Unilever

2017 ANNUAL REPORT &
FINANCIAL STATEMENT

CONNECTED FOR GROWTH
SHAPING THE FUTURE

Unilever

CONNECTED FOR GROWTH SHAPING THE FUTURE

www.unileverghana.com

Unilever

OUR MISSION

Our mission is to work to create a brighter future everyday, help people feel good, look good and get more out of life with brands and services that are good for them and good for others.

We will inspire people to take small, everyday actions that can add up to a big difference for the world.

We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.

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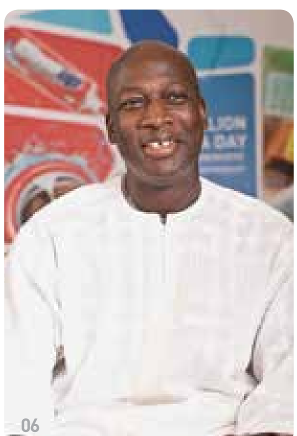
BOARD OF DIRECTORS



01 | **MR EDWARD EFFAH**
CHAIRMAN

02 | **MR ZIOBEIETON YEO**
MANAGING DIRECTOR

03 | **NAZAIRE OJAKO**
SUPPLY CHAIN DIRECTOR

04 | **MRS EDITH DANKWA**
NON-EXECUTIVE DIRECTOR

05 | **MRS GLADYS AMOAH**
CUSTOMER DEVELOPMENT DIRECTOR

06 | **MR ALFRED YAW ODURO NSARKOH**
NON-EXECUTIVE DIRECTOR

07 | **MR PHILIP SOWAH**
NON- EXECUTIVE DIRECTOR

08 | **MRS ANGELA PEASAH**
NON-EXECUTIVE DIRECTOR

09 | **MRS ADESOLA SOTUNDE-PETERS**
NON-EXECUTIVE DIRECTOR

10 | **MS NANA YAA KISSI**
PERSONAL CARE DIRECTOR

11 | **MRS AMA ADADZEWA AGYEMANG**
COMPANY SECRETARY

Financial Highlights

(All amounts are expressed in thousands of Ghana cedis)

	2017	2016	Change %
Revenue	575,765	496,306	16.0%
Operating profit	67,204	54,029	24.4%
Profit before taxation	65,360	53,534	22.1%
Profit after taxation	48,149	39,049	23.3%
Cash flows from operating activities	90,786	39,419	130.3%
Shareholders' funds	120,597	75,587	0.6
Capital expenditure	21,005	30,822	-31.9%
Basic earnings per share (GH¢)	0.7704	0.6248	23.3%
Diluted earnings per share (GH¢)	0.7704	0.6248	23.3%
Divedend per share	0.2500	0.0500	400%
Net assets per share (GH¢)	1.9295	1.2094	59.5%
Profit before taxation margin (%)	11.4	10.8	
Profit after taxation margin (%)	8.4	7.9	

Notice of Meeting

Notice is hereby given that the next Annual General Meeting of the Members of Unilever Ghana Limited will be held at the Physician and Surgeons Centre, Ridge. Accra on Thursday, 24th May 2018 at 11.00 a.m. for the following purposes:

AGENDA

1. To receive the Report of the Directors, the financial position as at 31st December, 2017 together with the Accounts for the year ended on that date and the Report of the Auditors thereon.

2. To declare a Dividend

3. To re-elect directors

4. To approve the terms of appointment of a Manager

5. To approve Directors' fees.

6. To authorize the Directors to fix the remuneration of the Auditors.

7. To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:
   I. **That the proposed sale of the Company's Spreads (Blue Band margarine) business (the "Business") and all assets attached to or deployed in connection with the Business (as will be more particularly described in the relevant transaction documents) to Sigma Bidco B.V., an entity incorporated by KKR & Co LP, or any of its nominees, assigns or subsidiaries (the "Disposal") on such terms and conditions as may be approved by the Board of Directors of the Company ("the Board"), is hereby approved subject to obtaining relevant regulatory approvals;**

   II. **That the Board is hereby authorized to execute all relevant documents, appoint such professional advisers, take all necessary steps and to do such other acts or things as may be necessary, supplementary, consequential or incidental to giving effect to the Disposal including obtaining the relevant regulatory approvals and complying with the directives of any regulatory authority; and**

   III. **That all acts carried out by the Board and management of the Company hitherto in connection with the above, be and are hereby ratified.**

A Member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a Member. A form of proxy is attached and if it is to be valid for the purposes of the Meeting it must be completed and deposited at the Registered Office of the Registrars of the Company, Merchant Bank Ghana Limited, not less than 48 hours before the Meeting.

Dated this 8th day of March 2018.

By Order of the Board

Ama A. Agyemang (Mrs)
Secretary

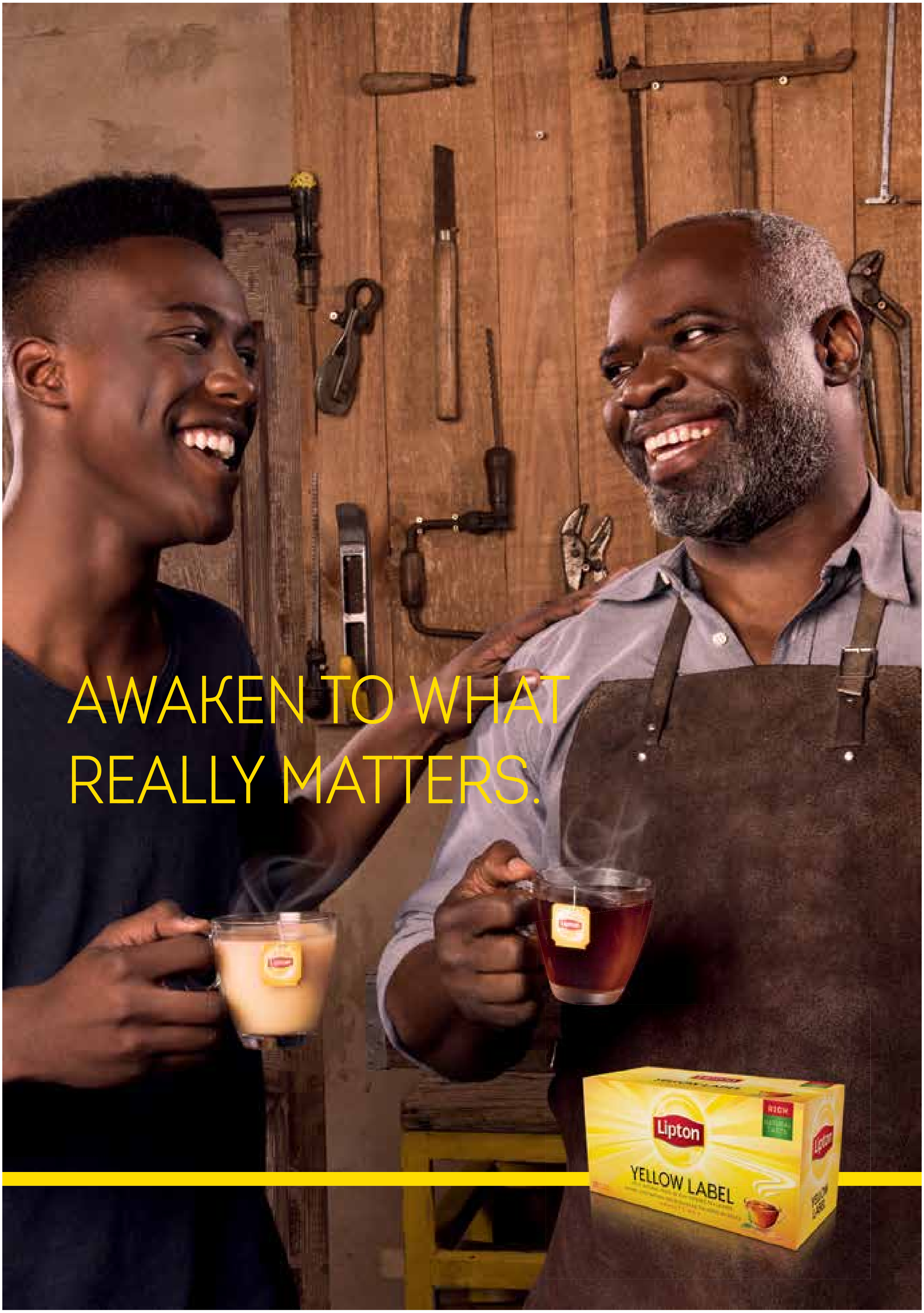
Registered Office, Unilever Ghana Limited, Tema Factory, Plot No. Ind/A/2/3A-4, P O Box 721, Tema

Dividend Warrants
When the declaration of dividend is made, the warrants will be posted on the 24th June 2018 to holders of shares whose names are registered in the Register of members at the close of day on the 10th May 2018

Board of Directors & Secretary
Mr Edward Effah, Chairman, Mr Ziobeiton Yeo; Managing Director Mrs Gladys Amoah, Mrs Edith Dankwa, Ms Nana Yaa Kissi, Mr Alfred Yaw Oduro Nsarkoh, Mrs Angela Peasah, Mr Nazaire Djako, Mrs Adesola Sotande-Peters, Mr. Philip Odotei Sowah, and Mrs Ama Adadzewa Agyemang, Secretary.

Board Audit Committee
Mrs Angela Peasah, Mrs Edith Dankwa, Mrs Adesola Sotande-Peters and Mr. Philip O. Sowah.

Registrars Office
Universal Merchant Bank Ltd, Registrars Department, Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, Accra P. O. Box 401, Accra, Ghana


AWAKEN TO WHAT
REALLY MATTERS.
Lipton
YELLOW LABEL

Chairman’s Review

Introduction

Distinguished shareholders, ladies and gentlemen, I am delighted to welcome all of you to the 44th Annual General Meeting of your Company - Unilever Ghana Ltd. It is also my pleasure and privilege to address and present to you the Directors’ Annual Report and the Audited Financial Statements for the year ended 31 December 2017.

Review of the Global Economy;

The strong global performance in Quarter 4 2017 improved the total economic growth of the Company by 2.6%. Global economic activity continues to firm up and output is estimated to have grown by 3.7 percent in 2017, which is 0.1 percentage point faster than projected in the fall and ½ percentage point higher than in 2016. The increase in growth is broad-based, reflecting economic expansion in all the three global economic blocs—Advanced Economies, Emerging Markets, and Developing Economies. The growth in developing economies is largely a result of rising commodity prices, increasing private demand including in domestic markets, sound macroeconomic policy management, a generally improving and favourable business environment, and a more diversified economic structure, particularly towards the services sector and light manufacturing.

These developments together with peculiar local developments affected the performance of the Ghanaian economy with its effect on our Company-Unilever Ghana Ltd.

Review of the Economy of Ghana:

The Ghanaian economy witnessed strong economic growth from 3.6% in 2016, to 7.9% in 2017. Increased international reserves maintained relative exchange rate stability reduction on the debt to GDP ratio from 73.1% in 2016 to 68.3%, against the annual target of 71% for 2017, and the rate of debt accumulation were some of the economic challenges in 2017.

Government was also able to normalize the power situation in the country, thereby engineering a revival of the Ghanaian industry, from a growth rate of -0.5% in 2016 to 17.7% in 2017.

The Bank of Ghana’s monetary policy rate remained unchanged at 20% in December following the last downward review from 21% in November with the 91-day and 182-day treasury bills going for 13.35% and 13.88% respectively.

Inflation rate moderated to 11.8% in December 2017 from 15.4% in December 2016. The downward trend in inflation was largely driven by exchange rate stability, tight monetary policy, prudent fiscal consolidation policies, as well as base drift effects.

The slowdown in inflation over the period is reflected in both non-food inflation, which fell from 18.2% to 13.6% and food inflation which also fell from 9.7% to 8.2%.

It is the expectation of the government that the relatively good macroeconomic performance in 2017 will strongly support the successful completion of the IMF programme in early 2019.

On the interbank currency market, even though there is an indication of a marginal improvement in the cedi’s performance, the currency is still struggling to stabilize against major ones. Between May and

Chairman's Review Continued

December 2017, the cedi depreciated by 3.4 % to the dollar on the average. When compared to the British Pound and the Euro, the cedi depreciated by 9% and 11% on the average, respectively.

Review of the Political Environment:

The government's fiscal consolidation policies were largely on target leading to stabilization of the economy after the difficult economic challenges in 2016. This resulted in attracting investment into the economy accounting for the growth experienced during the year.

Unilever, will continue to take advantage of the stable economy and conducive business environment and work to build on our sustainable business, creating wealth and good returns to shareholders.

Business Performance:

Unilever Ghana Limited results for the year ended 31 December 2017 show a revenue growth of 16% from GHs 496m in 2016 to GHs 575m in 2017, mostly due to increase in volumes sold. Operating costs increased by 15% driven by an increase in cost of materials. Operating profit before tax GHs 65.3m, representing 22% increase over 2016's GHs 53.5m. Profit after tax therefore improved by 23.3% to GHs 48.1m compared to GHs 39.05m in 2016.

Dividends:

The Board of Directors hereby propose a dividend pay-out of GHS 0.25 per share from the 2017 profits, amounting to a total of GHS15.625m. This represents 29% of our cash position at year end.

Board Changes:

Mr Joseph Zilare Amuna, Supply Chain Director resigned from the Company on the 31st of July 2017. He was replaced by Mr Nazaire Djako. Nazaire until this appointment was the Sourcing Unit Director, Cote d'Ivoire.

Nazaire joined Unilever in 1997 as a Management Trainee in Cote d'Ivoire, working his way up from Oil Refinery Engineer to Factory Manager Foods, before moving over to Ghana in 2008 where he started as the Chief Engineer and later as the Plant Manager HPC/Foods. Thereafter he took over as the lead Supply Chain manager for Ghana in 2010. In 2012, he was promoted to the position of Go to Market Supply Chain Director for Unilever West Africa till 2014.

Nazaire recently had an assignment working in South East Asia as Supply Chain Projects Director in Indonesia, where he delivered crucial projects before returning to Cote d'Ivoire last year 2016.

The following is the list of the subsisting Directors and their Profiles

1. Mr. Edward Effah
2. Mr. Ziobeieton Yeo
3. Mr. Alfred Yaw Oduro Nsarkoh
4. Mrs. Angela Peasah
5. Mrs. Adesola Sotande-Peters
6. Mrs. Gladys Amoah
7. Mrs. Edith Dankwa
8. Mr. Philip Sowah
9. Ms Nana Yaa Kissi

Chairman's Review Continued

Profile of Subsisting Directors

Mr. Edward Effah

Mr. Edward Effah established The Fidelity Group in October 1998 after a successful career as a senior finance executive. Currently, Mr. Effah is the Group CEO and Board Chairman of the Fidelity Group. Under his leadership, Fidelity has been able to establish itself as a leader in its markets in Ghana in terms of reputation, profitability and assets under management.

Edward is a Chartered Accountant by profession and is a member of the Institute of Chartered Accountants in England and Wales. Edward is also a member of the Institute of Directors (UK).

Edward has extensive experience in business strategy formulation, calculated risk taking, strategy execution, team building, mentoring, business innovation, finance, technology strategy, capital raising, investor relations, managing Boards and effective communication with key stakeholders.

Mr. Ziobeieton Yeo

Ziobeieton Yeo is a commercially astute and highly skilled Executive with significant experience in general management, global marketing, operations, communications, brand development and product management.

Yeo has 16 years' experience with Unilever in a number of countries including Cote d'Ivoire, Senegal, Kenya and South Africa. He has held a number of general management and marketing positions at the Company, most recently as the Managing Director of the 16 countries of Unilever in Francophone West Africa and prior to that as Senior Marketing Director for Africa Foods at Unilever in Durban, South Africa. Prior to that, he spent 4 years in Nairobi Kenya as Senior Marketing Director for Africa for Foods and oral care brand at Unilever Kenya.

Yeo holds a post graduate degree in marketing, communications and general management from the ESCA Business School in Abidjan. He also studied Business English at Brighton University, in the United Kingdom.

Mr. Alfred Yaw Oduro Nsarkoh

Yaw Nsarkoh, was appointed as Unilever Nigeria's Managing Director effective 1st January 2014. Until this appointment, he served as the Managing Director, Unilever East and Southern Africa based in Kenya. He has served as a Strategic Assistant to Unilever Executive member and President of Unilever Asia, Africa, Central and Eastern Europe based in the United Kingdom. He also served as Marketing Director, Unilever Ghana and has done many other jobs in Ghana and in South Africa.

Mr. Nsarkoh holds an Honors Degree in Chemical Engineering from the University of Science and Technology, Kumasi, Ghana and a Post Graduate Diploma in Management from Henley Management College, Henley-on- Thames, United Kingdom.

Chairman's Review Continued

Mrs. Angela Peasah

Mrs. Angela Peasah is a chartered accountant by profession and was admitted into the membership of the Institute of Chartered Accountants (Ghana) in 1995. She holds an Executive MBA from the University of Ghana Business School, University of Ghana, Legon. She is also a product of the Institute of Professional Studies (IPS). She trained with Coopers & Lybrand from 1991 and has worked with PricewaterhouseCoopers, Saltpond Offshore, WaterAid, an International NGO in various capacities.

She is currently the Director of Public Accounts at the Controller and Accountant General's Department (CAGD). She has managed many audit jobs including World Bank and ADF funded projects, mining, insurance and commercial organizations. Angela is a Past President of The Institute of Chartered Accountants (Ghana) and she was on the Institute's Council from 2002-2014 and served in various capacities and on various committees and Boards. Angela is married to Antwi Kofi Peasah with whom she has three children, Kwaku, Sandra and Priscilla.

Mr. Philip Sowah

Philip Sowah is a management consultant with 24+ years Senior Management experience in telecommunications, general management, information technology, and management consulting with Big 4 and Fortune 500 companies across the US, Africa and the Middle East. He is currently a Partner at Nubuke Investment Business Advisory. Prior to Nubuke, Philip was the managing director of Airtel Ghana for six years where he managed the aggressive growth of the company to become the 3rd largest mobile network operator (MNO) in terms of revenue. At Zain which later became Airtel, Philip led the start-up and launch of a new mobile operator and brand, Zain, as the first full 3G network in Ghana.

A team player and an empowering leader, under his leadership Airtel won several awards including Telecoms Company of the Year in 2010 and 2012 organized by the Chartered Institute of Marketing Ghana (CIMG). He is also the recipient of three CEO of the Year awards having picked two from the Mobile World Ghana Telecoms Awards in 2011 and 2013 respectively and one from PWC's Ghana's Most Respected Company and CEO Awards in 2010. He is passionate about sustainable CSR (corporate social responsibility) projects and has degrees in Physics and Mechanical Engineering from Grinnell College and Washington University- St. Louis respectively both in the USA. Philip is happily married and has 4 daughters.

Mrs. Adesola Sotande-Peters

Mrs. Adesola Sotande-Peters is a Finance Executive (FCCA) with a strong Business Finance leaning and with over 22 years varied professional experience (spanning various organizations such as the British Broadcasting Corporation (BBC) UK, Informa Group UK, Openwave Telecoms UK, Diageo Plc (Guinness Nigeria Plc, East African Breweries Limited (Kenya), and Guinness Cameroon SA) where she has held various senior finance roles in commercial/strategic finance, financial management consultancy/analysis, with a strong focus on people development/mentoring.

She holds a bachelor degree in Business Administration and Economics from Richmond College, The American International University in London. She also holds an MBA for finance professionals from Manchester Business School. She is a fellow of the Association of Certified Chartered Accountants (FCCA) and a member of the Institute of Chartered Accountants of Nigeria (ICAN).

Chairman's Review Continued

She was appointed to the Board of Unilever Nigeria Plc. in January, 2015 and responsible as the CFO for Unilever Nigeria to proactively provide strategic finance leadership to ensure optimal allocation of the Company's resources in the planning and execution of the business strategy to create and maximise shareholder value. In January 2018, she was promoted to the position of Vice-President Finance, Ghana Nigeria.

Mrs. Gladys Amoah.

Gladys Amoah has been appointed Customer Development Director, Ghana effective 1st November 2016. Gladys has 18 years' experience in FMCG and has held roles in both Customer and Marketing. She has also got experience in Foods, Out of Home (restaurant markets), Personal Care and more recently Homecare. She has both South African and the rest of Africa experience. She joined Unilever in 2012 and has been the Customer Marketing Director for Hygiene in South Africa and also took on the full Personal Care portfolio as Customer Marketing Director.

Her last role before joining the Ghanaian business was as Customer Marketing Director for Homecare. One of Gladys' passions is developing leaders for the future and is looking forward to new experiences and challenges and working together with the team on our next chapter.

Mrs. Edith Dankwa

Dr. Mrs. Edith Dankwa has built a solid reputation over the years in rendering consultancy services on marketing communications and has served as a market entry strategist for foreign businesses seeking to extend their operations to Africa. She is also the Group Publisher and CEO of Business Times Africa Magazine (BT), Energy Today Magazine (ET) and Africa's leading source of credible and relevant business information, the Business & Financial Times (B&FT) newspaper and BIA Conferences, and Urban Press.

She holds a Bachelor of Arts degree in Management Studies from the University of Cape Coast, a Post Graduate Diploma in Marketing from the Chartered Institute of Marketing - Ghana, a Post Graduate Certificate in Newspaper Management from Inwent International Institute of Journalism, Germany, Executive MBA from the GIMPA Business School and a doctoral degree in Business Administration (International Business) from Walden University in the USA.

Over the past decade, Edith Dankwa has effectively developed and transformed Ghana's most successful business media house, Business & Financial Times Limited, into a formidable entity. Under her visionary leadership, B&FT Limited has extended its product and service range to serve both local and international markets through the publishing of her company's flagship product Business & Financial Times Newspaper. As a publisher, Edith also runs the Pan-African business monthly, Business Times Magazine and the quarterly Pan-African energy industry publication, Energy Today Magazine both circulated in South Africa, Zimbabwe, Nigeria, Ghana and other emerging markets in Africa and beyond.

Biographical information of Directors

Age category	Number of Directors
Up to – 40 years	1
41 – 60 years	9
Above 60 years	0

MANAGING DIRECTOR'S REVIEW

Introduction

Distinguished shareholders, ladies and gentlemen, it is with a great deal of humility that I warmly welcome you to this Annual General meeting as I present to you the management review of our operations for the year ended 31 December 2017.

Last year, we did promise a healthy growth in revenue and profit. I am delighted to announce that we were able to deliver and exceed our promise, achieving double digit revenue and profit growth despite the challenging market conditions. Above all, together with the Management and staff of Unilever, we contributed to creating a brighter future in Ghana by deploying Unilever Sustainable Living plan.

It is managements' expectation to build on the strong platform provided in 2017 to deliver its growth ambitions in 2018 and beyond.

Customer Service Development:

As an organization, our commitment to make our brands and products available to all shoppers in all shopping occasions is what drives the sales function. Together with our partners, the Key Distributors and the Key Accounts, we collaborated to further expand the network of retailers with an additional 5000 point of sale. We also expanded the size of our basket with the retailers.

At Unilever, the impact that we make in society is at the top of our agenda. Within the sales infrastructure, we see creating jobs to improve livelihood as part of the responsibilities. 2017 saw the distributor network alone employing 150 more people. As the business continues to grow the ability to continue having a positive social impact on the Ghanaian economy and society will continue to be a priority for Unilever.

Home and Personal Categories:

Unilever has maintained its leadership position in Home Care amidst fierce competition from cheaper products, mostly imported. Our laundry bars portfolio, made in Tema factory, grew over 20% with the strong drivers being Key bar, Key Adepa, Key Brillant and Sunlight bars.

Our recently launched Sunlight powder 200g pack, made inroads in our competitiveness against other imported laundry powders products. Consumers response to the new Sunlight powder 200g at a magical price of GHS1.50 has been gratifying. The improved formulation of Omo launched in the course of the year, coupled with our distribution drive, across the Country will help accelerate the growth of Omo and Sunlight proudly made in Tema Factory.

Personal Care also delivered a remarkable strong double-digit growth. Growth was driven by homemade brands like Lifebuoy, Geisha and Lux. Pepsodent continued to lead the Oral category with a strong growth. The launch of the new Pepsodent Sensitive Toothpaste will strengthen the brand performance in the expert sub segment. Vaseline Lotion with the addition of Vaseline Men also performed very well.

Unilever has further expanded it social impact through the Lifebuoy Social Mission campaign under the theme "Help a Child Reach 5". The campaign was aimed to create awareness on the state of hygiene in Ghana with special focus on preventable diseases that affects infant's mortality rates. The program educated the

Managing Director's Review Continued

Nation on how through simple practices, yet most cost-effective measures like hand washing with Lifebuoy under running water, could help prevent the occurrence of such diseases, to avoid the loss of our loved and most vulnerable ones; Children below the age of 5.

Foods and Refreshment:

The spreads business recorded a strong growth over 30% with Blue Band driving the multi-usage campaign we deployed as well as the installation of an additional new packing line in our Tema factory, to meet the demand of our consumers.

Refreshment declined in the year in review due to price uncompetiveness in the market. Price was subsequently corrected in quarter 4.

In 2018, the business will continue to remain focused on driving growth through innovations, Consumer and Trade activities, all underpinned by the Unilever Sustainable Development Living Plan.

Operating and Financial Review:

Unilever Ghana ltd financial results for the year ended 31 December 2017 shows a good improvement compared with 2016 performance. Revenue increased by 16% from **GHS 496m** in 2016 to **GHS 575m** in 2017 largely due to increase in volumes sold.

Operating profit before tax increased by 22%, growing from **GHS 53.5m** in 2016 to **GHS 65.3m** in 2017. Profit after tax grew by 23.3% to **GHs 48.1m** compared to **GHs 39.05m** in 2016.

Cash Flow:

Cash and cash equivalent improved significantly at **GHS 53.18m** in 2017 compared with **GHs 3.47m** in 2016.

Investment

As a company, we continue to prioritize our investment in building efficient process equipment as a critical mean to meet our customers and consumers needs, thus delivering our ambitious growth agenda. Investment of more than **GHS 21m** was undertaken in multiples areas; Laundry bar factory upgrade to cope with the increased sales, plant condensers and efficient dryers, commissioning of Blue Band packaging line and the new powders packing line for Omo and Sunlight.

Creating a brighter future for our society

2017 offered a lot to be proud of as Unilever and as a people. Our focus, has been to create shared value – value for our shareholders on one hand and the results indicate our efforts, and on the other hand value for the people and community, without whom there is no business.
Throughout our over 9-decades history in Ghana, Unilever has had a reputation for the highest ethical standards of contributing strongly to the communities and the people of Ghana. The company embarked on the following activities in 2017:

- With Unilever Ghana Foundation, a second set of hygiene stations for six (6) public basic schools in the Tema Metropolis was completed and handed over. The beneficiary schools are **Community 7 No. 2 Junior High School; Manhean Presby Primary School A and B; Community 1 Presby Primary School; Klagon Primary School and Community 11 Primary School.**

- Unilever trained 304 retailers in 3 major regions of the country - The Greater Accra, Ashanti and Central

Managing Director's Review Continued

Regions. This was under the Customer Development perfect neighborhood programme which seeks to improve the entrepreneurial skills of retailers as well as the health, hygiene and nutrition of community members.

- In response to the swine flu disease outbreak at the Kumasi Academy Senior High School (KUMACA), Unilever donated 100 cases of assorted variants of the Lifebuoy soap to the school to aid effective hand washing and hygiene. We also took the opportunity and extended the Lifebuoy school of 5 hand washing campaign to staff and students of the school.
- The Lifebuoy brand is committed to reaching over 1,000,000 Children and mothers before the end of 2018. As at December 2017, the brand had reached 677,558 school children and women groups with its hand washing campaign to teach the importance of hand washing with Soap under running water at the 5 critical occasions in the day (Before Breakfast, Lunch, Dinner, after using the Toilet and during Bathing).

- The Pepsodent brand, through its brush twice daily campaign exceeded its reach target of 500,000 and reached 520, 000 children before the end of 2017. At the 2017 World Oral Health day, the brand touched additional lives of 3,000 school children.

Our social mission interventions won us many awards including the following:

- **CSR FMCG OF THE YEAR & CSR AWARD FOR GREENING & ENVIRONMENTAL PROTECTION -** this was at the 7th Ghana CSR awards. Awards were from the Centre for CSR West Africa.

- **GHANA CLUB 100 –** The Ghana Club 100 (GC 100) is an annual compilation of the top 100 companies in Ghana to give due recognition to successful enterprise building. It was launched in 1998 by the Ghana Investment Promotion Centre (GIPC).

- **CIMG BRAND ACTIVATION OF THE YEAR** for the Pepsodent Brush Day & Night Campaign

- **TOP EXPATRIATE BUSINESS OF THE YEAR COMPANY & TOP EXPATRIATE PERSONAL CARE AND COSMETICS COMPANY**

- **The United Kingdom Ghana Chamber of Commerce also awarded the company THE TOP EMPLOYER OF THE YEAR AWARD AND THE BEST IN PERSONAL CARE**

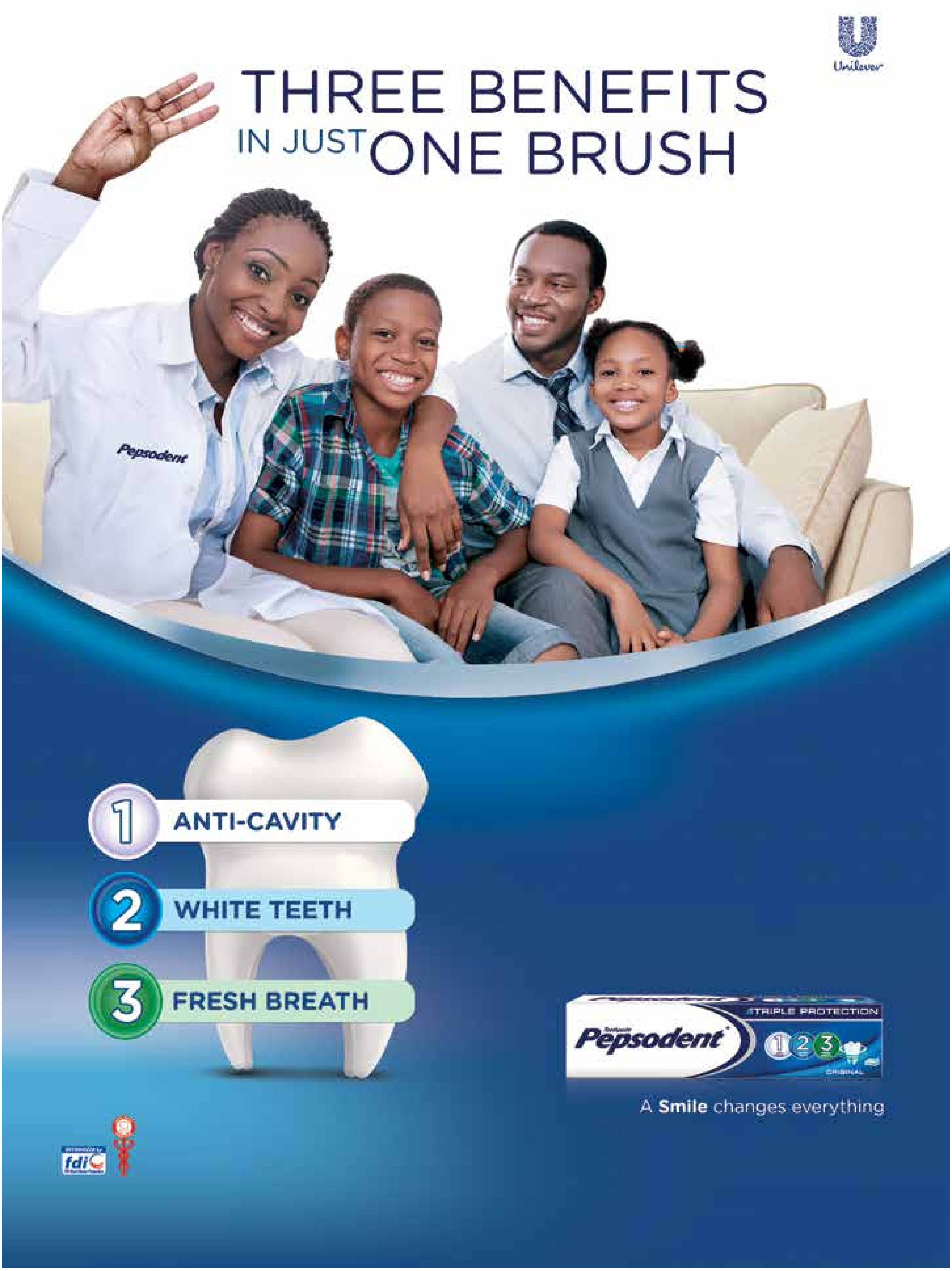
Local Recognition

- **PLAQUE OF APPRECIATION-** The Ministry of Trade and Industry honored Unilever Ghana with a plague of appreciation in recognition for its immense contribution as one of the major sponsors of the 1st made in Ghana Street fair held in December 2017.

Global recognition

- Ghana's Oral Care Team was declared **WINNERS OF THE 2017 WORLD ORAL HEALTH DAY GLOBAL COMPETITION,** which had 31 selected countries participating.

We share and dedicate these awards to you, the shareholders and people of Ghana. This is one fruit of your vote of confidence in Unilever and this is one more reason why we will continue our efforts in 2018 in order to create shared healthy growth and value.


THREE BENEFITS
IN JUST ONE BRUSH
Unilever
Pepsodent
1 ANTI-CAVITY
2 WHITE TEETH
3 FRESH BREATH
TRIPLE PROTECTION
Pepsodent
A Smile changes everything

CORPORATE GOVERNANCE

Introduction

Unilever recognises the importance of good corporate governance as a means of sustaining viability of the business in the long term, and further believes that the attainment of business objectives is directly aligned to good corporate behaviour.

In line with this, and alongside the need to meet its responsibility to its shareholders and other stake holders, the company strives to meet expectations of the community in which it operates.

In the conduct of its business Unilever has sought to comply with all statutory requirements, adopted, tried and proven best practices to protect the environment and its employees, invested in the community in which it operates, and strive to enhance shareholder value in the process. Unilever adopts both medium and long term growth strategies, and allocates resources in order to guarantee the creation of wealth.

It utilises modern technology and continuously innovates in order to satisfy changing consumer and customer needs, and in so doing, stay ahead of the competition. Unilever promotes and recognises excellence through its employee development programmes.

The company has put in place sound operational control systems in order to safeguard the interests of shareholders and stakeholders. As indicated in the Statement of Responsibility of Directors and Notes to the Accounts, the business adopts standard accounting practices to facilitate transparency in the disclosure of information and to give assurance to the reliability of the financial statements.

Legal Structure of Unilever

Unilever Ghana Limited Ownership

Unilever PLC	66.6%
Investors/ Public	33.4%

Subsidiaries

UAT 100%	UGI 100 %	SREL 100%

Board of Directors

The responsibility of good corporate governance is placed on the Board of Directors and the Management Team. The Board of Directors are highly qualified and experienced in their professional areas of expertise. The Board is currently comprised of Four (4) full time executive and Six (6) non-executive directors one of whom is the Chairman of the Board. The non-executive directors are the principal external presence in the governance of Unilever Ghana Limited and provide a strong independent element. The Board meets at least four (4) times a year to deliberate on, Corporate strategy and implementation, approval of Annual Report and Accounts and recommendation of dividends, amongst other things.

All directors with the exception of the Managing Director submit themselves for re-election at Annual General Meetings in accordance with the regulations of the Company and the Ghana Stock Exchange. To ensure effective control and monitoring of the company's business, the Board has an Audit Committee.

The Audit Committee

The Audit Committee is made up of four non-executive directors. It is chaired by a non-executive director who has a strong background and experience in business, finance and audit. The committee meets to review the financial performance of the company, the adequacy of the internal audit plan, progress against current audit report recommendations, the adequacy of internal control systems and the degree of business compliance with laid down internal policies, laws, code of business principles and any other relevant regulatory framework. The Committee also reviews findings of the external auditors.

The Executive Committee

There is also an executive committee which oversees the day to day operational/management issues affecting the business.

The Executive Committee meets regularly to review the performance of the company and assess progress against the annual plan. It also reviews programmes, strategies, key issues and assigns responsibilities and resources for the achievement of set goals.

Consequently, the committee has oversight responsibility for innovation programmes, supply chain, financing strategies and human resource development programmes.

The Executive Committee is also charged with the responsibility of identifying and assessing the risk profile within which the company operates, with a view to eliminating or minimising the impact of such risks to the achievement of set company objectives.

Internal Controls

Unilever has a robust internal

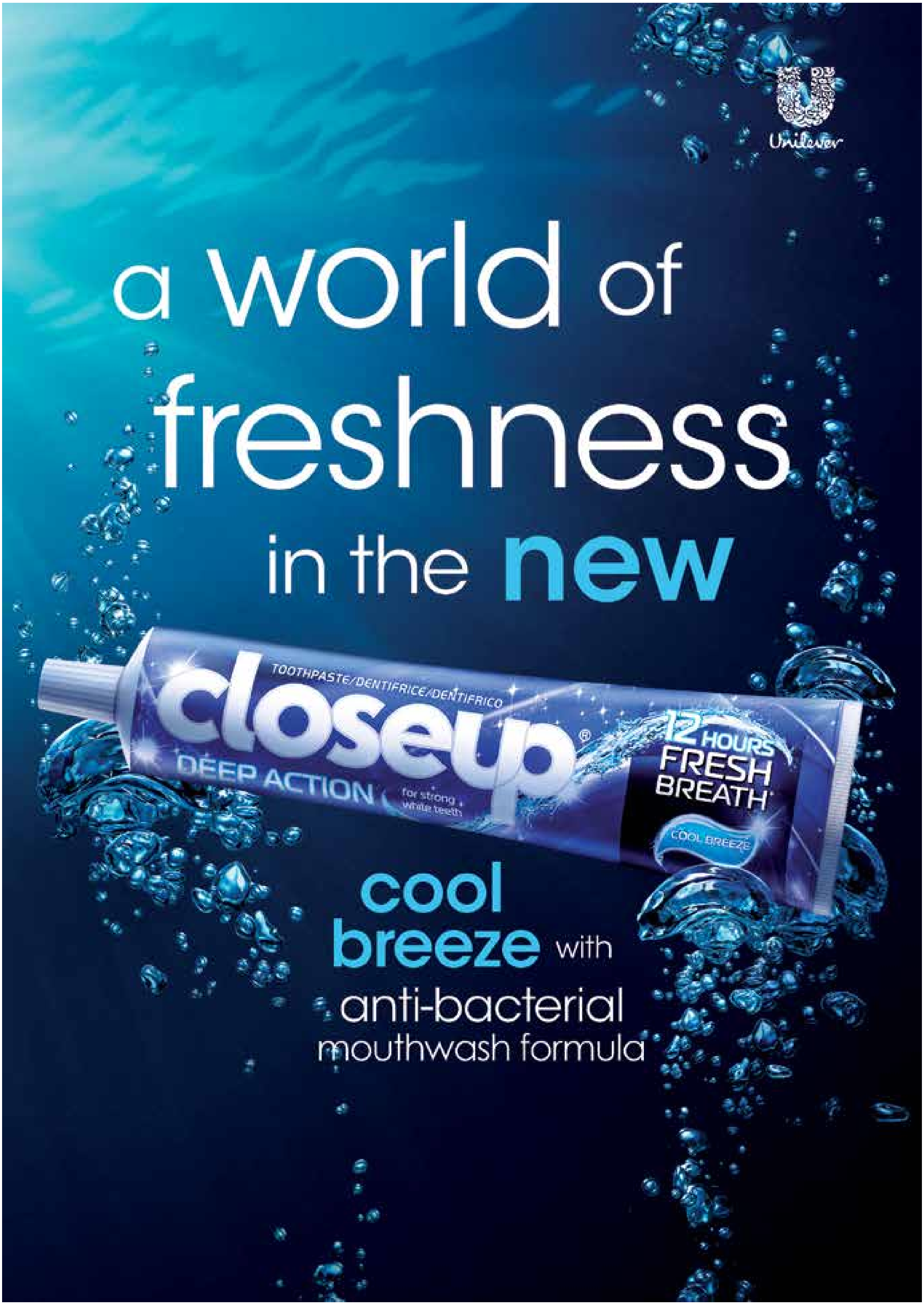
CORPORATE GOVERNANCE Continued

control system, which is well documented and regularly reviewed. The system incorporates internal control procedures, which are designed to provide reasonable assurance that assets are safeguarded and that the risks facing the business are being managed to eliminate or minimise their impact. The Board of Unilever Ghana has put in place a clear organisational structure, and Board authorities are delegated to middle and lower level management in line with delegated responsibilities as defined by the said structure.

Unilever's corporate internal audit function plays a key role in providing an objective assessment of the adequacy and effectiveness of the internal control systems in the business.

Code of Business Principles.

Unilever has a documented code of business principles to guide all employees and business partners in the discharge of their duties. This code sets the standard of professionalism and integrity required for business operations which among other things cover the following areas: compliance with the law, conflicts of interest, acquisition of company shares, public activities, product assurance, environmental management, accuracy and reliability of financial reporting, bribery, etc, and procedures for handling instances of non-compliance.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a world of
freshness
in the new
TOOTHPASTE/DENTIFRICE/DENTIFRICO
closeup®
DEEP ACTION
for strong white teeth
12 HOURS
FRESH
BREATH
COOL BREEZE
cool
breeze with
anti-bacterial
mouthwash formula

REPORT OF THE AUDIT COMMITTEE

MEMBERSHIP OF AUDIT COMMITTEE OF THE BOARD

The Unilever Ghana Audit committee is comprised of three non-executive Directors and the Finance Director of the Company. The Committee is chaired by Mrs Angela Peasah a Chartered Accountant, non-executive Director with an extensive background in general management, accounting, finance and audit. The Unilever Audit & Risk Manager is always in attendance at the meetings and from time to time the external auditor, KPMG, is also invited to make presentations to the Committee.

ROLE OF THE AUDIT COMMITTEE

The Audit Committee meets to review:

- The financial performance of the Company
- The adequacy of the plan of internal audit
- Current audit reports; statutory and internal audit
- The adequacy of internal controls
- The degree of compliance to laid down policies, laws, code of ethics and business practices of the Company and
- Compliance with the Sarbannes Oxley Act on Operational Control Assessment.

SUMMARY OF THE AUDIT COMMITTEE'S ACTIVITIES IN 2017

In 2017, the Unilever Ghana Limited Audit Committee met four times on 14th February 2017, 20 April 2017, 20 July 2017 and 20 October 2017.

REVIEW OF THE FINANCIAL PERFORMANCE OF THE COMPANY

At the 18th February 2017 meeting, the committee reviewed the financial performance of the Company for the financial year ended 31 December 2016 and the audited accounts for the 2016 financial year.

The Committee was updated on the Company's performance in 2017 during the 20 April 2017, 20 July 2017 and 20 October 2017 meetings.

INTERNAL AUDIT

The Internal Audit team updated the committee on the status of audit plan and outlined the Ghana Business Risk matrix for the quarter and the impact of FX volatility on business performance.
Safeguard measures had been put in place and quarterly review of risk would be done to assess the risk status.

EXTERNAL AUDIT

The external Auditors updated the Committee on the audit plan and strategy for the year ending 31st December 2017. The key focus areas were revenue recognition, valuation of inventories and provision for management and technical fees.

The audit team also updated the committee regularly on the Company's audit and risk management assessment findings.

DIRECTORS' REPORT

The Directors have the pleasure in submitting to the members, the Company's Financial Statements for the year ended 31 December, 2017.

Directors' responsibility statement
The directors are responsible for the preparation of financial statements that give a true and fair view of Unilever Ghana Limited, comprising the statement of financial position at 31 December 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179). In addition, the directors are responsible for the preparation of the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework

Five year financial highlights
Details of the Company's five year financial highlights is disclosed on page 63.

Financial statements/Business review
The financial results for the year ended 31 December 2017 is reflected in the accompanying financial statements.
The Directors propose a dividend payment of GH¢0.25 (2016: GH¢ 0.05) per share amounting to GH¢15,625,000 (2016: GH¢3,125,000).

The Directors consider the state of the Company's affairs to be satisfactory.
Nature of business/ Principal activities
The company is registered to carry on the business of manufacturing and marketing of fast moving consumer goods primarily in the home care, personal care and foods categories. There was no change in the nature of business of the company during the year.

Objectives of the Company
The objective of the company is to make sustainable living commonplace.

Holding Company
Unilever PLC percentage holding is 66.6% whilst that of Investors/Public is 33.4%

Related party transactions
Information regarding directors' interests in ordinary shares of the company and remuneration is disclosed in the analyses of shareholders on page 62 Note 33 to the financial statements. No director has any other interest in any shares or loan stock of the company. Other than service contracts, no director had a material interest in any contract to which the company was a party during the year. Related party transactions and balances are also disclosed in note 32 to the financial statements.

Auditor
The Audit Committee has responsibility delegated from the board of directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. KPMG has been the auditor of Unilever Ghana Limited for four years. KPMG does not provide non-audit services to the Company

DIRECTORS' REPORT Continued

Board of Directors
Profile

Executive	Qualification	Outside board and management position
Yeo Ziobeieton	Post Graduate degree in marketing communications and general management from the ESCA Business School in Abidjan Business English in Brighton University	NIL
Gladys Amoah	Holds Bachelor of Science in Zoology and Microbiology. She holds 4 A Levels in Biology, Chemistry, Physics and General Studies.	NIL
Nana Yaa Kissi	Holds Masters of Arts in Marketing & Innovation from the London School of Marketing. She holds Post Graduate Diploma in Business and Marketing Strategy.	NIL
Nazaire Djako	Crude Oil Refinery Engineer, Master of Science in Crude Oil (Petroleum) 1997, French Institute of Petroleum, Rueil-Malmaison – France Chemical and Process Engineer from University of Science and Technology, Compeiegne France Advance Certificate in Technology from Institute of Technology, University of Rheims, Champagne, France,	NIL
Non-executive		
Adesola Sotande-Peters	She holds a bachelor degree in Business Administration and Economics from Richmond College, The American International University in London. She holds MBA for Finance Professionals from Manchester Business School and fellow of Certified Chartered Accounts (FCCA)	NIL
Philip Odotei Sowah	He holds B.Sc. Mechanical Engineering, Washington University, Missouri, USA. He holds B.A. Physics from Grinnel College, Lowa, USA – May 1985. Airtel Leadership in Action Program – INSEAD Business School, Singagpore Campus.	Barclays Bank Gh.Ltd Ghana Infrastructural Investment Fund T&T Group Ghana Ltd, MPharma Ghana Ltd
Angela Peasah	Chartered Accountant of the Institute of Chartered Accounts, Ghana. Holds Executive MBA from the University of Ghana Business School. Product of the Institute of Professional Studies (IPS) and St. Roses Secondary School	
Edward Effah Chairman)	Chartered Accountant Member of the Institute of Chartered Accountants in England and Wales. Member of the Institute of Directors (UK)	Fidelity Bank Limited Fidelity Securities Limited
Alfred Yaw Oduro Nsarkoh	Honours Degree in Chemical Engineering – University of Science and Technology, Kumasi, Ghana. Post Graduate Diploma in Management – Henley Management College, Henley-on-Thames, United Kingdom Member of Ghana Institution of Engineers.	NIL
Edith Dankwa	"B.A. Management Studies, UCC. Post-Grad Diploma Marketing, CIMG. Post-Grad Cert Newspaper Management Inwent Int. Institute of Journalism, Executive MBA, GIMPA. Doctoral in International Bus. Admin, Walden Uni."	- Business Times Africa Magazine (BT), - Energy Today Magazine (ET) - The Business & Financial Times (B&FT) - Urban Press.

Biographical information of directors

Age Category	Number of Directors
• Up to – 40 years	1
• 41 – 60 years	9
• Above 60 years	0

Role of the Board

The directors are responsible for the long term success of the company, determine the strategic direction of the company and reviews operating, financial and risk performance. There is a formal schedule of matters reserved for the board of directors, including approval of the company's annual business plan, strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the

DIRECTORS' REPORT Continued

financial statements, the company's dividend policy, transactions involving the issue or purchase of company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the company, and the scope of delegations to Board committees, subsidiary boards and the management committee. Responsibility for the development of policy and strategy and operational management is delegated to the executive directors and a management committee, which as at the date of this report includes the executive directors and five senior managers.

Internal control systems

The directors have overall responsibility for the company's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the executive directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by the company as at the reporting date and no significant failings or weaknesses were identified during this review.

Directors' performance evaluation

Every year the performance and effectiveness of the Board of Directors ("the Board), its committees and individual directors is evaluated. The evaluation is conducted by the completion of detailed and comprehensive written survey questionnaires. The results of the evaluation is shared with all members of the Board. Overall, it was noted that the board of directors and its committees were operating in an effective manner and performing satisfactorily, with no major issues identified.

Professional development and training

On appointment to the Board, directors are provided with a full, formal and tailored programme of induction, to familiarise them with the company's business, the risks and strategic challenges it faces, and the economic, competitive, legal and regulatory environment in which the company operates. A programme of strategic and other reviews, together with the other training provided during the year, ensures that directors continually update their skills, their knowledge and familiarity with the company's businesses, and their awareness of sector, risk, regulatory, legal, financial and other developments to enable them to fulfil effectively their role on the Board and committees of the Board.

Conflicts of interest

The Company has established appropriate conflicts authorisation procedures, whereby actual or potential conflicts are regularly reviewed and authorisations sought as appropriate. During the year, no such conflicts arose and no such authorisations were sought.

Board balance and independence

The composition of the board of directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The Board considers that the Chairman is independent on appointment and all non-Executive Directors are independent as it pertains to the management of the company. The continuing independent and objective judgement of the non-Executive Directors has been confirmed by the Board of Directors.

Corporate responsibility

Corporate responsibilities activities and extract of the code of ethics can be found on pages [x] and [y] respectively.

Approval of the financial statements

The financial statements of Unilever Ghana Limited, as identified in the first paragraph, were approved by the Board of Directors on .... 2018 and signed on their behalf by

Edward Effah

Director

Director

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNILEVER GHANA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Unilever Ghana Limited, which comprise the statement of financial position at 31 December 2017, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 23-61.

In our opinion, these financial statements give a true and fair view of the financial position of Unilever Ghana Limited at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition GH¢ 576 million
Refer to Note 5 of the financial statements.

The key audit matter

Revenue is recognised when the risk and rewards of the underlying products have been transferred to the customer. Revenue should only be recognised when risk and reward associated with the relevant products have been transferred to the distributors. There is a time lag between issue of goods to distributors and receipts of those goods close to the period end. Revenue may be recorded when risk and reward associated with the relevant products have not been transferred to the distributors.

How the matter was addressed in our audit

We tested controls over the initiation, recording and processing of revenue. We performed cut off procedures to assess whether sales made towards the year end were recorded in the appropriate period. We evaluated credit notes issued at either side of the reporting date and assessed whether revenue was recognised in the correct period.We also developed an expectation of the current year revenue balance based on trend analysis, taking into account historical monthly sales and returns information. We then compared the expectation to actual results and ascertained reasons for variances. We also considered the adequacy of the Company's disclosures in respect of revenue.
Existence, Accuracy and Valuation of inventory GH¢ 54 million
Refer to Note 19 of the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNILEVER GHANA LIMITED (CONTINUED)

The key audit matter

The Company keeps a large number of inventory lines with significant values for the relevant segments. Inventory may not be measured appropriately due to obsolescence or inaccurate unit costs assigned to items with significant values.

How the matter was addressed in our audit

We tested controls over periodic inventory counts and reconciliation to relevant records. We also observed year-end inventory counts and agreed results with the Company records. In addition, we recomputed unit costs used for year-end inventory valuation and enquired into identified slow moving inventory and assessed reasonableness of impairment allowance recognised on such inventory.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 1963 (Act 179) but does not include the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNILEVER GHANA LIMITED (CONTINUED)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements
Compliance with the requirements of Section 133 of the Companies Act 1963(Act 179)

We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, and the statements of financial position and comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Anthony K. Sarpong (ICAG/P/1369).

KPMG
....
For and on behalf of:
KPMG: (ICAG/F/2018/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

...................................2018


Unilever
FOR SOFT AND
FRAGRANT SKIN
NEW FLORAL BEAUTY OIL™
LUX
LUX
Soft Caress
For noticeably smooth skin
With SilkEssence™
& Delicate White Flowers
LUX

Statement of financial position as at 31 December

(All amounts are expressed in thousands of Ghana cedis)

	Notes	2017	2016
Assets			
Property, plant and equipment	15a&b	113,738	101,066
Intangible assets	16	7	1,379
Investment in subsidiaries	18	10	10
Total non-current assets		113,755	102,455
Inventories	19	53,618	54,280
Trade and other receivables	24	93,937	61,919
Prepayments	25	28,747	18,427
Related party receivables	32c	125,259	133,549
Current tax	14a	112	-
Cash and bank	28	53,203	9,111
Total current assets		354,876	277,286
Total assets		468,631	379,741
Equity			
Share capital	21a	1,200	1,200
Capital surplus account	22	204	204
Retained earnings	21b	119,112	74,102
Share deals account	23	81	81
Total equity		120,597	75,587
Non-current liabilities			
Employee benefits obligation	17a	4,364	4,048
Deferred tax	14a	8,644	6,360
Total non-current liabilities		13,008	10,408
Current liabiliities			
Bank overdraft	28	14	5,635
Trade and other payables	26	74,009	85,743
Related party payables	32d	154,407	195,797
Dividend payables	20	3,044	3,044
Provisions	29a&b	103,552	3,151
Current tax	14a	-	376
Total current liabilities		335,026	293,746
Total liabilities		348,034	304,154
Total equity and liabilities		468,631	379,740

Edward Effah

.... Director

.... Director

The notes from pages 26-61 are an intergral part of these financial statements.

Statement of comprehensive income for the year ended 31 December

(All amounts are expressed in thousands of Ghana cedis)

	Notes	2017	2016
Revenue	5	575,765	496,306
Cost of sales	7	(401,712)	(346,109)
		----------	----------
Gross profit		174,053	150,197
Distribution expenses	8	(13,156)	(10,554)
Brand & marketing investment	9	(27,537)	(25,902)
Administrative expenses	10	(56,459)	(57,931)
Restructuring costs	29a	(10,906)	(3,275)
Other income	11	1,209	1,494
		---------	---------
Operating profit		67,204	54,029
Finance income	12	160	322
Finance costs	12	(2,004)	(818)
		---------	---------
Profit/(loss) before taxation		65,360	53,534
Taxation	14c	(17,211)	(14,484)
		---------	---------
Profit/(loss) after taxation		48,149	39,049
		---------	---------
Other comprehensive income :			
Items that will not be reclassified to profit or loss			
Actuarial gain	17b	(18)	(2,676)
Return on planned assets	17b	-	(537)
		---------	---------
Net (loss)/gain		(18)	(3,213)
Related tax	14a&b	4	803
		---------	---------
Other comprehensive income net of tax		(14)	(2,410)
		---------	---------
Total comprehensive income		48,135	36,639
		=====	=====

Earnings per share for profit attributable to equity holders of the company

	2017	2016
Basic earnings per share	0.7704	0.6248
Diluted earnings per share	0.7704	0.6248

The notes from pages 26-61 are an intergral part of these financial statements.

Statement of cash flows for the year ended 31 December

(All amounts are expressed in thousands of Ghana cedis)

	Notes	2017	2016
Cash flows from operating activities			
Cash generated from operations	27	90,786	39,419
Interest paid	12	(2,004)	(818)
Interest received	12	160	322
Tax paid	14a	(15,411)	(10,574)
Net cash generated from operating activities		73,531	28,349
Cash flows from investing activities			
Purchases of property, plant and equipment	15a&b	(21,005)	(30,822)
Net cash used in investing activities		(21,005)	(30,822)
Cash flows from financing activities			
Dividend paid	20	(3,125)	(25,009)
Net cash used in financing activities		(3,125)	(25,009)
Decrease in cash and cash equivalents		49,401	(27,482)
Cash and cash equivalents at beginning of year		3,476	29,214
Effect of movement in exchange rate on cash and bank		312	1,744
Cash and cash equivalents at end of year	28	53,189	3,476

The notes from pages 26-61 are an intergral part of these financial statements.

Statement of changes in equity as at 31 December

(All amounts are expressed in thousands of Ghana cedis)

		Share capital	Capital surplus account	Retained earnings	Share deals account	Total equity
Balance at 1 January 2017		1,200	204	74,102	81	75,587
Total comprehensive income						
Profit		-	-	48,149	-	48,149
Other comprehensive income	14a &17b	-	-	(14)	-	(14)
Total comprehensive income				**48,135**	**-**	**48,135**
Transaction with owners of the Company						
Distribution						
Dividend Declared				(3,125)		(3,125)
Total distribution		-	-	(3,125)	-	(3,125)
Balance at 31 December 2017		**1,200**	**204**	**119,112**	**81**	**120,597**
Balance at 1 January 2016		1,200	204	62,463	81	63,948
Total comprehensive income						
Profit		-	-	39,049	-	39,049
Other comprehensive income		-	-	(2,410)	-	(2,410)
Total comprehensive income		-	-	36,639	-	36,639
Transaction with owners of the Company						
Distribution						
Dividend Declared		-	-	(25,000)	-	(25,000)
Total distribution		-	-	(25,000)	-	(25,000)
Balance at 31 December 2016		**1,200**	**204**	**74,102**	**81**	75,587

The notes from pages 26-61 are an intergral part of these financial statements.

Financial Statements

Notes to the financial statements

1 REPORTING ENTITY

Unilever Ghana Limited is registered and domiciled in Ghana. The Company's registered office address is Tema Factory, P.O. Box 721, Tema, Ghana. The Company manufactures and sells consumer products. The Company is listed on the Ghana Stock Exchange. For Companies Act, 1963 (Act 179) reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of comprehensive income, in these financial statements. The financial statements at and for the year ended 31 December 2017 comprise the separate financial statements of the Company.

2 BASIS OF ACCOUNTING

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1963 (Act 179). The financial statements were authorised on 2018

b. Basis of measurement

The financial statements have been prepared under the historical cost convention except for the following material items:

- Defind benefitt obligations measured at the present value of the future benefit to employees, net of the fair value of plan assets.

c. Functional and presentation currency

The financial statements are presented in Ghana cedis (GH¢), which is the Company's functional currency. All financial information are expressed in thousands of Ghana cedis, unless otherwise indicated.

d. Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are described in notes 4 (Determination of fair values) and 34 (Financial risk management).

d. Assumptions and estimation uncertainties

(i) Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in a material adjustment in the year ending 31 December 2018, is included in the following notes:

- Note 17: measurement of defined benefit obligation: Key acturial assumptions.

Financial Statements

Notes to the financial statements (Continued)

(ii) Measurements of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are described in notes 4 (Determination of fair values) and 34 (Financial risk management).

When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in fair value hierarchy based on the inputs used in the valuation techniques as follows:

Measurement of fair values

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair values of asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement

The Company recognised tranfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in determining fair values is included in note 34, Financial instrument - faire values and risk management.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented.

a. Basis of Consolidation:

i Subsidiary

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date on which control commences until the date on which control ceases.

ii Loss on Control

When the Company losses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iii Investment in Subsidiaries

Investment in subsidiaries are stated at cost less impairment allowance.

Financial Statements

Notes to the financial statements (Continued)

b. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss, as incurred. Spare parts, stand-by and servicing equipment held by the Company generally are classified as inventories.

However, if major spare parts and stand-by equipment are expected to be used for more than one period or can be used only in connection with an item of property, plant and equipment, then they are classified as property, plant and equipment."

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each class of an item of property, plant and equipment. The estimated useful lives for the current and comparative period are as follows

Leasehold land & buildings	40 years
Plant and machinery	14 years
Computer equipment	5 years
Furniture and fittings	4 years
Office equipment and others	5 years
Moulds & dies	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date. Gains and losses on derecognition of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts of property, plant and equipment and are recognised in profit or loss.

(iv) Capital work in progress

Property, plant and equipment under construction is stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate category of property, plant and equipment when commissioned and ready for its intended use.

c. Intangible assets

Software

Software acquired is measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on straight line basis over the estimated useful life of the software from the date it is available for use. The estimated useful life for software is five years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Financial Statements

Notes to the financial statements (Continued)

d. Leases

i. Determing whether an arrangement contains a lease

At inception of an arrangement, the Company determines wheather the arragement is or contains a lease . At inception or on reassessment of an an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of thier relative fair values. If the Comapany concludes on a finance lease that it is impracticable to seperate the payments reliability, then an asset and a liability are recognised

are recognised at an amount equal to the fair value of the liability is recognised using the Company's incremental borrowing rate.

(ii) Lease assets - Leasee

Assets held by the Company under leases that transfer to the Company substaintially all of the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the Lower of its fair value and present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognized in the Company's statement of financial position.

(iii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

e. Inventories

Inventories are measured at lower of cost and net realisable value using the weighted average cost principle. The cost of inventories includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services.

f. Financial instruments

The Company classifies non-derivative financial assets into the following categories; loans and receivables and classifies non-derivative financial liabilities into other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities

Recognition and derecognition

The Company initially recognises loans and receivables on the date when they are originated. Other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instruments.

Financial Statements

Notes to the financial statements (Continued)

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in such transferred financial asset that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position, when and only when, the Company has the legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets-measurement

Loans and receivables comprise cash and bank balances, trade and other receivables and related party receivables. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Short-duration receivables with no stated interest rate are measured at their original invoice amount unless the effect of imputing interest would be significant. Where the effect of imputing interest is significant they are measured at amortised cost.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include bank overdrafts that are repayable on demand and forms an integral part of the Company's cash management.

Non-derivative financial liabilities-measurement

Non–derivative financial liabilities are initially recognised at fair values less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprises related party payables, trade and other payables, bank overdrafts and dividend payable.

Short-duration payables with no stated interest rate are measured at their original invoice amount unless the effect of imputing interest would be significant. Where the effect of imputing interest is significant they are measured at amortised cost.

(ii) Share capital (Stated capital)

Ordinary shares

Proceeds from issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

g. Impairment of non-derivative financial assets

i. Non-derivative financial assets

Financial assets not classified as at their fair value through profit or loss, including an interest in an equally accounted investee, are ssessed at each reporting date to determine whether there is objective evidence of impairment,objective evidence that financial assets are impaired includes:

default or delinquency by a debtor;
restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
indications that a debtor or issuer will enter bankruptcy;
adverse changes in the payment status of borrowers or issuers;

Financial Statements

Notes to the financial statements (Continued)

the disappearance of an active market for a security because of financial difficulties or
observable data indicating that there is a measurable decrease in the expected cash flows from a Company of financial asseets.

Financial assets measured at amortised cost:
The company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually signifant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment the company uses historical information on the timing of recoveirs and the amount of loss incurred, and make an adjustment if current economic and credit conditions are such that the actual losses are likely to be greather or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an assets's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss and reflected in an allowance account. when the company considers that there are no realistic prospect of recovery of the asset, the relevant amounts are written off.if the amount of impairment loss prospects of recoveryf the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreses and the decrease can be related objectively to an an event occuring after the impairment was recognised,then the previously recognised impairment lossis erversed through the profit or loss.

ii. Non-financial assets
The carrying amounts of the Company's non financila assets other than deferred tax assets are reviwed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their to their present value using a pre-tax discount rate that reflect current assessments of the time value of money and the risk specified to the asset.

h. Income tax
Income current tax expenses comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of prevous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividnd.

Current tax assets and liabilities are offset only if the company:

a. has a legally enforcable right to set off the recognised amounts; and
b. intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Statements

Notes to the financial statements (Continued)

(ii) Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deffered Tax is not recorgnised for: temporally differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can used. Future taxable profits are determined based on business plans and the reversal of temporary differences. Defferred tax assets are reviewd at each reporting date and are reduced to the extent that it is no longer probability of future taxable profits improves.

Unrecognised deffered tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Defeered tax is measured at the tax rates that are expected to be applied to temporary differences, differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilites are offset only if :
a. the company has a legally enforcable right to set off current tax asset against current tax liabilities; and
b. the deferred tax assets and the deffered tax liabilities relates to income taxes levied by the same taxation authority on either;
   (i) the same taxable entity; or
   (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

i. Provisions
Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in the profit or loss.

j. Employee benefits
The Company operates various pension schemes. Some of the schemes are generally funded through payments to trustee- administered funds, determined by periodic actuarial calculations. The Company has both defined benefit and defined contribution plans.

Financial Statements

Notes to the financial statements (Continued)

(i) Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing incentive scheme if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Obligations for contributions to defined contribution schemes are recognised as an expense in profit or loss in periods during which services are rendered by employees.

a. Social security contribution

Under a national pension scheme, the Company contributes 13% of employee's basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Company's obligation is limited to the relevant contributions, which have been recognised in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

b. Tier 3 Pension fund and Saving Scheme

The Company have a Tier 3 Pension fund and Saving Scheme for staff and management under which the Company contribute 5% and 2.5% respectively to the scheme.

(iii) Defined benefit plan

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of the economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of future economic benefit, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Company determines the net interest expense (Income on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contribution and benefit payment. Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to the past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits

Financial Statements

Notes to the financial statements (Continued)

are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognised cost for restructuring . In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(v) Other long term benefit

Long Service Award accrue to emplyees based on graduated periods of uninterrupted and dedicated service to the Company. Staff who serve for ten years and above are awarded with cash donations, bundles of aluminum roofing sheets and testimonial. The plan is not funded and the awards accrue over the service life of employees.

j. Revenue recognition

Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns, trade discounts, taxes and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, there is no continuing management involvement in the goods, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably and the amount of revenue can be measured reliably. Transfer of risks and rewards occurs when the goods are delivered to the customer.

(i) Sale of goods to key distributors and modern trade

The Company manufactures and sells a range of fast moving consumer goods to its key distributors and modern trades. Sale of the goods are recognised when the Company has delivered products to the key distributor and modern trades. Delivery does not occur until the products have been shipped to the specified location, the risk of obsolescence and loss have been transferred to the distributor and either the distributor has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

k. Finance income and finance costs

Finance income comprises interest income on funds invested or held in bank accounts. Interest income is recognised in profit or loss using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.”

l. Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses are presented in the profit or loss within other income or other expenses.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to functional currency at exchange rate prevailing at that date. Non monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Financial Statements

Notes to the financial statements (Continued)

m. Dividend

Dividend is recognised as a liability in the period in which they are declared by the Board.

n. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.The operating segments report are based on product category which is classified as home care products, personal care products and foods products,

o. Earnings per share

The company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. This excludes ordinary shares purchased by the Company and held as treasury shares.

	2017	2016
Profit attributable to equity holders	48,149	39,049
Weighted average number of ordinary shares in issue (Note 21)	62,500	62,500
Basic earnings per share	0.7704	0.6248
Diluted earnings per share	0.7704	0.6248
	========	========

because they require different technology and marketing strategies

At the reporting date, the basic earnings per share and the diluted earnings per share were the same because there were no outstanding shares on conversion which could increase the weighted average number of ordinary shares in issue.

4 NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2017, however, the Company has not applied these new or amended standards in preparing these financial statements. Those which may be relevant to the Company are set out below

Standard/Interpretation		**Effective date periods beginning on or after**
IFRS 9	Fiancial Instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRIC 22	Foreign Currency Transactions and Advance Considerations	1 January 2018
IFRS 16	Leases	1 January 2019
Amendments to IFRS 9	Prepayment Features with Negative Compensation	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019

Financial Statements

Notes to the financial statements (Continued)

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the company, which will include changes in the measurement bases of the company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Company.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.
No assesment has been done and hence the impact is unknown

IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

This new standard will most likely have a significant impact on the company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised.

An independent consultant has been engaged to review contracts to evaluate the nature of performance obligations and other contract terms with its key distributors.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

IFRIC 22 Foreign Currency Transactions and Advance Considerations

When foreign currency consideration is paid or received in advance of the item it relates to – which may be an asset, an expense or income – IAS 21 The Effects of Changes in Foreign Exchange Rates is not clear on how to determine the transaction date for translating the related item.

This has resulted in diversity in practice regarding the exchange rate used to translate the related item. IFRIC 22 clarifies that the transaction date is the date on which the company initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date.

The interpretation applies for annual reporting periods beginning on or after 1 January 2018.
No assesment has been done and hence the impact is unknown

IFRS 16 Leases

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases standard,IAS 17 Leasses, and related interpretations. IFRS 16 has one model for lessees, which will result in almost all leases being included on the Statement of Financial position. No significant changes have been included for lessors.

Financial Statements

Notes to the financial statements (Continued)

The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors. The group and company have begun assessing the potential impact on the financial statements resulting from the application of IFRS 16. No significant impact is expected for the company's finance leases.

The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15.
No assesment has been done and hence the impact is unknown

Prepayment Features with Negative Compensation (Amendments to IFRS 9)

The amendments clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.
The amendments apply for annual periods beginning on or after 1 January 2019 with retrospective application, early adoption is permitted.
No assesment has been done and hence the impact is unknown.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.
IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- judgments made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

IFRIC 23 applies for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted.
No assesment has been done and hence the impact is unknown.

5. REVENUE

Revenue is recognised on dispatch of products and acceptance by the customer. Revenue comprises the value of goods invoiced less VAT, discounts and rebates.

	2017	2016
Gross sales value	754,764	640,100
Value added tax/NHIL	(105,573)	(90,144)
Discounts & rebates	(73,426)	(53,650)
	---------	----------
Revenue	575,765	496,306
	=======	=======

	2017	2016
By customer:		
Third parties	542,925	464,542
Related parties (Note 32b)	32,840	31,764
	---------	---------
	575,765	496,306
	=======	========

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

6. PROFIT BEFORE TAX

is stated after charging:

	2017	2016
Staff Cost (Note 13a&b)	34,891	28,508
Depreciation	8,333	6,998
Auditors' remuneration	397	234
Directors' remuneration	3,933	7,530
	======	======

7. COST OF SALES

Cost of goods sold comprises raw materials, conversion costs and materials sourcing expenses

	2017	2016
Raw materials & conversion costs	349,574	300,637
Supply Support	3,428	3,011
Foreign exchange losses	6,281	2,625
Trade mark & knowhow fees	15,646	14,340
Depreciation (Note 15a&b)	7,440	6,235
Amortisation of intangible assets (Note 16)	1,012	1,024
Material sourcing expenses	1,610	1,968
Staff costs (Note 13a)	16,623	15,884
Operating lease expense	98	385
	---------	---------
	401,712	346,109
	========	=======

Included in raw materials & conversion costs are damaged and obsolete inventories amounting to GH¢1,561,469 (2016:GH¢2,026,896)

8. DISTRIBUTION EXPENSES

	2017	2016
Inbound distribution expenses	1,077	1,512
Warehouse, storage & handling expenses	3,382	2,980
Outbound distribution expenses	8,697	6,062
	--------	--------
	13,156	10,554
	======	======

9. BRAND & MARKETING INVESTMENT EXPENSES

	2017	2016
Advertising expenses	13,386	11,788
Promotion expenses	12,932	12,208
Merchandising expenses	1,219	1,906
	--------	--------
	27,537	25,902
	======	======

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

10. ADMINISTRATIVE EXPENSES

	2017	2016
Business group fees	7,885	5,938
Market research cost	4,276	3,548
Information technology costs	5,215	3,842
Third party service	3,346	6,758
Capability building	706	255
Directors remuneration	3,933	7,530
Professional and legal costs	-	659
Bank charges	622	595
Utilities	1,109	1,864
Repairs and maintenance	778	949
Insurance	28	578
Relocation expenses	15	92
Other primary expenses	7,129	8,263
Depreciation (Note 15a &b)	893	763
Amortisation of intangible asset (Note 16)	361	1,389
Staff costs (Note 13b)	18,268	12,809
Auditors' remuneration	397	234
Donation	69	77
Operating lease expense	1,429	1,788
Others		
	56,459	57,931

11. OTHER INCOME

	2017	2016
Management Fees	1,012	926
Sale of Scrap	137	224
Net of Exchange Gain	-	344
Provision for Professional and legal fees	60	-
	1,209	1,494

12. FINANCE INCOME AND COST

	2017	2016
Interest on deposits and call	160	322
Interest on bank overdrafts	(2,004)	(818)
	(2,004)	(818)

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

13. STAFF COSTS

Staff costs are charged to cost of sales and administrative expenses as below. The average number of employees at the end of the year was 373 (2016: 411).

13A. Cost of sales

	2017	2016
Wages & salaries to employees	15,112	14,422
Defined contribution scheme	529	525
Social security	982	937
	16,623	15,884

13B. Administrative expenses

	2017	2016
Wages & salaries to employees	15,120	19,549
Defined contribution scheme	572	536
Defined benefit scheme (Note 17b)	1,472	(1,072)
Actuarial gain on long service award (Note 17b)	(281)	(246)
Social security	995	988
Interest on staff loans	390	399
	18,268	20,154

14A. TAX

Current tax	Balance at 1 January	Charge to profit or loss	Payments during the year	2017 Balance at 31 December
Prior to 2013	(3,336)	-	-	(3,336)
2013 - 2015	1,800	-	-	1,800
2016	1,912	-	(1,912)	-
2017	-	14,923	(13,499)	1,424
Current Tax	376	14,923	(15,411)	(112)

The above tax position is subject to agreement with the tax authorities.

Deferred tax	Net Balance at 1 January	Recogn-ised in profit or loss	Recogn-ised in OCI	Net	2017 Balance at 31 December Deferred Tax Asset	2017 Balance at 31 December Deferred Tax Liabilities
Deferred tax						
Accelerated depreciation	6,973	1,556	-	8,529		8,529
Provisions including restructuring	(1,088)		-	(1,088)	(1,088)	
Derecognition of previously recognised deductible temporary differences	-	662		662	662	
Revaluation of assets	60		-	60		60
Employee benefits-2016	(458)	-		(458)	(458)	
Employee benefits	873	70	(4)	939		939
Deferred tax liability	6,360	2,288	(4)	8,644	(884)	9,528

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

14B. Tax

Deferred tax	Net Balance at 1 January	Recognised in profit or loss	Recognised in OCI	Net	2016 Balance at 31 December Deferred Tax Asset	2016 Balance at 31 December Deferred Tax Liabilities
Deferred tax						
Accelerated depreciation	11,436	(4,463)	-	6,973		6,973
Provisions including restructuring	(4,428)	3,340	-	(1,088)	(1,088)	
Revaluation of assets	60	-	-	60		60
Employee benefits-2015	(458)	-		(458)	(458)	
Employee benefits	(2,381)	4,057	(803)	873		873
	--------	--------	--------	--------	--------	---------
Deferred tax liability	4,229	2,934	(803)	6,360	(1,546)	7,906
	======	======	======	=======	======	=======

14B. Tax reconciliation

The tax charged on the profit before income tax differs from the theoretial amount that would arise using the statutory income tax rate. This is explained as follows:

	2017	2016
Profit/(loss) before taxation	65,360	53,533
	=======	=======
Tax calculated at the statutory income tax rate of 25%	16,340	13,383
Tax effect of:		
Disallowable expenses	4,780	2,644
Exempt income	(3,978)	(1,017)
Tax Incentive	(593)	(526)
Derecognition of previously recognised deductible temporary differences	662	-
	--------	----------
Income tax expense	17,211	14,484
	=======	=======
Effective tax rate	26%	27%
	=======	======

14C. Income tax expense

	2017	2016
Current tax	14,923	11,550
Deferred tax	2,288	2,934
	--------	-----------
	17,211	14,484
	=======	=======

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

15a. PROPERTY, PLANT AND EQUIPMENT

2017

	Leasehold land & buildings	Plant & Machinery	Computer equipment	Furniture & fittings	Office equipment & others	Moulds & dies	Capital work in progress	Total
Cost								
Balance at 1 January 2017	21,077	59,156	2,916	3,476	5,483	3,815	35,891	131,814
Additions	555	4,029	212	-	1,112	-	15,097	21,005
Capitalisation/transfers	4,061	14,294	-	-	2,007	-	(20,362)	-
Balance at 31 December 2017	**25,693**	**77,479**	**3,128**	**3,476**	**8,602**	**3,815**	**30,626**	**152,819**
Accumulated depreciation								
Balance at 1 January	2,303	17,975	1,187	1,972	4,264	3,047	-	30,748
Charge for the year	590	4,938	611	133	1,500	561	-	8,333
Balance at 31 December 2017	**2,893**	**22,913**	**1,798**	**2,105**	**5,764**	**3,608**	**-**	**39,081**
Carrying Amount at 31 December 2017	**22,800**	**54,566**	**1,330**	**1,371**	**2,838**	**207**	**30,626**	**113,738**

15b. PROPERTY, PLANT AND EQUIPMENT

2016

	Leasehold land & buildings	Plant & Machinery	Computer equipment	Furniture & fittings	Office equipment & others	Moulds & dies	Capital work in progress	Total
Cost								
Balance at 1 January 2016	20,855	50,019	2,242	3,476	4,169	3,815	16,458	101,034
Additions	78	2,282	621	-	735	-	27,106	30,822
Capitalisation/transfers	144	6,855	95	-	579	-	(7,673)	-
Write-offs	-	-	(42)	-	-	-	-	(42)
Balance at 31 December 2016	**21,077**	**59,156**	**2,916**	**3,476**	**5,483**	**3,815**	**35,891**	**131,814**
Accumulated depreciation								
Balance at 1 January	1,785	14,196	688	1,716	3,047	2,329	-	23,761
Charge for the year	518	3,779	510	256	1,217	718	-	6,998
Write-offs during the year	-	-	(11)	-	-	-	-	(11)
Balance at 31 December 2016	**2,303**	**17,975**	**1,187**	**1,972**	**4,264**	**3,047**	**-**	**30,748**
Carrying Amount at 31 December 2016	**18,774**	**41,181**	**1,729**	**1,504**	**1,219**	**768**	**35,891**	**101,066**

Depreciation has been charged to the statement of comprehensive income as follows:	2017	2016
Cost of sales (Note 7)	7,440	6,235
Administrative expenses (Note 10)	893	763
	8,333	6,998

There was no charge on the property, plant and equipment of the Company at the reporting date


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Financial Statements

Notes to the financial statements (Continued)
(All amounts are expressed in thousands of Ghana cedis).

15c. Assets written off

Assets written off as at 31 December 2017 was Nil.

2016

	Leasehold land and buildings	Plant and machinery	Computer equipment	Furniture & Fittings	Office equipment & others	Total
Gross book value	-	-	42	-	-	42
Accumulated depreciation	-	-	(11)	-	-	(11)
	--------	--------	--------	--------	--------	--------
Carrying amount	-	-	31	-	-	31
	=======	=======	=======	=======	=======	=======

16. INTANGIBLE ASSETS

	2017	2016
Cost		
Balance at 1 January	12,138	12,138
	---------	---------
Balance at 31 December	12,138	12,138
	---------	---------
Accumulated amortisation		
Balance at 1 January	10,759	8,346
Charge for the year	1,372	2,413
	---------	---------
Balance at 31 December	12,131	10,759
	---------	---------
Carrying Amount at 31 December	7	1,379
	=======	=======

Intangible assets represent softwares that are used in managing employee information and processing of the Company's business transactions.

The remaining unamortised period is seven months

Amortisation has been charged to profit or loss as follows:

	2017	2016
Cost of sales (Note 7)	1,012	1,024
Administrative expenses (Note 10)	360	1,389
	--------	--------
	1,372	2,413
	=======	=======

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

17. POST EMPLOYMENT BENEFITS

The Company has a defined benefit scheme comprising the following post-employment benefit plans:

(i) Ex-gratia pensions is an unfunded scheme to retired employees of UAC (Africa) Ghana Ltd. These unfunded pensions were granted to bring the total pension (including Social Security) received by retired members from UAC (Africa) Pension Fund to an agreed percentage. For current members of the Managers' Pension Scheme, this practice is not applicable.

(ii) Other Long term Benefits

Long Service award which is an unfunded scheme to reward staff for their continious and dedicated service to the Company. Staff who serve for ten years and above are awarded with cash donations, bundles of aluminium roofing sheets and testimonials. The plan is not funded. The awards vary depending on the number of years served by employees who meet the criteria.

For the above schemes, a full and independent actuarial valuation was carried out at the end of the year using the Projected Unit Credit Method in accordance with IAS 19 revised

17a. Assumptions

The major assumptions used by the actuaries for the two major schemes as at 31 December 2017 were:

	2017	2016
Discount rate	17.0%	18.0%
Salary inflation	16.0%	20.0%
Pension inflation	12.5%	15.0%

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

17b. POST EMPLOYMENT BENEFITS

The number of employees covered under the funded benefit scheme as at 2017 is nil, as the scheme was closed at the end of 2016. however, membership for the funded benefit scheme in 2016 was 47 and covers all managers of the Company.

	2017				2016			
	Funded	Unfunded	Long service award	Total	Funded	Unfunded	Long service award	Total
Changes in liability:								
Balance at 1 January		2,539	1,509	4,048	22,569	2,600	1,109	26,278
Service cost			756	756			637	637
Interest cost		429	287	716	1,632	435	236	2,303
Actuarial (gain)/loss arising from financial assumptions		(170)	(204)	(374)	-	-	(246)	(246)
Actuarial (gain)/loss arising from other sources		188	(77)	111	2,811	(135)		2,676
Benefits paid/Settlement		(309)	(584)	(893)	(27,012)	(361)	(227)	(27,600)
Balance at 31 December		2,677	1,687	4,364	-	2,539	1,509	4,048
Opening Balance/Service cost Interest cost %		17%	0.0%	8.76%	7%	17%	0.0%	9%
Changes in plan assets:								
Balance at 1 January		-	-	-	29,240	-	-	29,240
Expected return on plan asset		-		-	4,012	-		4,012
Actuarial (gain)/loss			-		(537)			(537)
Actuarial return on plan asset		309	-	309	3,475	361	-	3,836
Employee contribution	-	-		-	-	-	-	-
Employer contribution	-	-	584	584	-	-	227	227
Benefits paid	-	(309)	(584)	(893)	(27,012)	(361)	(227)	(27,600)
Plan asset transfer (Note 24)	-	-		-	(5,703)	-	-	(5,703)
Balance at 31 December	-	-	-	-	-	-	-	-
Asset return		0.0%	0.0%	0.00%	27.0%	-200.0%	0.0%	30.0%
Expected return		0.0%	0.0%	0.00%	31.0%	0.0%	0.0%	32.0%
Funding level								
Projected benefit obligation	-	(2,677)	(1,687)	(4,364)	-	(2,539)	(1,509)	(4,048)
Plan assets	-			-	-			-
Net defined benefit asset/(liability)	-	(2,677)	(1,687)	(4,364)	-	(2,539)	(1,509)	(4,048)

During 2016, the Managers Pension Scheme was curtailed and obligations due to employees under the scheme were fully settled. Plan asset due to the Company has been transferred and recognised as other receivables.

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

17b. POST EMPLOYMENT BENEFITS

	2017 Funded	2017 Unfunded	2017 Long service award	2017 Total	2016 Funded	2016 Unfunded	2016 Long service award	2016 Total
Financial Position								
Projected benefit obligation	-	2,677	1,687	4,364	-	2,539	1,509	4,048
Net defined obligation	-	2,677	1,687	4,364	-	2,539	1,509	4,048
Included in comprehensive income								
Service cost less employee contribution	-	-	756	756	-	-	637	637
Interest cost	-	429	287	716	1,632	435	236	2,303
Expected return on plan asset	-	-	-	-	(4,012)	-	-	(4,012)
Net interest cost less interest & expected return on plan asset	-	429	1,043	1,472	(2,380)	435	873	(1,072)
Actuarial (gain)/loss	-	-	(281)	(281)	-	-	(246)	(246)
Amount recognised in Profit or loss	-	429	762	1,191	(2,380)	435	627	(1,318)
Other comprehensive income (OCI)								
Actuarial (gain)/loss	-	18	-	18	2,811	(135)	-	2,676
Return on plan assets not in comprehensive income	-	-	-	-	537	-	-	537
Amount recognised in other comprehensive income	-	18	-	18	3,348	(135)	-	3,213

Reconciliation of statement of financial position

	2017 Funded	2017 Unfunded	2017 Long service award	2017 Total	2016 Funded	2016 Unfunded	2016 Long service award	2016 Total
Opening value		2,539	1,509	4,048	(6,671)	2,600	1,109	(2,962)
Employer contribution		(309)	(584)	(893)		(361)	(227)	(588)
Amount recognised in Profit or loss	-	429	762	1,191	(2,380)	435	627	(1,318)
Amount recognised in other comprehensive income	-	18	-	18	3,348	(135)	-	3,213
Pension Asset transfer (note 24)	-	-	-	-	5,703	-	-	5,703
Net defined obligation	-	2,677	1,687	4,364	-	2,539	1,509	4,048

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

17c. SENSITIVITY ANALYSIS

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effects in thousands of Ghana cedis	31-Dec-17 Increase	31-Dec-17 Decrease	31-Dec-16 Increase	31-Dec-16 Decrease
Discount rate (2.5% movement)	-	-	187	(208)
Salary inflation (2.5% movement)	-	-	(46)	43
Future pension growth (2.5% movement)	-	-	(349)	(165)

Although the analysis does not take account of the full distribution of cash flow expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

18. INVESTMENT IN SUBSIDIARIES.

	2017	2016
Unilever Ghana Investments Limited	10	10
	----	-----
	10	10
	====	====

Name of subsidiary	Nature of business	% held in 2017 & 2016	Country of incorporation
United Africa Trust Limited	Investment Management	100.00	Ghana
Swanzy Real Estate	Real Estate Development	100.00	Ghana
Unilever Ghana Investments Limited	Holding Company	100.00	Ghana

Investment in subsidiaries - non consolidation

Investments in United Africa Trust Limited and Swanzy Real Estate are less than GH¢1,000 and so do not reflect in Note 18 above. In the opinion of directors, the result and the financial position of the subsidiaries above have not been consolidated with that of the Company because the subsidiries did not operate in the year and are considered less significant to Unilever Ghana Limited's financial results and position.

19. INVENTORIES

	2017	2016
Raw and packing material	9,759	11,912
Work in process	1,564	3,256
Finished goods	26,060	22,313
Non-trade stock	4,085	4,122
Goods in transit	12,150	12,677
	---------	------------
	53,618	54,280
	=======	=======

Movement in impairment allowance for inventories were as follows:

	2017	2016
At 1 January	1,272	2,227
Charge to profit or loss	(311)	(955)
	--------	------------
Total impairment allowance	961	1,272
	=======	=======

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

Inventories are stated at the lower of cost and net realisable value and as at 31 December 2017, there were no inventories pledged as security. (2016: Nil)

Raw materials and consumables and changes in work in progress and finished goods included in cost of sales amounted to GH¢ 353,002 (2016: GH¢303,648)

20. DIVIDEND PAYABLE

	2017	2016
Balance at 1 January	3,044	3,053
Dividend declared during the year	3,125	25,000
Payments during the year	(3,125)	(25,009)
	--------	----------
Balance at 31 December	3,044	3,044
	=======	=========

Payment of dividend is subject to a withholding tax at the rates of 8% (2016: 8%) for both resident and non-resident shareholders.

21 (a). Share capital (Stated capital)

	2017 No. of shares of no par value	**Proceeds**	2016 No. of shares of no par value	Proceeds
Authorised shares	100,000,000		100,000,000	
Issued shares				
	===========		===========	
Issued and fully paid	62,500,000	931	62,500,000	931
Transferred from surplus	-	269	-	269
	-------------	----------	---------------	----------
	62,500,000	1,200	62,500,000	1,200
	=========	======	=========	======

There is no unpaid liability on any shares and there are no calls or installments unpaid. There are no treasury shares. The holders of ordinary shares are entitled to receive dividend as declared from time to time and entitled to one vote per share at meetings of the Company.

21 (B) RETAINED EARNINGS (INCOME SURPLUS)

This represents the residual of cummulative annual results that are available for distribution to shareholders.

22. CAPITAL SURPLUS ACCOUNT

	2017	2016
Balance at 1 January	**204**	204
	------	-----
	204	204
	=====	====

This represents the surplus on property, plant and equipment that was deemed as part of the cost of the related items on the Company's transition to International Financial Reporting Standards.

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

23. SHARE DEALS ACCOUNT

	2017	2016
Balance at 1 January	81	81
	======	======

The share deals account was created in line with section 63 of the Companies Act 1963 (Act 179) to purchase the Company's own shares.

24. TRADE AND OTHER RECEIVABLES

	2017	2016
Trade receivables	85,618	42,665
Impairment allowance	(346)	(346)
	----------	----------
Net trade receivables	85,272	42,319
Amounts due from officers	156	2,511
Other receivables	2,806	11,386
Plan asset on settlement (Note 17a)	5,703	5,703
	---------	----------
	93,937	61,919
	========	========

The maximum indebtedness from officers of the Company amounted to GH¢156,322 (2016: GH¢ 2,511,000) Plan assets relates to surplus arising from settlement of employee benefit obligation.

Investment in Twifo Oil Palm Plantation (TOPP)

Included in other receivables is an amount of GH¢2,500,000 receivable from the Government of Ghana for the purchase of shares in Twifo Oil Palm Plantaintation (TOPP).

In 2008, the Company bought shares in TOPP valued at GH¢2,500,000 from the Government of Ghana. Subsequent to the acquisition, a law suit was brought against the Company by PS Investment Limited challenging the sale of the Government shares in TOPP to the Company.

In 2012, the Supreme Court gave a ruling to set aside the sale of the shares in TOPP to the Company. Following the Supreme Court ruling TOPP ceased to be a subsidiary and the cost of the investment in TOPP in the books of the Company was reclassified to receivables from the Government of Ghana. Subsequent to the Supreme Court ruling, the case has been taken to Alternative Dispute Resolution (ADR). As at year end the ADR process is yet to be completed.

In the opinion of the Directors, the full amount is recoverable hence no impairment allowance has been made.

25. PREPAYMENTS

	2017	2016
At 1 January	18,427	2,657
Aditions during the year	123,515	136,583
Utilised during the year	(113,195)	(120,813)
	-----------	-----------
	28,747	18,427
	======	======

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

26. TRADE AND OTHER PAYABLES

	2017	2016
Trade payables	50,615	60,960
Accrued liabilities	11,075	8,270
Other payables	12,319	16,513
	----------	-------------
	74,009	85,743
	========	========

27. CASH GENERATED FROM OPERATIONS

	2017	2016
Profit before taxation	65,360	53,533
Depreciation (Note 15a &b)	8,333	6,998
Amortisation of intangible asset (Note 16)	1,372	2,413
Unrealised exchange difference	(312)	1,321
Carrying amount of assets write off (Note 15c & 15d)	-	31
Employment benefit and retirement plan expense (Note 17b)	1,191	1,318
(Increase)/decrease in inventories	662	(6,267)
Increase in trade and other receivables	(32,018)	(11,571)
Decrease in prepayment	(10,320)	(15,772)
Increase in related party receivables	8,290	(44,876)
Decrease in trade and other payables	(11,734)	20,819
Increase in related party payables	(41,390)	31,537
Increase in provisions	100,401	27
Interest charge (Note 12)	2,004	818
Interest income (Note 12)	(160)	(322)
Benefits paid	(893)	(588)
	----------	-------------
Cash generated from operations	90,786	39,419
	========	=========

28. CASH AND CASH EQUIVALENTS

	2017	2016
Cash balances	-	2,235
Bank balances	53,203	6,876
	-------------	------------
Cash and bank balances in the statement of financial position	53,203	9,111
Bank overdrafts	(14)	(5,635)
	----------	------------
Cash and cash equivalents in the statement of cashflows	53,189	3,476
	========	========

The Company had no restriction on cash and bank balances as at 31/12/17 (2016 : 2,235,000)

Bank overdraft facilities

At the reporting date, the Company had approved unsecured overdraft facilities with certain local banks balance amounting to GH¢ 0.14 million (2016: 5.6million) to support working capital needs. Interest is payable at the banks base rates minus a spread. The facilities are scheduled for renewal in 2018.


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Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis).

29a. Provisions

2017

	Restructuring	Legal	Other	Total
Balance at 1 January	1,576	723	852	3,151
Reclassification Related Parties	-	-	99,436	99,436
Charge during the year	10,906	-	1,569	12,475
Payments during the year	(9,735)	(104)	(1,671)	(11,510)
	----------	----------	----------	----------
Balance at 31 December	2,747	619	100,186	103,552
	========	========	========	========

Included in the other provision is an amount of GH¢99.4million relating to management and technical service fees from 2009 to October 2017 for which management is yet to obtain approval from the GIPC. Management has sent a formal request to the GIPC during the period for the approval to be granted for these fees.

29b. Provisions

2016

	Restructuring	Legal	Other	Total
Balance at 1 January	2,447	166	512	3,125
Charge during the year	3,275	660	9,472	13,407
Payments during the year	(4,146)	(103)	(9,132)	(13,381)
	------------	------------	------------	------------
Balance at 31 December	1,576	723	852	3,151
	=======	=======	=======	=======

Restructuring provisions relating to redundancy of some staff as a result of process change implemented by the Company.

Legal provisions relate to legal suit against the Company for which the outcome of which are uncertain. Other provisions relate to Annual General meeting Meeting expenses, Registrar charges and journalist of the year award sponsor by the Company

30. CONTINGENCIES

(i) The Company has certain legal cases pending before the courts with a potential liability of GH¢ 826,000 (2016: GH¢722,336). In the opinion of the Directors no loss is anticipated beyond the provision already made in the financial statements."

31. COMMITMENTS

Total capital expenditure commitments at the reporting date were as follows:

	2017	2016
Property, plant & equipment contracted	8,524	6,555
	======	======

32. RELATED PARTY TRANSACTIONS

The Company is owned and controlled by Unilever Overseas Holding Limited. It is related to other Unilever operations across the world by virtue of common ownership by Unilever Overseas Holding Limited.

Financial Statements

Financial risk management (Continued)

(All amounts are expressed in thousands of Ghana cedis)

32. Related party transactions - (Cont'd)

a. Purchases of goods & services

	2017	2016
Unilever Market Development - South Africa	-	33
Unilever Phillippians	3,102	1,342
Unilever Nigeria PLC	12,742	35,886
Unilever Cote D'voire	6,419	31,070
Unilever Gulf	882	5,191
Unilever Vietnam	39,409	24,226
Unilever Mashreq	780	5,442
Unilever Asia Private Limited	2,647	-
Unilever UK	217	84,667
Unilever South Africa (Pty) Limited	3,603	1,949
Unilever Supply Chain Company AG	3,386	3,034
Unilever N.V.	3,288	-
Unilever Indonesia	12,689	-
Unilever China Ltd	498	-
Unilever Employment Services	92	-
Unilever Pakistan Limited	9	-
Unilever Kenya Ltd	599	-
Unilever Europe - IT	67	-
	90,429	192,840

b. Sales of goods & services

	2017	2016
Unilever Nigeria PLC	31,224	31,039
Unilever Cote D'Ivoire	1,105	725
Unilever Lipton Ceylon Limited	511	-
	32,840	31,764

The following are balances due from and to related parties at year end.

c. Related party receivables

	2017	2016
Unilever Nigeria PLC	105,678	119,826
Unilever Cote D'Ivoire	17,873	13,449
Unilever Kenya	6	5
Unilever South Africa	329	269
Unilever Malawi	161	-
Unilever Lipton Ceylon Limited	512	-
Unilever Overseas Holdings Ltd	700	-
	125,259	133,549

Financial Statements

Financial risk management (Continued)

(All amounts are expressed in thousands of Ghana cedis)

d. Related party payables

	2017	2016
Unilever UK	7,112	84,667
Unilever South Africa (Party) Limited	1,912	1,949
Unilever Nigeria PLC	47,682	35,886
Unilever N. V	1,783	705
Unilever Cote D'voire	44,994	31,070
Unilever Gulf	2,476	5,191
Unilever Asia Private Limited	137	406
Unilever Vietnam	23,330	24,226
Unilever Mashreq	2,420	5,442
Unilever Philippians	2,157	1,342
Unilever Indonesia	12,434	-
Unilever China Ltd	1,011	-
Unilever Industries Private Ltd	674	-
Unilever Supply chain	5,642	-
Other related parties	643	4,913
	154,407	195,797

33. KEY MANAGEMENT PERSONNEL COMPENSATION

	2017	2016
Executive Directors	3,424	7,214
Non-Executive Directors	408	185
Short term employee benefits	3,832	7,399
Executive Directors	101	131
Other long term employee benefits	101	131
Total employee benefits	3,933	7,530

34 FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT

a. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial Statements

Financial risk management (Continued)

(All amounts are expressed in thousands of Ghana cedis)

Carrying amount

2017	Loans & receivables	Other financial liabilities	Total
Financial assets not measured at fair			
Trade and other receivables (Note 24)	93,937	-	93,937
Related party receivables (Note 32c)	125,259	-	125,259
Cash and bank balances (Note 28)	53,203	-	53,203
	272,399	-	272,399
Financial liabilities not measured at fair value			
Trade and other payables (Note 26)	-	71,932	71,932
Related party payables (Note 32d)	-	154,407	154,407
Dividend payable (Note 20)	-	3,044	3,044
Bank overdraft	-	14	14
	-	229,397	229,397

2016	Loans & receivables	Other financial liabilities	Total
Financial assets not measured at fair value			
Trade and other receivables (Note 24)	61,919	-	61,919
Related party receivables (Note 32c)	133,549	-	133,549
Cash and bank balances (Note 28)	9,111	-	9,111
	204,579	-	204,579
Financial liabilities not measured at fair value			
Trade and other payables	-	85,743	85,743
Related party payables	-	195,797	195,797
Dividend payables	-	3,044	3,044
Bank overdraft		5,635	5,635
	-	290,219	290,219

Accrued expenses that are not financial liabilities (GH¢ 2,077,273) have not been included.

b. Risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by a Treasury department under policies approved by the Board of Directors and the parent, Unilever Overseas Holding Ltd.

Financial Statements

Financial risk management (Continued)

(All amounts are expressed in thousands of Ghana cedis)

(i) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(ii) Foreign exchange risk

The risk of adverse movements in exchange rates which leads the Company to experience actual or balance sheet losses. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (US$), Euro (£), British pound (GBP) and South African Rand (ZAR). Foreign exchange risk arises from recognised assets and liabilties denominated in a currency that is not the entity's functional currency.

Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies. Exposure for monetary assets and liabilities denominated in foreign currencies is kept at an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term inbalances.

The Company's exposure to foreign currency risk was as follows based on notional amounts.

	2017			
	USD	EURO	GBP	ZAR
Bank balances	729	599	320	606
Related party receivables	23,103	3,499	-	-
Trade payables	(456)	34	(20)	(338)
Related party payables	(19,718)	(9,269)	(39)	(3,699)
Net exposure	3,658	(5,137)	261	(3,431)

	2016			
	USD	EURO	GBP	ZAR
Bank balances	1,021	487	55	189
Related party receivables	28,215	2,780	-	-
Trade payables	(1,451)	(32)	(7)	(356)
Related party payables	(17,001)	(7,857)	(164)	(5,386)
Net exposure	10,784	(4,622)	(116)	(5,553)

The following significant exchange rates applied during the year

	Average rate		Reporting rate	
Cedis	2017	2016	2017	2016
USD 1	4.53	3.99	4.54	4.29
EUR 1	5.36	4.47	5.43	4.49
GBP 1	6.06	5.30	6.10	5.24
ZAR 1	0.34	0.27	0.37	0.31

Financial Statements

Financial risk management (Continued)

(All amounts are expressed in thousands of Ghana cedis)

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the Company's profit or loss and equity. This sensitivity analysis indicates the potential impact on profit or loss and equity based upon the foreign currency exposures recorded at 31 December (see "foreign exhange risk") and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the closing exchange rate and the average exchange rate per currency recorded in the course of the respective financial year.

A strengthening/weakening of the GH¢, by the rates shown in the table, against the following currencies at 31 December would have increased/decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 31 December	2017			2016		
Currency	% Change	Profit or loss impact: Strengthening GH¢	Profit or loss impact: Weakening GH¢	% Change	Profit or loss impact: Strengthening GH¢	Profit or loss impact: Weakening GH¢
USD	±3%	(498)	498	±7%	(3,238)	3,238
EUR	±8%	(2,229)	2,229	±2%	(416)	416
GBP	±6%	95	(95)	±2%	12	(12)
ZAR	±10%	(126)	126	±15%	(263)	263

As of 31 December	2017			2016		
Currency	% Change	Equity, net of tax impact: Strengthening GH¢	Equity, net of tax impact: Weakening GH¢	% Change	Equity, net of tax impact: Strengthening GH¢	Equity, net of tax impact: Weakening GH¢
USD	±3%	(374)	374	±7%	(2,429)	2,429
EUR	±8%	(1,672)	1,672	±2%	(312)	312
GBP	±6%	71	(71)	±2%	9	(9)
ZAR	±10%	(95)	95	±15%	(177)	177

(iii) Interest rate risk

The risk of a company's profit being adversely affected by movement in interest rates. The Company's only interest bearing financial instruments are the bank overdraft and bank balances, which are at variable rates, and on which they are therefore exposed to cash flow interest rate risk. The Company regularly monitors financing options available to ensure optimum interest rates are obtained.

A 200 basis points increase in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular foreign currency rates remain constant. The analysis is performed on the same basis for 2016

Fixed rate instrument

The Company has no fixed rate financial instruments (2016: Nil)

	2017	2016
Variable rate instrument		
Bank overdraft	14	5,635
	========	========

Financial Statements

Financial risk management (Continued)

(All amounts are expressed in thousands of Ghana cedis)

	2017	
	200bp Increase	200bp Decrease
Variable rate instrument		
Bank overdraft	232	(232)
	========	========

	2016	
	200bp Increase	200bp Decrease
Variable rate instrument		
Bank overdraft	95	(95)
	========	========

Cash flow sensitivity analysis for variable rate instrument

A 2% additional increase in interest rate at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

As of 31 December	2017			2016		
Currency	% Change	Income Statement Impact	Equity	% Change	Income Statement Impact	Equity
GHS	±2	(1)	1	±2	(537)	402

c. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables.

(i)Trade and other receivables

The Company does not have any significant concentrations of credit risk. The credit controller assesses the credit quality of each customer, taking into account its 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.
The utilisation of credit limits is regularly monitored.

The Company's maximum exposure to credit risk at 31 December 2017 and 2016 is the same as the trade and other receivables in the statement of financial position. There is no off - balance sheet credit risk exposure.

No collateral is held for any of the above assets. The Company does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated. The maximum exposure to credit risk at 31st December 2017 was as follows:

Financial Statements

Financial risk management (Continued)

(All amounts are expressed in thousands of Ghana cedis)

	2017	2016
Trade and other receivables (Note 24)	93,937	61,919
Amount due from related companies (Note 32c)	125,259	133,549
Cash and bank balances (Note 28)	53,203	6,876
	----------	----------
	272,399	202,344
	========	========

Trade and other receivables:	**2017**	2016
Key Distributors	78,293	37,970
Modern trade	4,380	2,721
Institutions and companies	11,108	18,717
Amount due from officers	156	2,511
	----------	----------
	93,937	61,919
	========	========

Impairments analysis of trade and other receivables:	**2017**	2016
Neither past due nor impaired	83,384	50,314
Past due but not impaired	10,553	11,605
Past due and impaired	346	346
	--------	---------
Total	94,283	62,265
Impairment allowance	(346)	(346)
	---------	---------
Net carrying amount	93,937	61,919
	========	========

At 31 December 2017, the impairment loss of GH¢ 346,000 (2016: GH¢ 346,000) related to customers whose balances were outstanding over 180 days and some debts that were specifically impaired. The Company believes that the unimpaired amount that are past due are still collectible in full, base on historic payments behaviour.

Movements in impairment allowance for trade and other receivables were as follows:

	2017	2016
At 1 January	346	346
Charge to profit or loss	-	-
	-------	-------
At 31 December	346	346
	=====	=====

Financial Statements

Financial risk management (Continued)

(All amounts are expressed in thousands of Ghana cedis)

(ii) Related party receivables

The Company's exposure to credit risk in respect of the amounts due from related parties is minimised. The Company has transacted business with related parties over the years and there has been no defaults in payment of outstanding debts.

Cash and bank balances

The Company held bank balances of GH¢ 53.2 million at 31 December 2017 (2016: GH¢9.1million) which represents its maximum exposure. The bank balances are held with the company's bankers.

c. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate cash reserves and calling on short term borrowing and funding from related parties. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant. Since discounting is not applied to any of these disclosed amounts, the amounts per the table can be reconciled to the amounts disclosed in the statement of financial position.

The Company's exposure to liquidity risk was as follows based on the notional amounts.

2017 Non-derivative financial liabilities		**Contractual cashflow**	
	Carrying amount	**6 months or less**	**6 -12 months**
Trade and other payables (Note 26)	(74,009)	(74,009)	
Related party payables (Note 32d)	(154,407)	-	(154,407)
Dividend payables (Note 20)	(3,044)	(3,044)	
Bank Overdraft (Note 28)	(14)	(14)	
	(231,474)	(77,067)	(154,407)

2016 Non-derivative financial liabilities		**Contractual cashflow**	
	Carrying amount	**Total**	**6 months or less**
Trade and other payables (Note 26)	(85,743)	(85,743)	
Related party payables (Note 32d)	(195,797)		(195,797)
Dividend payables (Note 20)	(3,044)	(3,044)	
Bank Overdraft (Note 28)	(5,635)	(5,635)	
	(290,219)	(94,422)	(195,797)

Financial Statements

Financial risk management (Continued)
(All amounts are expressed in thousands of Ghana cedis)

e. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity. The Company's adjusted net debts to equity at 31 December were as follows:

	2017	2016
Total liabilities	348,034	304,154
Less: cash and cash equivalents (Note 28)	(53,203)	(9,111)
	----------	-------------
Net debt	294,831	295,043
Total equity	120,597	75,587
	----------	-------------
Net debt to adjusted equity ratio	2.4	3.9
	========	========

There was no change to management's approach to capital management during the year. There are no externally imposed capital requirements.

35. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Leadership team that are used to make strategic decisions. The Leadership team considers the business from a product perspective. The accounting policies of the operating segments are the same. The Company accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices. The leadership team assesses the performance of the operating segments based on a measure of net profit. The Company's reporting segments are based on products, namely Foods, Home Care and Personal Care. Under the Foods division are Spreads, Tea & Beverages, Savoury, and Health & Wellness. The Home Care division comprises the Laundry and Household care categories. The Personal Care division has the Skin Cleansing, Skin Care, Oral and Deodorant categories.

Costs relating to segments have been allocated on the following basis:
Costs such as capital are directly charged to products whenever this can be done. For instance finished goods stock information is normally available by product.

A simple allocation rule is used in allocating costs which cannot be directly charged to product categories.

Financial Statements

Notes to the financial statements (Continued)

(All amounts are expressed in thousands of Ghana cedis)

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 December 2017 and 2016 are as follows:

Analysis by product divisions

Company

	Foods		Home Care		Personal Care		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Revenues	100,035	62,844	180,017	181,786	295,713	251,676	575,765	496,306
Cost of Sales	(47,460)	(39,342)	(158,405)	(153,280)	(195,847)	(153,487)	(401,712)	(346,109)
Distribution Cost	(3,163)	(1,346)	(4,787)	(3,795)	(5,206)	(5,413)	(13,156)	(10,554)
Brand & marketing investment	(2,976)	(3,907)	(6,316)	(7,121)	(18,245)	(14,874)	(27,537)	(25,902)
Administration expenses	(6,909)	(7,988)	(16,927)	(18,209)	(32,623)	(31,734)	(56,459)	(57,931)
Restructuring expenses	(1,432)	(493)	(3,588)	(1,069)	(5,886)	(1,713)	(10,906)	(3,275)
Other income	150	190	406	547	653	757	1,209	1,494
	--------	--------	--------	--------	--------	--------	--------	--------
Operating profit	38,245	9,958	(9,600)	(1,141)	38,559	45,212	67,204	54,029
Finance income	-	-		-	-	-	160	322
Finance costs	-	-	-	-	-	-	(2,004)	(818)
	--------	--------	--------	--------	--------	--------	--------	--------
Profit before tax	38,245	9,958	(9,600)	(1,141)	38,559	45,212	65,360	53,533
Taxation	-	-	-	-	-	-	(17,211)	(14,484)
	--------	--------	--------	--------	--------	--------	--------	--------
Profit/(loss) for the year	38,245	9,958	(9,600)	(1,141)	38,559	45,212	48,149	39,049
	=======	=======	=======	=======	======	======	======	======

	Foods		Home Care		Personal Care		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Property, plant & equipment and Intangible asset	33,824	31,433	29,362	18,027	46,630	45,570	109,816	95,030

Reconciliation of information on reportable segment

	Assets	
	2017	2016
Consolidated total assets	109,816	95,030
Unallocated amounts	3,939	7,415
	----------	----------
Total assets for reportable entities	113,755	102,445
	========	========

Geographical information

	Revenues	
	2017	2016
In Ghana	542,925	464,542
Outside Ghana	32,840	31,764
	----------	----------
Total	575,765	496,306
	========	========

No individual customer contributed 10% or more to revenue. Segment revenue is based on the geographical location of customers, whilst segment asset is based on the geographical location of the assets

Other information - Analysis of Shareholding

NUMBER OF SHAREHOLDERS

The Company had 11,651 ordinary shareholders at 31 December 2017 with equal voting rights distributed as follows:

Holding	Number of holders	Holders %	No. of shares	% of Holdings
1 - 1,000	10,514	4.66	2,912,417	5%
1,001 - 5,000	965	3.28	2,047,038	3%
5,001 - 10,000	94	1.12	700,763	1%
10,001 and over	78	90.94	56,839,782	91%
	11,651	100.00	62,500,000	100%

DIRECTORS' SHAREHOLDING

None of the Directors held shares in the Company at 31 December 2017.

20 LARGEST SHAREHOLDERS AT 31ST DECEMBER 2016

	SHAREHOLDERS	NUMBER OF SHARES	% HOLDING
1	UNILEVER OVERSEAS HOLDINGS LTD	26,600,045	42.56
2	UAC INTERNATIONAL LIMITED	14,999,955	24.00
3	SCGN/HONKONG SHANGHAI ARISAG A.C.F	7,014,831	11.22
4	SOCIAL SECURITY & NATIONAL INS.TRUST	3,300,332	5.28
5	SCGN/SSB LLOYD G.INV CO.FUND-LYF3	969,100	1.55
6	SCBN/SSBTC RE INV ICVC-FT ST GLOBAL	512,072	0.82
7	STD NOMS TVL PTY/BNYM/FLORIDA	414,644	0.66
8	SCGN/JPMC BANKINVEST EMERGING MKTS	250,000	0.40
9	SCGN/CITIBANK HONG KONG S/A RE CFSI	249,608	0.40
10	SCBN/SSB EATON VANCE TAX-MANAGED	249,000	0.40
11	SCGN/SCBM RE STANDARD CHARTERED BANK	233,900	0.37
12	SCGN/ENTERPRISE LIFE ASSOC.CO.	180,000	0.29
13	SCBN/STATE STREET LOND C/O SSB BOST RE RUSSEL INST.	146,000	0.23
14	HFCN/EDC GHANA BALANCED FUND LTD	112,195	0.18
15	SCGB/SSB & AS CUS FOR BMO LLOYD	90,900	0.15
16	SCGN/ENTERPRISE LIFE ASSOC.CO.	73,030	0.12
17	RAINBOW FUND L.P	72,600	0.12
18	SCGN/JP MORGAN CHASE DUET VIXTORIE	60,010	0.10
19	SCBN/ELAC SHAREHOLDERS FUND	60,000	0.10
20	STD NOMS TVL PTY/BNYM/FRONTIER MKT	53,279	0.09
	REPORTED TOTALS	**55,641,501**	**89.04**

Five year financial summary of the Company

(All amounts are expressed in thousands of Ghana cedis)

Financial Position as at 31 December

Employments of Funds	2013	2014	2015	2016	**2017**
Property, plant and equipment	55,169	63,172	77,273	101,066	113,738
Intangible assets	8,617	6,205	3,792	1,379	7
Employee benefits	6,881	7,410	6,671	-	-
Investment in subsidiaries	10	10	10	10	10
Current assets	121,446	148,411	219,504	277,286	354,876
Total assets	**192,123**	**225,208**	**307,250**	**379,741**	**468,631**
Employment of Funds					
Total equity	32,629	31,593	63,948	75,587	120,597
Deferred income tax	6,327	5,788	4,229	6,360	8,644
Employee benefit obligation	2,247	2,284	3,709	4,048	4,364
Current liabilities	150,920	185,543	235,364	293,746	335,026
Total liabilities and total equity	**192,123**	**225,208**	**307,250**	**379,741**	**468,631**
Capital expenditure	18,304	13,515	20,341	30,822	21,005
Depreciation and amortisation	6,160	7,307	8,517	9,411	9,705
Revenue	**323,407**	**410,450**	**518,731**	**496,306**	**575,765**
Profit after tax	14,073	(710)	35,710	39,049	48,149
Final dividend declared	(16,000)		(25,000)	(3,125)	-
Profit/(loss) retained in the year	**(1,927)**	**(710)**	**10,710**	**35,924**	**48,149**

Unclaimed dividends and share certificates

Our records show that some dividend warrants have not been presented to the bank for payment while others have been returned to the registrar's office unclaimed. It is in the interest of all affected shareholders to contact.

either:

The Company Secretary
Unilever Ghana Limited
P.O. Box 721,
Tema

or:

The Registrars
Universal Merchant Bank Limited
123 Kwame Nkurmah Avenue
Sethi Plaza, Adabraka, Accra.
P.O. Box 401,
Accra, Ghana.

Other disclosures

Existence of Succession Plan

Unilever Ghana has in place internal and external succession plans for all key roles. Succession plans are built based on readiness status (ready in less than 1 year, ready in 1 - 3 years, ready in 3 - 5years), job experience and performance. The criteria used is:

1. Minimun three (3) successors for each key role.

2. 50% of mapped candidates should be females

3. Minimun one (1) ready now candidate

This ensures we have a ready pool of talent to fill vacant positions and thus reduces turnaround time for recruitments. This ultimately results in minimal business disruptions when a role becomes vacant.

Training / Courses for Leadership Team members

During the year the leadership team attended the following courses.

Unilever leadership development programme:
This is a world class, senior leadership development experience centred on understanding the concept of authentic, purpose led leadership.

The outcome is an exceptionally powerful and important personal development plan, supported by coaching/ mentoring by Unilever executives.

Excelerator programme for senior managers:

This is aimed to accelerate development of individulas through a holistic approach with focus on assessment and self-awareness, individual development planning, leadership & behavourial capabilities, business acumen, cross functional perspectives, and network building.

Other courses include: Hope in the midst of crisis, Financial modeling and advance excel and Gold for senior managers.


Unilever
NEW Geisha with honey, specially
made to LAST LONGER
Geisha
Geisha
LONG LASTING SOAP

Unilever

Proxy Form
Serial No.

<table>
<tr><td>ANNUAL GENERAL MEETING TO BE HELD at 11.00 a.m. on Thursday, 24th May, 2018 at The College of Physicians and Surgeons, Accra</td><td>For Company's Use</td><td colspan="2">No. of Shares</td></tr>
<tr><td rowspan="2">I/We .... (Insert full name)</td><td>RESOLUTION</td><td>FOR</td><td>AGAINST</td></tr>
<tr><td>To declare a Dividend</td><td></td><td></td></tr>
<tr><td>of .... (Insert full address)</td><td>To re-elect Ms Nana Yaa Kissi as a Director</td><td></td><td></td></tr>
<tr><td rowspan="5">being a member(s) of Unilever Ghana Limited, hereby appoint

.... (insert full name)</td><td>To re-elect Mrs. Edith Dankwa as a Director</td><td></td><td></td></tr>
<tr><td>To re-elect Mr Philip Odotei Sowah as a Director</td><td></td><td></td></tr>
<tr><td>To re-elect Mr. Nazaire Djako as a Director</td><td></td><td></td></tr>
<tr><td>To approve the terms of appointment of
Mr Nazaire Djako as a Manager</td><td></td><td></td></tr>
<tr><td>To approve Directors' Fees</td><td></td><td></td></tr>
<tr><td rowspan="2">or failing him the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of that Company to be held on Thursday, 24th May 2018 and at any and every adjournment thereof.</td><td>To authorise the Directors to fix the Remuneration of the Auditors.</td><td></td><td></td></tr>
<tr><td colspan="3">Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolution referred to above. Unless otherwise instructed the proxy will vote or abstain from voting at his discretion.</td></tr>
<tr><td colspan="4">Dated this ....day of May, 2018.</td></tr>
</table>

Shareholder's signature: .... *(before posting the above form, please tear off this part and retain it)*

THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTRARS IF THE MEMBER WILL BE ATTENDING THE MEETING

NOTES

(1) In the case of joint holders, each should sign.
(2) If executed by a Corporation, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director.
(3) Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 11.00 a.m. on 22nd May 2018.

Third fold here

Second fold here

please fix
stamp

The Registrars
Universal Merchant Bank Limited
123 Kwame Nkrumah Avenue
Sethi Plaza, Adabraka
P. O. Box 401
Accra, Ghana

First fold here

Fourth fold here


Sunlight
Sunlight
Sunlight
Oxifresh
2 kg
Sunlight
Oxifresh
2 kg
Sunlight
Sunlight


NEW
Lifebuoy
Unilever
with activ naturol shield
NEW
Lifebuoy
Total 10
10x Better
Germ Protection*
Inspired by nature^
NEW
Lifebuoy
Total 10
*As per lab test on indicator organism as compared to a soap bar without actives. Creative Visualization. Washing hands with soap is an important way to prevent transmission of infection causing germs. ^Activ ingredients are from plant & mineral extracts.

UNILEVER GHANA LIMITED

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social, economic and environmental
performance, please visit our website

WWW.UNILEVER.COM