><u>(0.13)</u></u>

The notes on pages 9 to 17 form an integral part of these financial statements.

**Income Statement**  
**For six months ended 30 June 2016**

	Note	2016 N'000	2015 N'000
Revenue	6	32,277,813	28,721,837
Cost of sales		<u>(21,924,751)</u>	<u>(18,971,714)</u>
<b>Gross profit</b>		10,353,062	9,750,123
Selling and distribution expenses		(1,502,375)	(1,274,154)
Marketing and administrative expenses	7	(6,689,438)	(6,979,323)
Profit on disposal of property, plant and equipment		<u>-</u>	<u>70,239</u>
<b>Operating profit</b>		2,161,249	1,566,885
Finance income		220,856	136,276
Finance costs		<u>(894,891)</u>	<u>(1,609,091)</u>
<b>Profit before taxation</b>		1,487,214	94,070
Taxation	11	<u>(393,615)</u>	<u>(8,497)</u>
<b>Profit for the period</b>		<u><u>1,093,599</u></u>	<u><u>85,573</u></u>
<b>Attributable to:</b>			
Equity holders		<u><u>1,093,599</u></u>	<u><u>85,573</u></u>
<b>Earnings per share for profit attributable to equity holders:</b>			
Basic and diluted earnings per share (Naira)		<u><u>0.29</u></u>	<u><u>0.02</u></u>

The notes on pages 9 to 17 form an integral part of these financial statements.

**Statement of Other Comprehensive Income  
 For three months ended 30 June 2016**

	<b>2016</b>	<b>2015</b>
	<b>N'000</b>	<b>N'000</b>
<b>Items that will not be reclassified to income statement:</b>		
Remeasurement on post employment benefit obligations	-	-
Tax effect	-	-
	<hr/>	<hr/>
<b>Other comprehensive income</b>	-	-
<b>Profit for the period</b>	<hr/>	<hr/>
	52,195	(504,875)
<b>Total comprehensive income</b>	<hr/>	<hr/>
	52,195	(504,875)
	<hr/> <hr/>	<hr/> <hr/>
<b>Attributable to:</b>		
Equity holders	<hr/> <hr/>	<hr/> <hr/>
	52,195	(504,875)

**Statement of Other Comprehensive Income  
 For six months ended 30 June 2016**

	<b>2016</b>	<b>2015</b>
	<b>N'000</b>	<b>N'000</b>
<b>Items that will not be reclassified to income statement:</b>		
Remeasurement on post employment benefit obligations	-	-
Tax effect	-	-
	<hr/>	<hr/>
<b>Other comprehensive income</b>	-	-
<b>Profit for the period</b>	<hr/>	<hr/>
	1,093,599	85,573
<b>Total comprehensive income</b>	<hr/>	<hr/>
	1,093,599	85,573
	<hr/> <hr/>	<hr/> <hr/>
<b>Attributable to:</b>		
Equity holders	<hr/> <hr/>	<hr/> <hr/>
	1,093,599	85,573

The notes on pages 9 to 17 form an integral part of these financial statements.

**Statement of Financial Position  
 As at 30 June 2016**

	Note	30 June 2016 N'000	31 December 2015 N'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	26,677,307	27,368,919
Intangible assets		1,051,656	1,168,581
Other non-current assets		116,687	208,809
Employee loan receivable		112,230	127,979
Retirement benefit surplus	17	337,134	290,382
		<u>28,295,014</u>	<u>29,164,670</u>
<b>Current assets</b>			
Assets held for sale		171,411	171,411
Inventories	13	6,415,503	6,173,113
Trade and other receivables	14	14,191,774	10,142,845
Employee loan receivable		74,716	85,201
Cash and bank balances	15	11,482,216	4,435,244
		<u>32,335,620</u>	<u>21,007,814</u>
<b>Total assets</b>		<u>60,630,634</u>	<u>50,172,484</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	31,399,880	22,542,842
Income tax		257,832	159,840
Bank overdrafts	15	4,090,627	4,535,672
Loans and borrowings		8,216,784	7,426,543
Deferred income		32,756	32,756
		<u>43,997,879</u>	<u>34,697,653</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		3,196,915	3,060,591
Retirement benefit obligations	17	3,385,101	3,369,353
Long service award obligations	17	299,274	266,548
Other employee benefits		95,065	88,494
Deferred income		79,159	95,537
Loans and borrowings		669,554	591,055
		<u>7,725,068</u>	<u>7,471,578</u>
<b>Total liabilities</b>		<u>51,722,947</u>	<u>42,169,231</u>



**Statement of Financial Position (continued)**  
**As at 30 June 2016**

	Note	30 June 2016 N'000	31 December 2015 N'000
<b>Equity</b>			
Ordinary share capital	20	1,891,649	1,891,649
Share premium	20	45,717	45,717
Retained earnings		6,970,321	6,065,887
<b>Total equity</b>		<u>8,907,687</u>	<u>8,003,253</u>
<b>Total equity and liabilities</b>		<u>60,630,634</u>	<u>50,172,484</u>

The financial statements on pages 2 to 17 were approved for issue by the Board of Directors on 14 July 2016 and signed on its behalf by:



His Majesty N.A. Achebe CFR, MNI  
 Chairman  
 FRC/2013/NIM/00000001568

Yaw Nsarkoh  
 Managing Director  
 FRC/2014/IODN/00000007035

Adesola Sotande-Peters  
 Finance Director  
 FRC/2015/ICAN/00000010834

The notes on pages 9 to 17 form an integral part of these financial statements.

**Statement of Changes in Equity**  
**For six months ended 30 June 2016**

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2015	1,891,649	45,717	5,541,442	7,478,808
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	85,573	85,573
<b>Other comprehensive income</b>				
Remeasurement on post employment benefit obligations, net of tax	-	-	-	-
	-	-	85,573	85,573
<b>Transactions with owners</b>				
Dividend declared	-	-	(378,330)	(378,330)
Balance at 30 June 2015	<u>1,891,649</u>	<u>45,717</u>	<u>5,248,685</u>	<u>7,186,051</u>
Balance at 1 January 2016	1,891,649	45,717	6,065,887	8,003,253
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	1,093,599	1,093,599
<b>Other comprehensive income</b>				
Remeasurement on post employment benefit obligations, net of tax	-	-	-	-
	-	-	1,093,599	1,093,599
<b>Transactions with owners</b>				
Dividend declared	-	-	(189,165)	(189,165)
Balance at 30 June 2016	<u>1,891,649</u>	<u>45,717</u>	<u>6,970,321</u>	<u>8,907,687</u>

The notes on pages 9 to 17 form an integral part of these financial statements.



## Statement of Cash Flows For six months ended 30 June 2016

	Note	2016 N'000	2015 N'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	8,678,098	8,961,293
Retirement benefits paid		(356,877)	(239,399)
Long service award obligations paid		(1,571)	(600)
Tax paid		(159,301)	(239,989)
<b>Net cash flow generated from operating activities</b>		<b>8,160,349</b>	<b>8,481,305</b>
<b>Cash flows from investing activities</b>			
Interest received		220,856	136,276
Purchase of intangible assets		-	(4,027)
Purchase of property, plant and equipment	12	(788,664)	(3,777,292)
Proceeds from sale of property, plant and equipment		-	75,709
<b>Net cash used in investing activities</b>		<b>(567,808)</b>	<b>(3,569,334)</b>
<b>Cash flows from financing activities</b>			
Drawdown of long-term loan		-	13,400
Repayment of long-term loan		(225,850)	(121,987)
Repayment of short-term loan		-	(2,340,000)
Interest payment		(800,300)	(1,609,091)
Dividend paid		(74,374)	(378,330)
<b>Net cash flow used in financing activities</b>		<b>(1,100,524)</b>	<b>(4,436,008)</b>
Net increase/(decrease) in cash and cash equivalents		6,492,017	475,963
Cash and cash equivalents at the beginning of the period		(7,100,428)	(2,618,479)
<b>Cash and cash equivalents at the end of the period</b>	15	<b>(608,411)</b>	<b>(2,142,516)</b>

The notes on pages 9 to 17 form an integral part of these financial statements.

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**1. General information**

Unilever Nigeria Plc is incorporated in Nigeria under the Companies and Allied Matters Act 1990 as a public limited liability company and is domiciled in Nigeria. The Company's shares are listed on the Nigerian Stock Exchange (NSE). The Company is principally involved in the manufacture and marketing of foods and food ingredients, and home and personal care products. It has manufacturing plants in Lagos and Agbara.

**2. Basis of preparation**

These interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRS.

**3. Significant accounting policies**

The accounting policies adopted are consistent with those of the previous financial year.

**4. Estimates**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

**5. Financial risk management**

**Financial risk factors**

Unilever's activities expose it to a variety of financial risks: market risk (foreign exchange risk), credit risk and liquidity risk. Unilever's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Unilever's financial performance.

Risk management is carried out by a Treasury Department under policies approved by the Finance Director. Unilever's Treasury Department identifies, evaluates and manages financial risks in close co-operation with Unilever's operating units. These policies are mostly Unilever Global Policies adapted for local use.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the company's annual financial statements as at 31 December 2015. There have been no changes in the risk management structure since year end or in any risk management policy.

**5.1. Financial risk factors**

*(a) Market risk*

*(i) Foreign exchange risk*

Unilever is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. The company manages this risk mainly by hedging foreign exchange currency contracts. At 30 June 2016, the unhedged financial assets and liabilities amounted to N7.9 billion (2015: N2.0 billion).

**5. Financial risk management (continued)**

**5.1. Financial risk factors**

(ii) Cash flow and fair value interest rate risk

Unilever's interest rate risk arises from bank overdrafts and bank loans. Overdrafts issued at variable rates expose Unilever to cash flow interest rate risk. Borrowings issued at fixed rates expose Unilever to fair value interest rate risk.

Unilever analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, Unilever calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The following table shows the split in fixed and floating rate exposures:

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
Fixed rate (bank loans)	8,886,338	8,017,598
Floating rates (bank overdrafts)	<u>4,090,627</u>	<u>4,535,672</u>
	<u><u>12,976,965</u></u>	<u><u>12,553,270</u></u>

(b) *Credit risk*

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only parties classified as "International Golden Circle" (preferred choice for the Unilever group) are accepted. Exposure limit with the banks is set at a maximum of N6.6 billion. Risk control assesses the credit quality of wholesale customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board or external ratings. The utilisation of credit limits is regularly monitored.

Concentration of credit risk with respect to trade receivables is limited, due to the Company's customer base being diverse. Credit terms for customers are determined on individual basis. Credit risk relating to trade receivables is managed by reference to the customers' credit limit, inventory balance, cash position and secondary sales to final consumers.

(c) *Liquidity risk*

Liquidity risk is the risk that Unilever will face difficulty in meeting its obligations associated with its financial liabilities. Unilever's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine Unilever's credibility, impair investor confidence and also restrict Unilever's ability to raise funds.

Where current liabilities exceed current assets, the Company seeks to manage its liquidity requirements by maintaining access to bank lending which are renewable annually.

At the reporting date, Unilever held cash in bank was N8.6 billion (2015: N1.5 billion). Unilever also had N4.1 billion overdraft (2015: N4.5 billion).

## 6. Segment reporting

The chief operating decision-maker has been identified as the Leadership Team (LT) of Unilever Nigeria Plc. The Leadership Team reviews Unilever's monthly financial and operational information in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Leadership Team consider the business from a product category perspective. Unilever is segmented into Food Products (FP), Personal Care (HC) and Home Care (PC) products.

Foods – including sale of tea, savoury and spreads.

Personal Care – including sale of skin care and oral care products.

Home Care – including sales of fabric care, household cleaning and water purification products.

There are no intersegmental sales and Nigeria is the company's primary geographical segment as it comprises 96% of the company's sales.

The Leadership Team assesses the performance based on operating profits for each operating segment that is reviewed. Total financing (including interest income and expense), income taxes and retirement benefit obligations are managed on an entity-wide basis and are not allocated to operating segments.

	<b>Food Products</b>	<b>Personal Care</b>	<b>Home Care</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>3 months ended 30 June 2016</b>				
Revenue	8,252,660	3,517,963	3,725,031	15,495,654
Depreciation and amortisation	368,893	157,252	166,508	692,653
Segmental operating profit	138,507	59,043	62,519	260,069
Finance income				163,677
Finance cost				(349,214)
Amortisation of prepaid benefit on employee loan				(6,620)
Profit before taxation				<u>67,912</u>
<b>3 months ended 30 June 2015</b>				
Revenue	6,796,491	4,260,280	2,754,071	13,810,842
Depreciation and amortisation	255,027	159,860	103,342	518,229
Segmental operating loss	(23,842)	(14,945)	(9,661)	(48,448)
Finance income				(6,648)
Finance cost				75,606
Amortisation of prepaid benefit on employee loan				(791,182)
Loss before taxation				<u>(770,672)</u>
<b>6 months ended 30 June 2016</b>				
Revenue	16,864,992	7,915,932	7,496,889	32,277,813
Depreciation and amortisation	664,849	312,061	295,541	1,272,451
Segmental operating profit	1,136,158	533,280	505,050	2,174,488
Finance income				220,856
Finance cost				(894,890)
Amortisation of prepaid benefit on employee loan				(13,240)
Profit before taxation				<u>1,487,214</u>
<b>6 months ended 30 June 2015</b>				
Revenue	13,794,666	8,940,394	5,986,777	28,721,837
Depreciation and amortisation	518,037	335,742	224,824	1,078,603
Segmental operating profit	759,057	491,948	329,424	1,580,429
Finance income				136,276
Finance cost				(1,609,091)
Amortisation of prepaid benefit on employee loan				(13,544)
Profit before taxation				<u>94,070</u>

**6. Segment reporting (continued)**

**Turnover over by geographical location**

	<b>Domestic (within Nigeria) N'000</b>	<b>Export (outside Nigeria) N'000</b>	<b>Total N'000</b>
3 months ended 30 June 2016	14,825,226	670,428	15,495,654
3 months ended 30 June 2015	13,337,685	473,157	13,810,842
6 months ended 30 June 2016	30,919,568	1,358,245	32,277,813
6 months ended 30 June 2015	27,875,759	846,078	28,721,837

The company has 97 customers, and no single customer accounted for more than 10% of the company's revenue.

**7. Marketing and administrative expenses**

	<b>2016 N'000</b>	<b>2015 N'000</b>
Brand and marketing	2,127,661	3,352,099
Overheads	3,829,513	2,914,571
Service Fees	732,264	712,653
	<u>6,689,438</u>	<u>6,979,323</u>

**8. Other income**

Other income represents profit on disposal of property, plant and equipment.

**9. Finance income**

	<b>2016 N'000</b>	<b>2015 N'000</b>
Interest on call deposits and bank accounts	49,714	67,203
Exchange gain difference on bank accounts	157,902	55,529
Interest income from employee loans	13,240	13,544
	<u>220,856</u>	<u>136,276</u>

**10. Finance cost**

	<b>2016 N'000</b>	<b>2015 N'000</b>
Interest on third party bank loans	729,134	1,340,596
Exchange loss difference on bank accounts	2,079	61,764
Interest cost on defined benefit plans	163,677	206,731
	<u>894,890</u>	<u>1,609,091</u>

**11. Income Taxes**

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the period. The estimated average tax rate used for the period ended 30 June 2016 is 26% (the estimated tax rate for the six months ended 30 June 2015 was 9%).

12. Property, plant and equipment (PPE)

	Capital work-in- progress N'000	Lease hold land N'000	Buildings N'000	Plant and machinery N'000	Furniture and equipment N'000	Motor vehicles N'000	Total N'000
<b>Cost</b>							
At 1 January 2015	3,015,302	67,615	7,080,868	24,819,535	1,163,828	828,221	36,975,369
Additions	5,068,498	-	-	-	-	-	5,068,498
Transfers	(6,780,261)	1,708,200	472,618	4,245,509	263,195	90,739	-
Disposals	-	(21,872)	(98,252)	(4,917,403)	(58,341)	(197,200)	(5,293,068)
Write off	(10,132)	-	-	-	-	-	(10,132)
Reclassification to assets held for sale	-	(20,350)	(326,742)	-	-	-	(347,092)
<b>At 31 December 2015</b>	<b>1,293,407</b>	<b>1,733,593</b>	<b>7,128,492</b>	<b>24,147,641</b>	<b>1,368,682</b>	<b>721,760</b>	<b>36,393,575</b>
Additions	788,664	-	-	-	-	-	788,664
Transfers	(540,428)	3,335	71,160	372,456	93,477	-	-
Reclassification between PPE heads	-	-	-	(2,595)	2,595	-	-
Write off	(3,998)	-	-	-	(74)	-	(4,072)
<b>At 30 June 2016</b>	<b>1,537,645</b>	<b>1,736,928</b>	<b>7,199,652</b>	<b>24,517,502</b>	<b>1,464,680</b>	<b>721,760</b>	<b>37,178,167</b>
<b>Depreciation / impairment</b>							
At 1 January 2015	-	32,282	870,805	10,359,893	299,714	581,896	12,144,590
Depreciation charge for the year	-	7,836	205,063	1,465,540	124,443	103,686	1,906,568
Impairment charge	-	-	-	616,712	-	-	616,712
Reclassification of impairment	-	8,146	174,907	(183,053)	-	-	-
Impairment reversal	-	(8,146)	(174,907)	-	-	-	(183,053)
Disposals	-	-	(108,592)	(4,930,603)	(55,761)	(189,524)	(5,284,480)
Reclassification to assets held for sale	-	(12,341)	(163,340)	-	-	-	(175,681)
<b>At 31 December 2015</b>	<b>-</b>	<b>27,777</b>	<b>803,936</b>	<b>7,328,489</b>	<b>368,396</b>	<b>496,058</b>	<b>9,024,656</b>
Depreciation charge for the period	-	8,901	103,894	916,143	69,953	56,636	1,155,527
Impairment charge	-	-	-	320,677	-	-	320,677
<b>At 30 June 2016</b>	<b>-</b>	<b>36,678</b>	<b>907,830</b>	<b>8,565,309</b>	<b>438,349</b>	<b>552,694</b>	<b>10,500,860</b>
<b>Net book value:</b>							
At 1 January 2015	3,015,302	35,333	6,210,063	14,459,642	864,114	246,325	24,830,779
At 31 December 2015	1,293,407	1,705,816	6,324,556	16,819,152	1,000,286	225,702	27,368,919
At 30 June 2016	1,537,645	1,700,250	6,291,822	15,952,193	1,026,331	169,066	26,677,307

(i) Leasehold land on finance lease

The Company has non - cancellable finance lease agreements with the Federal Government of Nigeria which was paid once and in advance. There are no finance lease liabilities and no future finance charges to the income statement.

The lease terms are between 50 and 99 years. The following amounts represents owned land where the Company is a lessee under a finance lease:

	2016 N'000	2015 N'000
Cost – capitalised finance leases	1,736,928	1,733,593
Accumulated depreciation	(36,678)	(27,777)
<b>Net book value</b>	<b>1,700,250</b>	<b>1,705,816</b>

**13. Inventories**

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
Raw and packaging materials	3,637,782	3,367,044
Work in progress	412,618	599,929
Finished goods	1,235,330	1,422,949
Engineering spares and other inventories	1,129,773	783,191
	<u>6,415,503</u>	<u>6,173,113</u>

**14. Trade and other receivables**

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
Trade receivables: gross	5,528,926	4,174,782
Less impairment	(264,580)	(1,141,523)
Trade receivables: net	5,264,346	3,033,259
Advances and prepayments	808,325	598,881
Unclaimed dividend held with registrar	-	396,665
Other receivables	2,100,576	486,720
Due from related parties (Note 16(iii))	6,018,527	5,627,320
	<u>14,191,774</u>	<u>10,142,845</u>

Advances and prepayments include insurance premium and advances to vendors.

**15. Cash and cash equivalents**

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
Cash at bank and in hand	8,590,430	1,549,014
Fixed deposit	2,891,786	2,886,230
Cash and bank balances	11,482,216	4,435,244
Short term bank loan	(8,000,000)	(7,000,000)
Bank overdrafts	(4,090,627)	(4,535,672)
Cash and cash equivalents	<u>(608,411)</u>	<u>(7,100,428)</u>

For the purposes of the statement of cash flows, cash and cash equivalents include bank overdrafts and short term bank loan.

**16. Trade and other payables**

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
Trade payables	8,069,678	6,280,820
Amount due to related companies (Note 16(iii))	13,926,944	7,618,844
Dividend payable (Note 13(i))	3,377,760	3,351,652
Accrued liabilities	930,931	1,477,732
Accrued brand and marketing expenses	1,036,276	366,432
Accrued shipping and freight charges	613,821	692,439
Non trade payables	3,444,470	2,754,923
	<u>31,399,880</u>	<u>22,542,842</u>



**16. Trade and other payables (continued)**

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
(i) Dividend payable		
As at 1 January	3,351,652	414,560
Dividend declared	189,164	378,330
Dividend paid during the year	(74,374)	(378,330)
Unclaimed dividend with Registrar	-	396,665
Dividend claimed	(88,682)	-
Unclaimed dividend returned by Registrar	-	2,680,840
Unclaimed dividend now statute barred	-	(140,413)
As at 30 June/31 December	<u>3,377,760</u>	<u>3,351,652</u>

**17. Retirement benefit obligations**

The amounts recognised in the statement of financial position are determined as follows:

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
Present value of funded retirement benefit obligations	(1,439,449)	(1,258,656)
Fair value of plan assets	<u>1,776,583</u>	<u>1,549,038</u>
Retirement benefit surplus	337,134	290,382
Present value of unfunded retirement benefit obligations	(3,385,101)	(3,369,353)
Long service award obligations	<u>(299,274)</u>	<u>(266,548)</u>
Net liability in the statement of financial position	<u>(3,347,241)</u>	<u>(3,345,519)</u>

The amounts recognised within the income statement were as follows:

	<b>Current</b> <b>Service Cost</b> <b>N'000</b>	<b>Net</b> <b>Interest</b> <b>Cost</b> <b>N'000</b>	<b>Total</b> <b>N'000</b>
3 Months Ended 30 June 2016	98,247	88,343	186,590
3 Months Ended 30 June 2015	94,349	101,152	195,501
6 Months Ended 30 June 2016	196,494	163,677	360,171
6 Months Ended 30 June 2015	184,038	206,731	390,769

**18. Cash flows from operating activities**

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
Profit before tax	1,487,214	94,070
Adjustment for non-cash items:		
- Depreciation of fixed assets	1,155,527	908,259
- Impairment charge	320,677	-
- Assets write off	4,072	6,044
- Amortisation of intangible assets	116,924	116,558
- Profit on disposals on fixed assets	-	(70,239)
- Finance income	(220,856)	(136,276)
- Finance expense	894,891	1,609,091
- Net charge in retirement benefit obligations	325,874	339,128
- Change in employee loan receivable	26,234	3,293
- Long service award obligations	34,297	51,643
- Other employee benefits	6,571	-
- Deferred Income	(16,377)	(16,377)
Changes in working capital:		
- Increase in trade and other receivables	(4,048,930)	(185,827)
- Increase/(decrease) in inventory	(242,390)	894,334
- Increase in trade and other payables	8,742,248	5,126,628
- Decrease in other non-current assets	92,122	220,964
Cash flows generated from operating activities	<u>8,678,098</u>	<u>8,961,293</u>

**19. Related party transactions**

**(i) Sale of finished goods to related parties**

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
Unilever Ghana Limited	364,974	609,911
Unilever Cote D'Ivoire	339,724	236,167
	<u>704,698</u>	<u>846,078</u>

**(ii) Purchases of finished goods for resale from related parties**

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
Unilever Ghana Limited	1,394,881	1,117,984
Unilever Market Development (Pty) Limited	-	199,522
Unilever Gulf FZE	-	-
Unilever Phillipines	-	160,727
Unilever Supply Chain Company, UK	-	-
	<u>1,394,881</u>	<u>1,478,233</u>

**(iii) Outstanding related party balances as at 30 June were:**

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
<i>Receivables from related parties:</i>		
Unilever Cote D'Ivoire	3,446,340	1,531,962
Unilever Ghana Limited	2,136,456	1,637,702
Unilever UK Plc	293,918	-
Other related parties	141,813	115,742
	<u>6,018,527</u>	<u>3,285,406</u>

	<b>2016</b> <b>N'000</b>	<b>2015</b> <b>N'000</b>
<i>Payables to related parties:</i>		
Unilever UK Plc	3,074,220	1,846,222
Unilever Cote D'Ivoire	-	66,996
Unilever Ghana Limited	6,561,012	2,758,868
Unilever Asia Private	2,555,324	504,026
Other related parties	1,736,388	556,604
	<u>13,926,944</u>	<u>5,732,716</u>

**20. Share capital and share premium**

	<b>Number of ordinary shares (thousands)</b>	<b>Ordinary shares N'000</b>	<b>Share premium N'000</b>
Balance as at 31 December 2015 and 30 June 2016	<u>3,783,296</u>	<u>1,891,649</u>	<u>45,717</u>

The authorised number of ordinary shares is 6,053,274,000 with a par value of 50kobo per share. Of these, 3,783,296,250 ordinary shares have been issued and fully paid.