Unilever

2021 ANNUAL REPORTS & CONSOLIDATED FINANCIAL STATEMENTS

'REDISCOVERING OUR GREATNESS THROUGH PURPOSE-DRIVEN BRANDS'

Unilever


2kg Value Pack
VALUE PACK
Vim
Vim
LUX
Geisha
Sunlight
Sunlight

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BOARD OF DIRECTORS

MR. EDWARD EFFAH
CHAIRMAN

MR GEORGE OWUSU-ANSAH
MANAGING DIRECTOR

MR PRIYADHARSHANA EKANAYAKE
FINANCE DIRECTOR

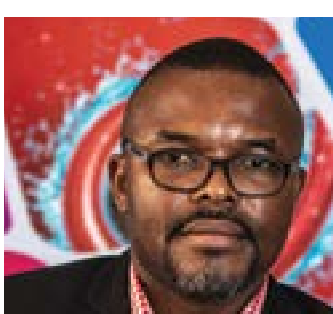
MR CARL CRUZ
NON-EXECUTIVE DIRECTOR

MRS ANGELA PEASAH
NON-EXECUTIVE DIRECTOR

MR PHILIP ODOTEI SOWAH
NON- EXECUTIVE DIRECTOR

DR. MRS EDITH DANKWA
NON-EXECUTIVE DIRECTOR

MRS NANA YAA OWUSU-ANSAH
PERSONAL CARE DIRECTOR



MR MICHAEL ODINAKACHI UBEH
CUSTOMER DEVT. DIRECTOR

MRS AMA AGYEMANG
SNIOR LEGAL COUNSEL &
COMPANY SECRETARY

CORPORATE INFORMATION

BOARD OF DIRECTORS	Edward Effah (Chairman) George Owusu-Ansah (Managing Director) Adesola Sotande-Peters (Resigned 16/12/21) Philip Odotei Sowah Nana Yaa Owusu-Ansah Angela Peasah Edith Dankwa Micheal Odinakachi Ubeh Carl Cruz Priyadharshana Ekanayake
SECRETARY	Ama Agyemang
AUDITOR	Deloitte & Touche Chartered Accountants The Deloitte Place Plot No. 71, North Dzorwulu P O Box GP 453 Accra
SOLICITORS:	Sam Okudzeto & Associates Kimathi & Partners, Corporate Attorneys Legal Ink ENS Africa Sesi Legal
REGISTERED OFFICE:	Unilever Ghana PLC Tema Factory, Plot No. Ind/A/2/3A-4 P O Box 721 Tema
BANKERS:	ABSA Bank Ghana Limited Access Bank Ghana Limited Ecobank Ghana Limited First Atlantic Bank Limited Guaranty Trust Bank Limited Société Generale Ghana Limited Standard Chartered Bank Limited Stanbic Bank Limited United Bank for Africa Limited Universal Merchant Bank Limited

Financial Highlights

(All amounts are expressed in thousands of Ghana cedis)

	GROUP		
	2021	**2020**	**Change %**
From continuing and discontinued operation			
Revenue	558,794	456,279	22
Profit/(loss) before taxation	401	(27,360)	(101)
Profit/(loss) for the year	350	(50,240)	(101)
Cash generated from operating activities	7,481	70,885	(89)
Shareholders' funds	36,774	36,249	1
Capital expenditure	17,587	8,883	98
Basic earnings per share (GH¢)	0.0056	(0.8038)	(101)
Diluted earnings per share (GH¢)	0.0056	(0.8038)	(101)
Net assets per share (GH¢)	0.5657	0.5577	1
Profit/(loss) before taxation margin (%)	0.07	(6.0)	(101)
Profit/(loss) after taxation margin (%)	0.06	(11.0)	(101)

Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Members of Unilever Ghana PLC will be held VIRTUALLY and streamed live on http://ulghagm.com from Unilever Ghana PLC, No. Ind/A/3A-4, Heavy Industrial Area, Tema on Thursday, May 26 2022 at 10:00am for the following purposes:

AGENDA

1. To receive the Report of the Directors, the financial position as at 31 December, 2021 together with the Accounts for the year ended on that date and the Report of the Auditors thereon.

2. To re-elect the following Directors:
   a. Mrs Angela Peasah
   b. Mr Priyadharshana Ekanayake
   c. Mr Philip Odotei Sowah

3. To approve Directors' fees

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

Dated this 11 day of March 2022.

By Order of the Board

Ama A. Agyemang (Mrs)
Secretary

Notes

1. Attendance and participation at the Annual General Meeting will be by online participation only in view of the Covid-19 pandemic.

2. A Member of the Company entitled to attend and vote may appoint a proxy to attend and vote instead of him.

3. A proxy need not be a Member. The Proxy form can be downloaded from https://www.ulghagm.com and if it is to be valid for the purposes of the meeting, it must be completed and sent via email to registrar.services@myumbbank.com or deposited at the Registered Office of the Registrars of the Company, Universal Merchant Bank Limited, not less than 48 hours before the meeting.

4. The appointment of a proxy will not prevent a member from attending and voting at the Meeting via online participation. Where a member attends the Meeting by online participation, the proxy appointment shall be deemed revoked.

5. Following the resolution passed at the last held Annual General Meeting, the electronic version of the Annual Report and Financial Statements shall be posted on the Business' website as follows https://www.ulghagm.com and Unilever Ghana PLC | Investor Relations | Unilever East & West Africa (unilever-ewa.com) and same forwarded to the e-mail addresses of shareholders before the Annual General Meeting

Notice of Meeting (Continued)

6. Accessing and Voting at the Virtual AGM
   A unique token number will be sent to shareholders by email and/or SMS from May 6,2022 to give them access to the Meeting. Shareholders who do not receive this token should contact Universal Merchant Bank Ghana Limited via registrar.services@myumbbank.com or call 030 7011722 anytime from May 6, 2022 but before the date of the meeting to be sent the unique token.

7. To gain access to the meeting, shareholders must visit https://www.ulghagm.com and input their unique token number on Thursday May 26, 2022. Access to the meeting will start from 9am. For shareholders who do not submit proxy forms to the Registrars prior to the meeting, they may vote electronically during the meeting using their unique token number.

Further assistance on accessing the meeting and voting electronically can be found on
https://www.ulghagm.com
For further information please contact
Universal Merchant Bank Limited
44 Kwame Nkrumah Avenue,
Okaishie, Accra
P. O. Box 401, Accra.
Tel: 030 7011722


NEW
CHARCOAL AND LEMON INFUSED FORMULA
FOR NATURALLY WHITER TEETH
Pepsodent
TRIPLE PROTECTION 1 2 3
NATURE ESSENTIALS
CHARCOAL WHITE
Pepsodent
Every Smile Matters

Chairman's Review

Edward Effah

Distinguished shareholders, ladies, and gentlemen, I am delighted to welcome all of you to our Virtual Annual General Meeting for this year. It is also my pleasure and privilege to present to you our improved performance for the year ended, 31st December 2021.

Global Economic Environment

The global economy continues to recover despite the resurgence of the global pandemic (COVID-19), with the emergence of new variants, increasing uncertainties about how quickly the pandemic could be overcome. According to the IMF World Economic Outlook issued in January 2022, "the fault lines opened up by COVID-19 are looking more persistent, and near-term divergences are expected to leave lasting imprints on medium-term performance". The introduction of vaccines, their accessibility and early policy support, however, are principal drivers to close the gaps.

Global economic growth was projected at 5.9% in 2021, 4.4% in 2022 and an expected slow down to 3.8% in 2023, according to the IMF World Economic Outlook report, January 2022. The downward projections in 2022 and 2023 are attributed to supply disruptions and rising input prices that have resulted in higher inflation than anticipated, especially in the United States of America. The ongoing uncertainties of a possible shutdown of China's real estate sector due to default risk and decreasing home sales have also impacted growth prospects. For developing economies, the slowdown in growth projections is due to the worsening pandemic impact.

As the pandemic continues, there are calls emphasizing the development of an effective global health strategy; worldwide access to vaccines, tests, and treatments; increased production of supplies and better in-country delivery systems and fairer international distribution ensuring containment of the pandemic. According to the IMF World Economic Outlook, countries will need to tighten their monetary and fiscal policies as inflation rises, with priority on health and social spending.

The Ghanaian Economic & Operating Environment

The economy of Ghana started to see an upward trend in GDP from the first quarter of 2021 at 3.3% year on year and continued its strong recovery from the COVID-19 related economic downturn. According to the latest Ghana Statistical Service report, real GDP growth rate for the first three quarters of 2021 averaged 5.3% versus an average contraction of 0.6% for the same period in 2020. The growth in GDP was equally seen in the manufacturing sector which posted a 7% year on year growth as at the end of the third quarter of 2021. The International Monetary Fund (IMF) has projected a 6.2% growth in Ghana's economy in 2022 in its October 2021 World Economic Outlook report. This is higher than the 3.8% average expansion expected in countries in Sub-Sahara Africa and the 4.4% growth projected for the global economy.

The annual inflation rate accelerated month on month from 7.5% in May 2021 to 15.7% in February of 2022. This rate has been the highest since October of 2016, exceeding the Bank of Ghana's target band of 6% to 10% and the levels recorded at the peak of COVID-19. The surge in inflationary rates was largely because of higher non-food price pressures attributable to the upward adjustments in fuel prices and exchange rate pressures in the last quarter of 2021 (according to the Monetary Policy Committee Report issued in January 2022).

Chairman's Review Continued

The Ghana Cedi also came under pressure from the last quarter of 2021 through to the first quarter of 2022, depreciating by 4.1% and 3.1% against the U.S. Dollar and the Pound respectively on the interbank market. This pressure was mainly due to strong demand for forex from the corporate sector, offshore investors, and the seasonal demand for inventory stocking.

The economic outlook, according to the Bank of Ghana, looks positive but it warns of likely inflationary pressures from uncertainties surrounding food and petroleum prices.

Business Performance

The Group's result for the year ended 31st December 2021 shows a 23% increase in revenue from GHS 456 million in 2020 to GHS 559 million in 2021. The growth is attributable to the sustained momentum generated throughout the year and driven by volume and price increases and improved innovations.

Operating profit for the year was GHS 2.8 million, a significant improvement over the same period in 2020 when a loss of GHS 22 million was posted. Profit after tax for the year was GHS 0.4 million versus a loss after tax of GHS 50 million posted in the prior year, 2020.

Dividends

No dividends will be recommended for shareholders.

Board Changes

Mrs Adesola Sotande-Peters, a Non -Executive Director, resigned effective December 16, 2021.

Below are the profiles of the subsisting Directors.

Profiles of Subsisting Directors

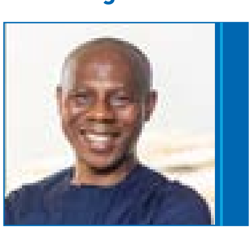
Mr. Edward Effah

Mr. Edward Effah established the Fidelity Group in October 1998 after a successful career as a senior finance executive. Currently, Mr. Effah is the Chairman of Fidelity Bank Ghana Limited. Under his leadership, Fidelity Bank Ghana Limited 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 Africa Advisory Board of Prince's Trust International and 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 George Owusu-Ansah



Mr George Owusu-Ansah joined Unilever as a Management Trainee and has 32 years of work experience with Unilever; 26 years in various Supply Chain and Project roles and 3 years in Customer Development roles. His Supply Chain experiences have covered roles in the PLAN, SOURCE and DELIVER sub-functions in Ghana, Malawi, China, Singapore, Kenya and Nigeria, whilst his 3 years in Customer Development covered roles such as Trade Marketing Manager for Foods and later for Home and Personal Care Products at Unilever Ghana PLC.

Chairman's Review Continued

Mr Priyadharshana Ekanayake

Mr Priyadharshana Ekanayake is an experienced finance professional with 25 plus years of experience and an Associate member of CIMA. He has a broad and in-depth work experience in strategic, digital and operational aspects of finance and general management.

In his previous role as the National Finance Director of Unilever Sri Lanka, Priyadharshana partnered the business to generate competitive and profitable growth even in the face of external volatilities.

He transformed the finance organization through digital competencies and talent development. Priyadharshana has worked in Singapore and India, working with and leading teams across many geographies.

Mr Carl Cruz

Mr. Carl Raymond R. Cruz is a Filipino and was the immediate past Executive Chairman of Unilever Sri Lanka. He holds a Bachelor of Science degree in Marketing from De La Salle University, Philippines. He comes with an extensive career in Unilever D & E Markets in Asia - Philippines, Thailand, India and Sri Lanka. Since joining Unilever in 1992, Carl has gained over 26 years experience working in Customer Development and in Marketing roles across Home Care, Beauty & Personal Care and Foods.

Most recently, as Chairman of Unilever Sri Lanka, Carl has successfully steered the business onto a sustainable and competitive growth trajectory. He has not only established Unilever Sri Lanka as a market leader across key categories but also as the most admired employer, despite some very challenging conditions, including the Horana Fire in 2016 and the Easter Sunday Attacks in 2019. Under Carl's leadership, the Sri Lanka business is well positioned to become a lean, agile and digitally-enabled organization. Carl's passion for inclusion, experimentation and empowerment is reflected in his vision of Re Imagine USL - a transformational journey, that he has led from the front.

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, and WaterAid, an International NGO, in various capacities.

She is currently the Head of the Payroll Directorate of the Controller and Accountant General's Department. 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 is currently a member of the Nominating Committee of the International Federation of Accountants (IFAC).

Mr. Philip Sowah

Mr. Philip Odotei Sowah is a management consultant with 25 plus 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. Philip was the Managing Director of Airtel Ghana where he managed the aggressive growth of the company to become the 3rd largest Mobile Network Operator (MNO) in terms of revenue. Prior to that, at Zain, 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 industry awards. He is also the recipient of three CEO of the Year awards and PWC's Ghana's Most Respected Company and CEO Awards.

Chairman's Review Continued

Philip is currently a Partner at Nubuke Business Investment Advisory where he provides advisory services to government, public and private companies. He is passionate about sustainable CSR (Corporate Social Responsibility) projects. He has degrees in Physics and Mechanical Engineering from Grinnell College and Washington University- St. Louis respectively both in the USA.

Dr. 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, an 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, the 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.

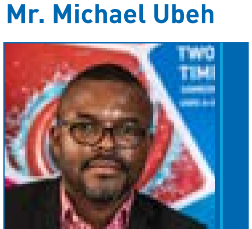
Mrs. Nana Yaa Owusu-Ansah

Mrs. Nana Yaa Owusu-Ansah is a seasoned marketer with over 15 years work experience in cross-functional roles within Unilever.

She has multi-country and category experience in various positions including Personal Care Category Manager for Unilever Ghana and Skin Cleansing Category Manager for Unilever West Africa. Before being appointed as Brand Building Director for Unilever Ghana in January 2016, she was the Head of Marketing for Africa Emerging Markets, now Central Africa with responsibility for several markets including Angola, Cameroon, DRC, Mauritius, Gabon and Southern African markets. In 2017, she was promoted to the position of Personal Care Director, Ghana-Nigeria.

She holds a Post Graduate Diploma in Business and Marketing Strategy from EduQual and a Masters' Degree in Marketing and Innovation from the London School of Marketing.

Mr. Michael Ubeh



Mr Michael Ubeh has been with Unilever for the last 17 years with experience spanning Customer Management, Customer Operations and Customer Marketing. Mike is the Customer Development Director for Unilever Ghana PLC.

He had previously worked with the Customer Development Centre of Excellence, Hindustan, Unilever India, in the capacity of Customer Development Operations Manager. His key tasks in this role, in addition to day-to-day customer operations, were to lead the delivery

Chairman's Review Continued

of leading-edge capability in the front end measured by delivery of many projects that ensured efficiency and cost effectiveness in operations and looking at current sales and management processes, understanding and taking insights from evolving technology and defining a service and product mix that could ensure a quantum jump in process efficiency.

Mike, prior to his international assignment, held various positions in Unilever Nigeria - the Route to Market (RTM) & Wholesale Transformation Lead Nigeria; General Sales Manager East; Regional Sales Manager South East; Customer Marketing Manager Foods; Trade Category Manager Foods and Field Sales Manager across various regions in Northern and Southern Nigeria.

Mike is a Nigerian born in Nkawkaw, Ghana in 1975. He is married with children.

Biographical information of Directors

Age category	
Up to 40 years	0
41 – 60 years	9
Above 60 years	0

Mr. Edward Effah
Chairman

Managing Director's Review

George Owusu-Ansah

Let me take this opportunity to welcome you all to this Annual General Meeting. It is gratifying once again to connect with you virtually to review the operations of your company. Thank you for your support in making this possible.
I will now present a review of our operations in 2021.

General Business Overview

In 2021, we focused on further cementing the work we began in 2020 to correct and stabilize our operations following our challenges of 2019.

We continued the journey to rediscover our greatness. We did this against the backdrop of a second year of the COVID-19 pandemic as well as a worsening global economic and business environment.

We achieved the following versus our four growth pillars:
1. Top-line growth of 23% versus prior year.
2. Improved profitability of 100% versus prior year.
3. 38% of our portfolio gained market shares.
4. Improvement in our sustainability work.

We continued;
1. To invest and build the equity of our brands for the future
2. Our focus on serving the "Mainstream" consumer
3. To innovate and strengthened our Route- to- Market
4. To cement our Governance and Operational Discipline
5. Our plan to make our organization "Purpose lead" and "Future fit"

Our operations was not spared the challenge of the high and rapidly increasing cost of raw materials and sea freight. This put the margins and pricing of our products under severe pressure.
We responded by challenging our costs, reducing waste, and improving our efficiency.

As the COVID-19 Pandemic continued, we provided the necessary support to protect our staff and their families from the threat of the pandemic. We implemented COVID-19 preventive protocols at the site to protect those who necessarily had to work from the site and support for staff working from home and our field teams.

Beauty & Personal Care (BPC)

BPC achieved Underlying Sales Growth of 26.8% driven by all subcategories.
We sustained Media investment to improve Brand Power, as well as Mental and Physical Availability.

Purpose led activities around Pepsodent and Lifebuoy continued in earnest. We reached over 1.5 million Mothers and Kids, sharing with them good Oral and Personal Hygiene practices.

Managing Director's Review Continued

BPC repurposed its portfolio by introducing Premium mixes in Oral Care (Charcoal, Herbal, Mouthwashes, Closeup Multi-benefits) and Skin Cleanse (Moringa, Black Soap, Hand and Body Wash Liquids) to improve our relevance to our consumers.

Home Care

The HC Category achieved Underlying Sales Growth of 24.8% despite stiff competition.

The category focused on margin improvement through a mix of product logic initiatives, price increases and grammage reductions to recover from commodity cost increases.

HC continued to build equity and drive mental availability by sustaining media support across all touchpoints. We aggressively drove our purpose led programs through the rollout of Sunlight Sheroes and the Key soap Songtaa Livelihood Campaigns.

To further drive growth of the category and remain competitive, Omo Antibacterial and Key Brilliant 140g bars were introduced.

Foods And Refreshment

The Foods and Refreshment Category achieved an Underlying Sales Growth of 23.5% in the year under review.

The category focused on accelerating social media and consumer channel activities to drive consumer engagements.

Annapurna went digital in April, taking to social media platforms -Facebook and Instagram- to highlight and celebrate the richness of Ghanaian dishes.

With its "owning the seasons Activities" Annapurna engaged over 400,000 consumers directly and a million more digitally throughout the year.

Operating And Financial Review

The Group's results for the year ended 31 December 2021 shows a 23% increase in revenue from GHs 456m in 2020 to GHs 559m in 2021.

Operating profit for the year was GHs2.8m, an improvement over same period previous year (loss of GHS22m) and Profit after tax for the year was GHs 0.4m versus the GHs 50m loss recorded in 2020.

Cash Flow

Cash and cash equivalent were in a deficit of GHs 26m in 2021 compared with a deficit position of GHs 0.9m in 2020. This was largely due to efforts in securing foreign currency to service our payables.

I am happy to report that we successfully concluded the separation of the Tea Business. All separation activities planned for 2021 were closed.

Unilever Ghana Foundation

We successfully closed the hitherto Unilever Ghana Foundation.

Awards Received

Unilever Ghana PLC's efforts were recognized by a number of awarding institutions in the course of the year. Some of the awards received by the company included:

- The SHERO BRAND WITH PURPOSE AWARD by Women's Choice Awards Africa.
- Manufacturing company of the year by the Chartered Institute of Marketing, Ghana (CIMG).

Managing Director's Review Continued

- Below The Line campaign of the year - Pepsodent purpose campaign by the Chartered Institute of Marketing, Ghana (CIMG).

Outlook For 2022

The company remains positive about 2022 and the future. We shall continue executing our strategy to rediscover our greatness.

George Owusu-Ansah
Managing Director

CORPORATE GOVERNANCE

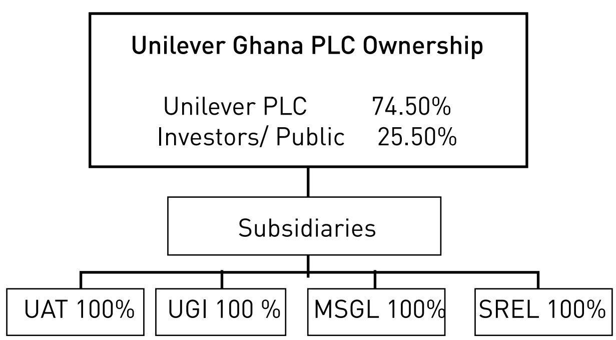
Introduction

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 strived 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



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) executive directors and Five (5) 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 PLC 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 1 executive Director and 4 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

CORPORATE GOVERNANCE Continued

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 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 organizational 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.

Geisha
NEW
GEISHA
MORINGA
SOAP
GEISHA
BLACK
SOAP
FOR SOFT & GLOWING SKIN
MADE
IN
AFRICA
Geisha
AFRICAN STRENGTH
MORINGA SOAP
SUSTAINABLY SOURCED
Geisha
AFRICAN STRENGTH
BLACK SOAP
SUSTAINABLY SOURCED

REPORT OF THE AUDIT COMMITTEE

Membership of Audit Committee of the Board

The Unilever Ghana Audit Committee is comprised of Four Non-Executive Directors and one Executive Director. 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. In attendance to the Audit Committee meetings were the Unilever Risk and Audit Manager and also the External Auditors of Unilever as and when was needed.

Role of the Audit Committee

The Audit Committee meets quarterly 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
- Compliance with the Sarbannes Oxley Act on Operational Control Assessment
- Compliance with Securities and Exchange Commission (SEC) code of corporate governance

.

Summary of the Audit Committee's Activities in 2021

In 2021, the Unilever Ghana PLC's Audit Committee met five times on 27 January, 5 March, 20 April, 22 July, and 25 October to consider issues affecting the business.

Review of the Financial Performance of the Company

At the 27 January 2021 and 5th March 2021 meetings, the committee reviewed the performance of the Company for the financial year ended 31 December 2020 and the audited accounts for the 2020 financial year respectively. The Financial Controller reported on the highlights of the business performance for the year ended December 31, 2020.

The Committee was further updated on the Company's performance in 2021 during the 20 April 2021, 22 July 2021, and 25 October 2021 meetings.

Internal Audit

The Internal Audit Manager provided Committee Members with highlights on progress with the 2020 audit plan, key findings for the quarter under review, business risks identified and the 2021 audit plan.

2020 Audit actions that were completed and near finalization were presented to the Audit Committee. Completed actions included; site security, scrap and waste, credit limits among others whereas outstanding actions included actions on safety and quality and Procure to Pay (PTP) payment.

The Internal Audit and Risk Manager further highlighted the 2021 Audit plan. The plan was approved by the Committee.

External Audit

The external Auditors of the Company, Deloitte & Touché, provided Committee members with status updates and audit report on the audit of the 2021 Financial Statements.

REPORT OF THE DIRECTORS

The Directors present their report and the consolidated and separate financial statements of the Group and Company for the year ended 31 December 2021.

Directors' Responsibility Statement
The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view of Unilever Ghana PLC, comprising the statements of financial position at 31 December 2021, 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, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the report of the Directors.

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 Auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Going Concern Consideration and State of Affairs
The Group's current liabilities exceeded its current assets by GH¢125 million (2020: GH¢ 133 million). In addition, the Group had negative net cash and cash equivalents of GH¢26 million. A substantial part of the Company's current liabilities is due to its related parties. Unilever PLC, the ultimate parent company of Unilever Ghana PLC on behalf of itself, Unilever Overseas Holdings Limited and UAC International Limited have confirmed in a letter to the Company that they will not demand repayment of amounts due to them for one year from the date of signing the financial statements for the year ended 31 December 2021.

The Group has prepared a forecast for the next twelve (12) months which shows the Group will have sufficient operating cashflows to finance future operations and return to profitability in the very near future.

The Group also has overdraft arrangements which have not been fully utilised with some of its bankers to support its operational activities.

Based on above information, the Directors expect the Group to continue as a going concern in the foreseeable future.

Accordingly, the financial statements have been prepared on the basis of the accounting policies applicable to that of a going concern. This basis assumes that cash flows arising from the normal course of business will be available to finance future operations of the Group and the realisation of assets and the settlement of liabilities would occur in the normal course of business.

Nature of Business/Principal Activities
The Group is registered to carry on the business of manufacturing and marketing of fast-moving consumer goods primarily in home care, personal care and foods categories. During the year, the Tea Business was disposed off to Unilever Tea Distribution Ghana Limited.

Separation of the Tea Business
On 23 July 2020, following the completion of a strategic review, Unilever PLC ("Unilever" and together with its group companies, the "Unilever Group") announced its intention to separate the Unilever Group's global tea business (the "Tea Business") (the "Separation").

On 1 October 2021, with the approval of the Shareholders of Unilever Ghana PLC, the separation of the Tea Business was completed and control passed to the acquirer, Unilever Tea Distribution Ghana Limited. Details of the separation can be found in Note 12.

DIRECTORS' REPORT Continued

Objective of the Group
The objective of the Group is to make sustainable living commonplace through its brands.

Holding Company
The Group is 74.5% owned by Unilever Overseas Holding Limited and UAC International Limited through a common control of its ultimate parent Unilever Plc, a Company incorporated in the United Kingdom.

Subsidiaries of the Group
The Company currently has direct interest in below dormant entities as at 31 December 2021:

Company Name	Country of Incorporation	Nature of Business
United Africa Trust Limited	Ghana	Investment Management
Swanzy Real Estate	Ghana	Real Estate Development
Unilever Ghana Investment Limited	Ghana	Holding Company
Miller Swanzy (Ghana) Limited	Ghana	Manufacturing, importing & exporting good, wares & merchandise of all kinds

Associates
The Group does not have direct or indirect equity share in any associates at 31 December 2021 (2020: Nil).

Five-Year Financial Highlights
Details of the five-year financial highlights of the company is shown in the appendix.

Financial Statements / Business Review
The state of affairs of the Group and Company are as follows:

From continuing and discontinued operations	Group		Company	
	2021	2020	**2021**	2020
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Profit/(loss) before tax	**401**	(27,360)	**196**	(27,559)
Profit/(loss) for the year	**350**	(50,240)	**196**	(50,389)
Total assets	**382,541**	337,516	**380,577**	335,721
Total liabilities	**345,767**	301,267	**345,407**	300,922
Total equity	**36,774**	36,249	**35,170**	34,799
	=======	=======	=======	=======

The Directors do not recommend the payment of dividend for the 2021 financial year. (2020: Nil)

Particulars of Entities in the Interest Register During the Financial Year
No Director had any interest in contracts and proposed contracts with the Group and Company during the year under review, hence there were no entries recorded in the Interests Register as required by sections 194(6),195(1)(a) and 196 of the Companies Act 2019, (Act 992).

Related Party Transactions
Information regarding Directors' interests in ordinary shares of the Group and Company and remuneration are disclosed in Note 30 to the financial statements. No Director has any other interest in any shares or loan stock of the Company. Related party transactions and balances are also disclosed in Note 28 to the financial statements.

Corporate Social Responsibility

Unilever Ghana Foundation
At the 2019 Annual General Meeting (AGM) of the Unilever Ghana Foundation held on the 21st of July, 2021,

DIRECTORS' REPORT Continued

the Board of Trustees of Unilever Ghana Foundation, acting in concert with the Donor (Unilever Ghana PLC), passed a resolution to liquidate the Foundation. The Foundation had managed to complete the following activities and projects it had previously committed to, paving way for its successful closure:

- The rehabilitation of 20 out of the 26 hygiene stations it had built over a five-year period (2013-2018)
- Development of a documentary covering the 20 year existence of the Foundation and its achievements
- Development of a documentary on the women empowerment project (Shakti, now Songtaa) which it sponsored in 2018
- Auditing of the Foundation's finances to pave way for the holding of its 2020 AGM

A closure ceremony has since been held in honour of the members of the Board of Trustees and past Administrators of the Foundation for their dedication and commitment to the cause of the Foundation over its 20 years of existence.

Tackling The Plastic Waste Menace Through the Forging of Collaborations and Partnerships

As part of its sustainability commitment under the 'New Compass' (Unilever's sustainability blueprint), work to reduce the use of virgin plastics, encourage recycling, and the collection and processing of more plastic than we sell, among others, has been prioritized. In collaboration with The Ghana Recycling Initiative by Private Enterprises (GRIPE) and the Coastal Conservancy Organization (CCO), Unilever Ghana organized a plastic waste collection drive (dubbed a 'Plastic Free December') at the beachfront of the Regional Maritime University in Tema. Personnel, drawn from GRIPE, the CCO, and Unilever Ghana PLC, joined hands to collect plastic waste which had been deposited at the beach, largely emanating from the inflows of a local stream that empties its content into the sea.

GRIPE also organized a Plastic Recovery Project in three Senior High Schools in Accra. The schools involved are the Achimota, Legon Presec, and Accra Girls' Senior High Schools. Additionally, GRIPE continued to work on the Extended Producer Responsibility (EPR) scheme in partnership with the Environment Ministry and GIZ Ghana. This scheme is designed to increase awareness among stakeholders who use plastic in the production of their products, about the need to take on more responsibility for its disposal, well after it has left the hands of the consumer.

BOARD OF DIRECTORS

Profile

Executive	Qualification	Outside board and management position
Mr. George Owusu-Ansah	o Bachelor of Science in Computer Science and Statistics - University of Ghana	None
Mrs. Nana Yaa Owusu-Ansah	o Master of Arts –Marketing & Innovation from London School of Marketing o Post graduate Diploma – Business & Marketing Strategy Eduqual Extended Programme o Bachelor of Education – Psychology from University of Cape Coast	None
Mr. Michael Odinakachi Ubeh	o BSc (Hons) in Applied Chemistry- Federal University of Uyo Akwa Ibom Nigeria o Master in business administration Federal University of Technology -Yola Nigeria o Master of Business Administration- University of Cumbria o Post Graduate Certificate in Management- University of Cumbria- London.	None
Mr. Priyadharshana Ekanayake	o Associate Member - CIMA o Passed Finalist of Australian Computer Society	None

DIRECTORS' REPORT Continued

Non-executive		
Edward Effah	o Chartered Accountant o Member of the Institute of Chartered Accountants in England & Wales. o Member of the Institute of Directors (UK)	o Fidelity Bank – Chairman o Africa Capital LLC – Director o Fidelity Securities Limited – Director
Dr. Mrs. Edith Dankwa	o Doctor of Business Administration (DBA) – Walden University, USA o Master of Business Administration (MBA), Ghana Institute of Management & Public Administration o Post Graduate Certificate – Newspaper Management International Institute of Journalism (Germany) o Post Graduate Diploma – Marketing, Chartered Institute of Marketing, Ghana o B A Management Studies, University of Cape Coast	o Business & Financial Times Limited o Conbiz Construction & Investment Limited o Executive Women Network
Mr. Carl Raymond Cruz	o Bachelor of Science degree in Marketing – De La Salle University, Philippines.	o Executive Director, Unilever Nigeria PLC.
Mrs. Angela Peasah	o Chartered Accountant of the Institute of Chartered Accounts, Ghana o Executive MBA from the University of Ghana Business School, University of Ghana, Legon o Institute of Professional Studies (IPS)	o Payroll Directorate of the Controller and Accountant General's Department.
Mrs. Adesola Sotande-Peters Resigned (16/12/2021)	o Bachelor's degree in business administration & Economics from Richmond College, The American International University in London o MBA for finance professionals – Manchester Business School o Fellow of the Association of Certified Chartered Accountants (FCCA) o Member of the Institute of Chartered Accountants of Nigeria (ICAN)	o Executive Director, Unilever Nigeria PLC
Mr. Philip Odotei Sowah	o BSc Mechanical Engineering, Washington University, Missouri, USA o BA Physics, Grinnell College, Iowa, USA o Airtel Leadership in Action Program – INSEAD Business School, Singapore campus	oAbsa Bank Ghana Limited o mPharma Limited - Director o Rhema Energy Limited – Director

Role of the Board

The Directors are responsible for the long-term success of the Group and Company, to determine the strategic direction of the Group and Company and review 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, the Company's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Group'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 Group and 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 (5) senior managers who constitute the Leadership Team.

Internal Control Systems

The Directors have overall responsibility for the Company's internal control systems and annually review 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 Group and the Company at the reporting date and no significant failings or weaknesses were identified during this review.

DIRECTORS' REPORT Continued

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 via Survey Monkey & Microsoft Forms. The result 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 Group's business, the risks and strategic challenges the Group faces, and the economic, competitive, legal and regulatory environment in which the Group 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 Group'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 Group has established appropriate conflicts authorisation procedures; whereby actual or potential conflicts are regularly reviewed, and authorisations sought as appropriate if any. This has been achieved by maintaining a conflict-of-Interest Register for recording disclosure of interests made by directors. 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 there is a 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 independence and objective judgement of the non-Executive Directors have been confirmed by the Board of Directors.

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. Deloitte & Touche were appointed as auditors in 2021 following the exit of KPMG.

Audit Fees

The audit fee for the year is GH¢ 427,062 (2020: GH¢516,000).

Approval of The Report of The Directors

The report of the Directors of Unilever Ghana PLC was approved by the Board of Directors on April 2022 and signed on their behalf by

Edward Effah

Mr. Edward Effah
Chairman

George Owusu-Ansah
Managing Director

Deloitte.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF UNILEVER GHANA PLC

Report on the Audit of Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Unilever Ghana PLC and its subsidiaries (the Group and Company), set out on pages 28 to 78, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flow for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory disclosures .

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Unilever Ghana PLC as at 31 December 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Ghana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Ghana.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 38 in the financial statements, which indicates that as at 31 December 2021, the Group's current liabilities exceeded its current assets by GH¢ 125 million. In addition, the Group had negative net cash and cash equivalents of GH¢ 26 million. These events or conditions, along with other matters as set forth in Note 38, indicate that a material uncertainty exists that may cast a significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report with regard to the audit of the separate financial statements of the Company for the current period.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF UNILEVER GHANA PLC (CONTINUED)

The key audit matter	How the matter was addressed in our audit
Sale of Tea Business	
As disclosed in Note 12, the Group disposed of the Tea Business on 1 October 2021, when control was transferred to the acquirer, Unilever Tea Distribution Ghana Limited. The Tea Business comprises of property, plant and equipment. The value of the Tea Business was agreed between the acquirer and the Directors as GH¢ 39.7 million and this resulted in a gain on disposal of GH¢ 29.9 million as at 31 December 2021. The key assumption with the most significant impact on the valuation of the Tea Business is the discount rate. We identified this as a key audit matter due to the importance of the gain on the sale to the financial performance of the Group in the current year.	In evaluating the valuation of the Tea Business and subsequent gain on the sale, we reviewed management's external experts' valuation of the Tea Business and the determination of the gain on disposal calculation. We performed various procedures, including the following: • Understanding the business rationale underpinning the sale of the Tea Business. • Testing controls relating to the evaluation of the appropriateness of the valuation of the Tea Business including the Directors' independent valuers' assessment. • Testing inputs into the forecast against historical performance. • Involving our internal valuation specialists to assist with the testing of the discount rate; our specialist's procedures included evaluating the equity risk premium and selection of comparable companies for Beta estimation. • Recalculation of the gain on the sale of the assets including the appropriate inclusion of Tea Business related assets. • Evaluating management's accounting and disclosure of the sale. The discount rate used in the valuation was appropriate. The calculation to determine the gain on the sale was appropriate. We considered the discontinued operations disclosures to be appropriate.
Deferred Tax Assets	
As disclosed in Note 15, the Group had deferred tax assets as at 31 December 2021 of GH¢ 37.6 million. The balance comprises GH¢ 28.9 million tax losses carried forward from previous years. These deferred tax assets are recognized based on their likelihood of recovery pursuant to forecasts and medium-term plans prepared by management. The recovery horizon for these deferred tax assets is five years. Estimates of future taxable income are based on forecast of cash flows from operations, the reversal of temporary differences and the application of existing tax laws.	Our audit procedures consisted of the following, among others: • Evaluating management's controls over the assessment and estimation process for deferred taxes including forecasting approach • Involving our internal tax specialists to evaluate the accuracy and completeness of deferred tax amounts, recalculating deferred tax amounts and the maturity of tax loss carry-forwards. • Assessing the future growth assumptions used to prepare the profitability forecasts used in the assessment by comparing growth forecasts to actual results, and

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF UNILEVER GHANA PLC (CONTINUED)

The key audit matter	How the matter was addressed in our audit
Deferred Tax Assets (continued)	
The judgements and key assumptions made by management in their assessment include the forecast revenue growth rates, and related strategies as well as the Company's ability to execute these plans. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. We identified this issue as a key audit matter due to the importance of the Group's judgment in the recognition of deferred tax assets and the particularly high level of tax loss carry-forwards of which only a portion has been capitalized due to recoverability prospects.	• Performing a sensitivity analysis by adjusting the key assumption – growth rate – with a percentage to determine whether it would affect the utilization of the deferred tax asset. • We considered the reasonableness of management's disclosures around the recoverability of deferred tax assets. Based on the procedures performed, we conclude that management's assumptions used in the recognition of the deferred tax assets appear reasonable.

Other Matter
The financial statements of the Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 23 March 2021.

Other Information
The directors are responsible for the other information. The other information comprises the Report of the Directors and the Statement of Directors' Responsibilities, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992) 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 consolidated and separate financial statements, the directors are responsible for assessing the

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF UNILEVER GHANA PLC (CONTINUED)

Group's and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 judgement 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.
- 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Group's and 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 Group and the Company 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 consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF UNILEVER GHANA PLC (CONTINUED)

precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Seventh Schedule of the Companies Act, 2019 (Act 992) we expressly state that:

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
2. In our opinion:
    - proper books of accounts have been kept by the Group and Company, so far as appears from our examination of those books.
    - the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:
        a. statements of financial position of the Group and Company at the end of the financial year, and
        b. statements of profit or loss and other comprehensive income for the financial year.
    - the Group accounts have been properly prepared in accordance with the Companies Act, 2019 (Act 992), to give a true and fair view of the state of affairs, and the profit or loss of the company and its subsidiaries.
3. The Group and Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the accounting records and returns.
4. We are independent of the Group, pursuant to Section 143 of the Companies Act, 2019 (Act 992)

The engagement partner on the audit resulting in this independent auditor's report is Abena Biney (ICAG/P/1508).

Deloitte & Touche.

For and on behalf of Deloitte & Touche (ICAG/F/2022/129)
Chartered Accountants
The Deloitte Place, Plot No.71
Off George Walker Bush Highway
North Dzorwulu
Accra Ghana

25 April, 2022

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NATURAL
HERBAL
FORMULA
FOR STRONG
TEETH & GUMS
Pepsodent
TRIPLE
HERBAL
Pepsodent
Every Smile Matters

Unilever

Statement of financial position as at 31 December 2021

(All amounts are expressed in thousands of Ghana cedis)

	Note	Group 2021 GH¢'000	Group 2020 GH¢'000	Company 2021 GH¢'000	Company 2020 GH¢'000
Assets					
Property, plant and equipment	16a	131,166	135,551	131,166	135,551
Right-of-Use assets	17a(i)	10,255	11,468	10,255	11,468
Deferred tax asset	15c	24,481	24,539	24,481	24,539
Investment in subsidiaries	18a	-	-	10	10
Other investment	18b	11	11	-	-
Non-current assets		**165,913**	**171,569**	**165,912**	**171,568**
Inventories	19a	91,627	97,021	91,627	97,021
Trade and other receivables	20	24,539	25,663	24,515	25,639
Prepayments	21	3,633	652	3,633	652
Related party receivables	28c(i)	56,199	22,350	56,189	22,340
Current tax asset	15b	14,267	12,216	14,656	12,554
Cash and bank balances	22	26,363	8,045	24,045	5,947
Current assets		216,628	165,947	214,665	164,153
Total assets		**382,541**	**337,516**	**380,577**	**335,721**
Equity					
Share capital	23a	1,200	1,200	1,200	1,200
Capital surplus account	24	204	204	204	204
Retained earnings	23b	35,289	34,764	33,685	33,314
Share deals account	25	81	81	81	81
Total equity		**36,774**	**36,249**	**35,170**	**34,799**
Non-current liabilities					
Employee benefit obligations	26	4,236	3,422	4,236	3,422
Long term lease liability	17a(iv)	-	166	-	166
Non-current liabilities		**4,236**	**3,588**	**4,236**	**3,588**
Current liabilities					
Bank overdraft	22	52,055	6,892	52,055	6,892
Trade and other payables	27	92,140	103,244	91,907	103,026
Related party payables	28c(ii)	166,804	149,385	166,810	149,391
Dividend payables	29	22,417	33,961	22,284	33,828
Provisions	31	7,939	2,852	7,939	2,852
Short term lease liability	17a(iv)	176	1,345	176	1,345
Current liabilities		341,531	297,679	341,171	297,334
Total liabilities		**345,767**	**301,267**	**345,407**	**300,922**
Total liabilities and equity		**382,541**	**337,516**	**380,577**	**335,721**

The financial statements were approved by the Board of Directors on 22 April 2022 and signed on their behalf by:

Edward Effah
Mr. Edward Effah

Ansah
George Owusu-Ansah

The notes on pages 32 to 78 form an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 December 2021

(All amounts are expressed in thousands of Ghana cedis)

		Group		Company	
Continuing operations	**Note**	**2021 GH¢'000**	2020 GH¢'000	**2021 GH¢'000**	2020 GH¢'000
Revenue	5	526,912	424,006	526,912	424,006
Cost of sales	6	(429,866)	(355,462)	(429,866)	(355,462)
Gross profit		**97,046**	**68,544**	**97,046**	**68,544**
Distribution expenses	8	(16,723)	(16,568)	(16,723)	(16,568)
Brand and marketing investment	9	(44,612)	(30,290)	(44,612)	(30,290)
Administrative expenses	10	(79,564)	(67,671)	(79,536)	(67,637)
Restructuring costs		(607)	(2,150)	(607)	(2,150)
Impairment release on trade & other receivables	36b(i)	2,874	23,470	2,874	23,470
Other income	11	9,134	3,253	9,134	3,253
Operating profit/(loss)		**(32,452)**	**(21,412)**	**(32,424)**	**(21,378)**
Finance income	13	574	333	341	100
Finance costs	13	(2,922)	(5,608)	(2,922)	(5,608)
Profit/(loss) before taxation		(34,800)	(26,687)	(35,005)	(26,886)
Income tax expense	15a	(51)	(22,880)	-	(22,830)
Profit/(loss) for the year from continuing operations		**(34,851)**	**(49,567)**	**(35,005)**	**(49,716)**
Discontinued operations					
Profit /(loss) from discontinued operation	12	35,201	(673)	35,201	(673)
Profit/ (loss) for the year		**350**	**(50,240)**	**196**	**50,389)**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gain (loss)	26b	233	314	233	314
Related tax	15c	(58)	(78)	(58)	(78)
Other comprehensive income, net of tax		175	236	175	236
Total comprehensive income		**525**	**(50,004)**	**371**	**(50,153)**
Earnings per share					
From continuing operations					
Basic earnings/(loss) per share	35	(0.5576)	(0.7931)	(0.5601)	(0.7955)
Diluted earnings /(loss) per share	35	(0.5576)	(0.7931)	(0.5601)	(0.7755)
From continuing and discontinued operations					
Basic earnings/(loss) per share	35	0.0056	(0.8038)	0.0031	(0.8062)
Diluted earnings /(loss) per share	35	0.0056	(0.8038)	0.0031	(0.8062)

The notes on pages 32 to 78 form an integral part of these financial statements.

Statement of changes in equity as at 31 December 2021

(All amounts are expressed in thousands of Ghana cedis)

GROUP 2021	Share capital GH¢'000	Capital surplus GH¢'000	Retained earnings GH¢'000	Share deals GH¢'000	Total equity GH¢'000
Balance at 1 January 2021	1,200	204	34,764	81	36,249
Total comprehensive income					
Profit for the year	-	-	350	-	350
Other comprehensive income (Note 15c, 26b)	-	-	175	-	175
Total comprehensive income	**-**	**-**	**525**	**-**	**525**
Balance at 31 December 2021	**1,200**	**204**	**35,289**	**81**	**36,774**
2020					
Balance at 1 January 2020	1,200	204	84,767	81	86,252
Total comprehensive income					
Profit for the year	-	-	(50,240)	-	(50,240)
Other comprehensive income (Note 15c, 26b)	-	-	236	-	236
Total comprehensive income	-	-	(50,004)	-	(50,004)
Balance at 31 December 2020	**1,200**	**204**	**34,764**	**81**	**36,249**

COMPANY 2021	Share capital GH¢'000	Capital surplus GH¢'000	Retained earnings GH¢'000	Share deals GH¢'000	Total equity GH¢'000
Balance at 1 January 2021	1,200	204	33,314	81	34,799
Total comprehensive income					
Profit for the year	-	-	196	-	196
Other comprehensive income (Note 15c, 26b)	-	-	175	-	175
Total comprehensive income	**-**	**-**	**371**	**-**	**371**
Balance at 31 December 2021	**1,200**	**204**	**33,685**	**81**	**35,170**
2020					
Balance at 1 January 2020	1,200	204	83,467	81	84,952
Total comprehensive income					
Profit for the year	-	-	(50,389)	-	(50,389)
Other comprehensive income (Note 15c, 26b)	-	-	236	-	236
Total comprehensive income	-	-	(50,153)	-	(50,153)
Balance at 31 December 2020	1,200	204	33,314	81	34,799

The notes on pages 32 to 78 form an integral part of these financial statements.

Statement of cash flows for the year ended 31 December

(All amounts are expressed in thousands of Ghana cedis)

		Group		Company	
Cash flows from operating activities	**Note**	**2021 GH¢'000**	2020 GH¢'000	**2021 GH¢'000**	2020 GH¢'000
Cash generated from operating activities	34	7,481	70,885	7,494	70,752
Interest paid	13	(2,922)	(5,608)	(2,922)	(5,608)
Interest received	13	574	333	341	100
Tax paid	15b	(2,102)	(2,335)	(2,102)	(2,323)
Net cash from operating activities		**3,031**	**63,275**	**2,811**	**62,921**
Cash flows from investing activities					
Purchase of property, plant and equipment	16a	(17,587)	(8,883)	(17,587)	(8,883)
Proceeds from sale of property, plant and equipment	16c	50	-	50	-
Net cash generated used in investing activities		**(17,537)**	**(8,883)**	**(17,537)**	**(8,883)**
Cash flows from financing activities					
Dividend paid	29	(11,544)	-	(11,544)	-
Payment of principal portion of lease liability	17a(iii)	(1,335)	(1,401)	(1,335)	(1,401)
Net cash used in financing activities		(12,879)	(1,401)	(12,879)	(1,401)
(Decrease)/increase in cash and cash equivalents		**(27,385)**	**52,991**	**(27,605)**	**52,637**
Cash and cash equivalents at 1 January		1,153	(51,601)	(945)	(53,345)
Effect of movement in exchange rate on cash and bank		540	(237)	540	(237)
Cash and cash equivalents at 31 December	22	(25,692)	1,153	(28,010)	(945)

The notes on pages 32 to 78 form an integral part of these financial statements.

Financial Statements

Notes to the financial statements

1. REPORTING ENTITY

Unilever Ghana PLC is registered and domiciled in Ghana. These consolidated financial statements as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries. The Group and Company's registered office is at Plot No. Ind/A/2/3A-4 Tema. The Company is listed on the Ghana Stock Exchange. The separate financial statements as at and for the year ended 31 December 2021 comprise the financial statements of the Company.

2. Basis of Accounting

a. Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992).

b. Basis of measurement

The consolidated and separate financial statements are prepared on the historical cost basis except for defined benefit obligations measured at the present value of the future benefit to employees.

c. Functional and presentation currency

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

d. Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the Group and all investees controlled by the Group.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group. All intra-Company transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed off and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.


stay fresh
& protected
1 PURIFYING GEL
2 ICE COOL CRYSTALS™
3 ANTI-BACTERIAL MOUTHWASH
closeup
EVERFRESH
STAY FRESH AND PROTECTED
TRIPLE FRESH FORMULA

Financial Statements

Notes to the financial statements (Continued)

d (i) The Group has presented consolidated financial statements for the first time in the current year. The financial statements of the Company remain unchanged from the previous year as signed by the directors and issued in Accra on the 31 March 2021. In the current year, there was interest income received by one of the dormant subsidiaries on treasury bills that had been held since July 2015. The parent and subsidiaries have the same reporting date, and where the most recent financial statements of a subsidiary are used, management has made adjustments for the effects of significant transactions or events between the reporting dates of the subsidiary and consolidated financial statements. All the subsidiaries are dormant entities.

e. Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal Company) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

f. Use of estimates and judgment

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

Financial Statements

Notes to the financial statements (Continued)

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.

g. Assumption and estimated uncertainties

(i) Information about assumptions and estimation uncertainties at 31 December 2021 that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- o Note 26: Measurement of defined benefit obligation: Key actuarial assumptions.
- o Note 36(b)(i): Measurement of ECL allowance for trade receivables: Key assumptions in determining the weighted – average loss rate
- o Note 19b: Estimate of expected returns: Key assumptions in determining refund asset and liability
- o Note 15c: Recognition of deferred tax assets: availability of future taxable profit underpinned by revenue growth assumptions against which deductible temporary difference and tax losses carried forward can be utilised;
- o Note 12: Discount rate used in the determining the value of the Tea Business.

(ii) Measurements of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Group regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of an asset or liability, the Group 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:

- o Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- o 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).
- o 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 Group recognised transfer 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 36, financial instrument - fair 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. Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment allowance. Note 18 provides details on the investments in subsidiaries.

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 any 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 at the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group 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.

(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 periods are as follows:

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
Motor vehicles		4 years

Depreciation methods, useful lives and residual values are reassessed and prospectively adjusted if appropriate, at each reporting date. Property, plant and equipment is derecognised on disposal or when no future economic benefits is expected from its use.

(iv) Derecognition

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.

(v) 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.

(vi) Spare parts

Spare parts, stand by and servicing equipment held by the Group 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.

c. Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is or contains

Financial Statements

Notes to the financial statements (Continued)

a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

i. As a lessee

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Financial Statements

Notes to the financial statements (Continued)

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

d. Inventories

Inventories are measured at the 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.

e. Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair values plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

(a) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- o it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- o its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(b) Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- o the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- o how the performance of the portfolio is evaluated and reported to the Group's management;

the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- o how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- o the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial Statements

Notes to the financial statements (Continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(c) Financial assets - assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(d) Financial assets - Subsequent measurement and gains and losses:

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(e) Financial liabilities - Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Other financial liabilities comprise trade and other payables, related party payables, dividend payables and bank overdraft

(iii) Derecognition

(a) Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(b) Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(c) Impairment

(i) Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition are measured at 12 month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debt is 120 days past the invoice date
- the debtor is unlikely to pay its credit obligations to the Group in full due to bankruptcy
- there are adverse changes in the payment status of debtors

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Financial Statements

Notes to the financial statements (Continued)

12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group has a policy of writing off the gross amount when the financial asset is 365 days past due and based on historical experience of recoveries, the Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial asset (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely dependent of the cash inflows of other assets and CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cashflows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

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An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amount of the assets in the CGU on a pro rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

f. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Other financial liabilities comprise trade and other payables, related party payables, bank overdraft and dividend payables.

g. Share capital

Ordinary Shares

Proceeds from issue of ordinary shares are classified as equity. Incremental costs that are directly attributable to the issue of equity instruments are deducted from the initial measurement of the equity instrument.

h. Income tax

Income 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 previous 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 dividend.

Current tax assets and liabilities

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

a. has a legally enforceable 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.

(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. Deferred tax is not recognized for temporary 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 be used. Future taxable profits are determined based on business plans and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that future taxable profits will be available against which they can be used.

Unrecognised deferred 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.

Deferred 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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities

Deferred tax assets and liabilities are offset only if:

a. the Group has a legally enforceable right to set off current tax asset against current tax liabilities; and

b. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either;
    - the same taxable entity; or
    - 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. Provision

Provisions for restructuring costs and legal claims are recognised when the Group 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 employee termination payments. A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. 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 Group operates various pension schemes. Some of the schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

(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 Group 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.


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2 kg Value Pack
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Oxifresh
Oxifraiche
Sunlight
Oxifresh
Oxifraiche
1 kg
Sunlight
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Sunlight
spring
Sunlight
paradise

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(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 Group contributes 13% of employee's basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Group'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 Group and the Company have a Tier 3 Pension fund and Saving Scheme for staff and management under which the Group and the Company contribute 5% and 2.5% respectively to the scheme.

(iii) Defined benefit plan

The Group'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 Group, 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.

Re-measurement 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 Group 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 Group 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 Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group 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.

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Notes to the financial statements (Continued)

(v) Other long term benefit

Long Service Award accrue to employees 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 aluminium roofing sheets and testimonial. The plan is not funded, and the awards accrue over the service life of employees. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(k) Revenue from contracts with customers

(i) Sale of goods

The Company generates revenue primarily from the sale of its products from foods, home care and personal care. Refer to note (37) segmental information.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Customers obtain control of goods when goods are delivered. Goods are considered delivered once the customer acknowledges receipt of the promised goods. Invoices are generated at that point in time. Most sales are on cash basis and credit sales are usually payable within 30 days. The Group may allow some customers to return items at their own discretion. Returned goods are exchanged for new goods.

For contracts that permit the customer to return an item, revenue is recognised to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of products. In these circumstances, a refund liability and a right to recover returned goods asset is recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables (See Note 27) and the right to recover returned goods is included in inventory (See Note 19). The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

(l) 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 and interest expense on lease liability which is presented in profit or loss.

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.

The Group has presented interest expense on the lease liability as part of finance costs, separately from the depreciation charge for the right-of- use asset.

(m) 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

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Notes to the financial statements (Continued)

and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses are presented in 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.

(n) Dividend

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

(o) 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 Executive Directors.

The operating segments report are based on product category which is classified as home care products, personal care products and foods products, because they require different technology and marketing strategies.

(p) Earnings per share

The Group 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 Group 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.

(q) Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

4. New Standards and Interpretations Issued But Not Effective

A number of new standards are effective for annual periods beginning after 1 January 2021 and early application is permitted; however, the Group has not adopted the new or amended standards in preparing these financial statements.

A. Impact of the initial application of Interest Rate Benchmark Reform

In the prior year, the Group adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Group has not restated the prior period.

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Notes to the financial statements (Continued)

Both the Phase 1 and Phase 2 amendments did not have an impact on the Group.

B. Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021—Amendment to IFRS 16

In the prior year, the Group early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. This amendment did not have a material impact on the Group.

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

In the current financial year, the Group has not applied the amendment to IFRS 16 (as issued by the Board in May 2021).

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022).
- There is no substantive change to other terms and conditions of the lease

C. Other Standards

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

These standards issue but not yet effective are not expected to have a material impact on future financial position and performance to the Group.

- IFRS 17 Insurance Contracts
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent
- Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract

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- Annual Improvements to IFRS Standards 2018-2020—Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

5. Revenue

Revenue is recognized when the Group transfers control over a good to a customer. Revenue comprises the value of goods and services invoiced less discounts and rebates.

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Gross sales value	586,492	471,170	586,492	471,170
Discounts and rebates	(59,580)	(47,164)	(59,580)	(47,164)
Net revenue	526,912	424,006	526,912	424,006
By customer:				
Third parties	523,422	420,918	523,422	420,918
Related parties (Notes 28b)	3,490	3,088	3,490	3,088
	526,912	**424,006**	**526,912**	**424,006**

6. Cost of Sales

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

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Raw materials & conversion costs	376,004	310,718	376,004	310,718
Supply support	10,630	10,949	10,630	10,949
Trademark & knowhow fees	7,613	2,004	7,613	2,004
Depreciation (Note 16a)	10,506	10,121	10,506	10,121
Staff costs (Note 14a)	24,689	19,736	24,689	19,736
Depreciation on ROU Assets	374	1,044	374	1,044
Write-off of PPE	50	890	50	890
	429,866	**355,462**	**429,866**	**355,462**

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Notes to the financial statements (Continued)

7. Profit/(Loss) Before Tax is stated after charging:

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Staff cost (Note 14a, b)	43,622	43,009	43,622	43,009
Depreciation of PPE (Note 16a)	12,119	11,425	12,119	11,425
Depreciation of ROU Assets (Note 17)	1,213	1,796	1,213	1,796
Auditor's remuneration (Note 10)	427	537	427	516
Directors' remuneration (Note 30)	6,264	4,561	6,264	4,561

8. Distribution Expenses

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Warehouse, storage & handling expenses	16,685	13,046	16,685	13,046
Outbound distribution expenses	38	3,522	38	3,522
	16,723	**16,568**	**16,723**	**16,568**

9. Brand & Marketing Investment Expenses

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Advertising expenses	20,362	13,323	20,362	13,323
Promotion expenses	22,872	16,537	22,872	16,537
Merchandising expenses	1,378	430	1,378	430
	44,612	**30,290**	**44,612**	**30,290**

10. Administrative Expenses

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Business group fees	23,860	11,892	23,860	11,892
Market research cost	7,173	6,197	7,173	6,197
Information technology costs	2,633	6,142	2,633	6,142
Third party service	7,799	4,662	7,799	4,662
Directors' remuneration (Note 30)	6,264	4,561	6,264	4,561
Professional and legal costs	5,303	3,707	5,303	3,707
Bank charges	975	1,036	962	1,023
Utilities	1,152	1,277	1,152	1,277
Repairs and maintenance	1,128	744	1,128	744
Insurance	426	588	426	588
Depreciation (Note 16a)	1,613	1,304	1,613	1,304
Staff costs (Note 14b)	18,933	23,273	18,933	23,273
Auditor's remuneration	442	537	427	516
Depreciation on ROU Assets (Note 17)	839	752	839	752
Penalties	-	393	-	393
Other expenses	1,024	606	1,024	606
	79,564	**67,671**	**79,536**	**67,637**

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Notes to the financial statements (Continued)

11. Other Income

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Management fees	4,036	2,141	4,036	2,141
Sale of scrap	902	874	902	874
Income from tank farm rental	4,138	-	4,138	-
Income from disposal of PPE (Note 16c)	44	-	44	-
Net exchange gain	-	224	-	224
Income from sub-lease	14	14	14	14
	9,134	3,253	9,134	3,253

12. Discontinued Operation – Tea Separation

On 23 July 2020, following the completion of a strategic review, Unilever PLC ("Unilever" and together with its group companies, the "Unilever Group") announced its intention to separate the Unilever Group's global tea business (the "Tea Business") (the "Separation"). The Tea Business is in the food segment.

With the approval of shareholders of Unilever Ghana PLC, the disposal was completed on 1 October 2021, on which date control passed to the acquirer, Unilever Tea Distribution Ghana Limited. Details of the assets disposed off, and the calculation of the profit or loss on disposal, are disclosed in note 16b.

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Revenue	31,882	32,273	31,882	32,273
Expenses	(26,631)	(32,946)	(26,631)	(32,946)
Profit / (loss) before tax	5,251	(673)	5,251	(673)
Results from operating activities, net of tax	5,251	(673)	5,251	(673)
Gain on disposal of Tea Business (Note 16b)	29,950	-	29,950	-
Profit/ (loss) from discontinued operation	**35,201**	**(673)**	**35,201**	**(673)**

A profit of GH¢29.9 million arose on the disposal of the Tea Business, being the difference between the proceeds of disposal and the carrying amount of the Tea Business' net assets and attributable goodwill. There is no income tax for the discontinued operation as the discontinued operation is not treated as a separate entity. Tax assessment is done for Unilever Ghana PLC.

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Notes to the financial statements (Continued)

13. Finance Income and Cost

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Finance income				
Interest on deposits, t-bills and call	574	333	341	100
Finance Cost				
Interest on lease liability (Note 17a(ii))	(122)	(401)	(122)	(401)
Interest on bank overdrafts	(2,800)	(5,207)	(2,800)	(5,207)
	(2,922)	(5,608)	(2,922)	(5,608)

14. Staff Costs

Staff costs are charged to cost of sales and administrative expenses as follows:

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
a. Cost of sales				
Wages & salaries to employees	22,670	18,194	22,670	18,194
Defined contribution scheme	2,019	1,542	2,019	1,542
	24,689	**19,736**	**24,689**	**19,736**
b. Administrative expenses				
Wages & salaries to employees	16,466	20,008	16,466	20,008
Defined contribution scheme	1,606	2,419	1,606	2,419
Employee benefits obligation	861	585	861	585
Other benefits	-	261	-	261
	18,933	23,273	18,933	23,273
Total staff costs	**43,622**	**43,009**	**43,622**	**43,009**

The average number of employees at the end of the year was 252 (2020: 248).

15. Taxation

(a) Income Tax Expense

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Current tax	51	50	-	-
Deferred tax	-	22,830	-	22,830
	51	**22,880**	**-**	**22,830**

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Notes to the financial statements (Continued)

(b) Current Tax Asset

Group 2021	Balance at 1/1 GH¢'000	Payment /WHT credit during the year GH¢'000	Charge for the year GH¢'000	Balance at 31/12 GH¢'000
Prior to 2013	(3,336)	-	-	(3,336)
2013-2015	1,800	-	-	1,800
2016-2019	(8,395)	-	-	(8,395)
2020	(2,285)	-	-	(2,285)
2021	-	(2,102)	51	(2,051)
Current tax	**(12,216)**	**(2,102)**	**51**	**(14,267)**
2020				
Prior to 2013	(3,336)	-	-	(3,336)
2013-2015	1,800	-	-	1,800
2016-2018	2,191	-	-	2,191
2019	(10,586)	-	-	(10,586)
2020	-	(2,335)	50	(2,285)
Current tax	**(9,931)**	**(2,335)**	**50**	**(12,216)**

Company 2021	Balance at 1/1 GH¢'000	Payment /WHT credit during the year GH¢'000	Charge for the year GH¢'000	Balance at 31/12 GH¢'000
Prior to 2013	(3,336)	-	-	(3,336)
2013-2015	1,800	-	-	1,800
2016-2019	(8,695)	-	-	(8,695)
2020	(2,323)	-	-	(2,323)
2021	-	(2,102)	-	(2,102)
Current tax	**(12,554)**	**(2,102)**	**-**	**(14,656)**
2020				
Prior to 2013	(3,336)	-	-	(3,336)
2013-2015	1,800	-	-	1,800
2016-2018	1,948	-	-	1,948
2019	(10,643)	-	-	(10,643)
2020	-	(2,323)	-	(2,323)
Current tax	**(10,231)**	**(2,323)**	**-**	**(12,554)**

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

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Notes to the financial statements (Continued)

15c Recognised Deferred Tax Asset/Liability

Group/Company

2021	Net balance at 1/1 GH¢'000	Recognised in profit GH¢'000	Recognised in OCI GH¢'000	Net Balance at 31/12 GH¢'000	Deferred tax asset GH¢'000	Deferred tax liability GH¢'000
Property, plant and equipment	13,084	-	-	13,084	-	13,084
Provisions	(5,635)	-	-	(5,635)	(5,635)	-
Loss carried forward	(28,912)	-	-	(28,912)	(28,912)	-
Finance cost carried forward	(2,225)	-	-	(2,225)	(2,225)	-
Employee benefits	(851)	-	58	(793)	(793)	-
Deferred tax (asset)/liability	**(24,539)**	**-**	**58**	**(24,481)**	**(37,565)**	**13,084**
2020						
Property, plant and equipment	11,063	2,021	-	13,084	-	13,084
Provisions	(17,252)	11,617	-	(5,635)	(5,635)	-
Loss carried forward	(38,177)	9,265	-	(28,912)	(28,912)	-
Finance cost carried forward	(2,234)	9	-	(2,225)	(2,225)	-
Employee benefits	(847)	(82)	78	(851)	(851)	-
Deferred tax liability/(asset)	**(47,447)**	**22,830**	**78**	**(24,539)**	**(37,623)**	**13,084**

Recognition of deferred tax assets of GH¢24,481,000 (2020: GH¢24,539,000) is based on management's profit forecasts (which are based on evidence available, including historical levels of profitability), which indicates that it is probable that the Group and Company will have future taxable profits against which these assets can be used.

15d Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the Group and Company can use the benefits there from.

Group/Company

	2021 Gross amount GH¢'000	2021 Tax effect GH¢'000
Tax losses	49,611	12,403
	49,611	**12,403**

Tax Losses Carried Forward

	Gross amount GH¢'000	Expiry date
Tax loss for 2021	**49,611**	2026
Tax loss for 2020	**56,498**	2025
Tax loss for 2019	**36,446**	2024

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Notes to the financial statements (Continued)

(e) Tax Reconciliation

The tax recorded in profit or loss differs from the theoretical amount that would arise using the statutory income tax rate. This is explained as follows for the Company:

	2021 GH¢'000	2020 GH¢'000
Profit/ (loss) before taxation	**196**	**(27,559)**
Tax calculated at the statutory income tax rate of 25%	49	(6,889)
Tax effect of:		
Disallowable expenses	(5,120)	6,505
Tax incentive	-	32
Change in estimate from prior year	-	(53)
Unrecognised deferred tax for the year	5,071	
Derecognition of previously recognised deductible temporary differences	-	9,175
Current year losses for which no deferred tax is recognised	-	14,060
Income tax charge	-	22,830
Effective tax rate	Nil	83%

16a Property, Plant and Equipment
Group/ Company

2021	Building GH¢'000	Plant & machinery GH¢'000	Computer equipment GH¢'000	Furniiture fittings GH¢'000	Office equipment & o thers GH¢'000	Moulds & die GH¢'000	Motor Vehicles GH¢'000	Capical work in-progress GH¢'000	Total GH¢'000
Cost									
At 1/1/21	35,619	123,408	4,679	1,119	8,825	278	2,708	7,716	184,352
Additions	-	-	-	-	255	-	-	17,332	17,587
Capitalisation or transfers	863	8,449	1,024	274	1,536	-	-	(12,146)	-
Disposals	(1)	(81)	-	-	-	-	-	-	(82)
Sale of tea assets	(3,000)	(11,798)	-	(401)	(190)	-	-	-	(15,389)
Write-offs	(49)	(404)	(2,308)	(110)	(622)	-	-	-	(3,493)
At 31/12/21	**33,432**	**119,574**	**3,395**	**882**	**9,804**	**278**	**2,708**	**12,902**	**182,975**
Accumulated depreciation									
At 1/1/21	4,646	31,472	3,204	967	6,880	278	1,354	-	48,801
Charge for the year	891	9,118	582	107	744	-	677	-	12,119
Released on disposals	-	(76)	-	-	-	-	-	-	(76)
Released on tea assets sold	(581)	(4,480)	-	(341)	(190)	-	-	-	(5,592)
Released on write-off	(7)	(404)	(2,301)	(110)	(621)	-	-	-	(3,443)
At 31/12/21	**4,949**	**35,630**	**1,485**	**623**	**6,813**	**278**	**2,031**	**-**	**51,809**
Carrying amount 31/12/21	**28,483**	**83,944**	**1,910**	**259**	**2,991**	**-**	**677**	**12,902**	**131,166**

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Notes to the financial statements (Continued)

16(a) Property, Plant and Equipment (Cont'd)

2020 2021	Building GH¢'000	Plant & machinery GH¢'000	Computer equipment GH¢'000	Furniiture fittings GH¢'000	equipment & o thers GH¢'000	Moulds & die GH¢'000	Motor Vehicles GH¢'000	work in-progress GH¢'000	Total GH¢'000
Cost									
At 1/1/20	30,957	94,610	4,571	1,119	8,617	278	2,708	34,656	177,516
Additions	-	-	-	-	-	-	-	8,883	8,883
Capitalisation/transfers	4,662	30,284	108	-	769	-	-	(35,823)	-
Write-offs	-	(1,486)	-	-	(561)	-	-	-	(2,047)
At 31/12/20	**35,619**	**123,408**	**4,679**	**1,119**	**8,825**	**278**	**2,708**	**7,716**	**184,352**
Accumulated depreciation									
At 1/1/20	3,800	23,873	2,612	913	6,383	275	677	-	38,533
Charge for the year	846	8,242	592	54	1,011	3	677	-	11,425
Released on write-off	-	(643)	-	-	(514)	-	-	-	(1,157)
At 31/12/20	4,646	31,472	3,204	967	6,880	278	1,354	-	48,801
Carrying amount 31/12/20	**30,973**	**91,936**	**1,475**	**152**	**1,945**	**-**	**1,354**	**7,716**	**135,551**

Depreciation has been charged to the statement of comprehensive income as follows:

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Cost of sales (Note 6)	10,506	10,121	10,506	10,121
Administrative expenses (Note 10)	1,613	1,304	1,613	1,304
	12,119	**11,425**	**12,119**	**11,425**

There was no indication of impairment of property, plant and equipment held by the Group at 31 December 2021 (2020: Nil). At the year ended 31 December 2021, there was no restriction on title to the Group's property, plant and equipment (2020: Nil). Additionally, the Group did not pledge any of its assets as security for liabilities (2020: Nil).

b. Tea Assets disposed

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Gross book value (Note 16a)	15,389	-	15,389	-
Accumulated depreciation (Note 16a)	(5,592)	-	(5,592)	-
Carrying amount	9,797	-	9,797	-
Consideration receivable	(39,747)	-	(39,747)	-
Gain on disposal of tea assets	**(29,950)**	**-**	**(29,950)**	**-**


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Financial Statements

Notes to the financial statements (Continued)

c. Other disposals in the ordinary course of business

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Gross book value	82	-	82	-
Accumulated depreciation	(76)	-	(76)	-
Carrying amount	6	-	6	-
Consideration received	(50)	-	(50)	-
Gain on disposal of tea assets	**(44)**	**-**	**(44)**	**-**

17. Right of Use Assets

a. As a lessee

The Company leases land and vehicles. The lease period for land is 50 years and that of vehicles typically run for four to five years. In 2019, a portion of the leased land was sub-let by the Company. The lease and sub-lease expire in 2068.

(i) Right-of-use assets

Information about leases for which the Group and Company is a lessee is presented below:

2021	**Land GH¢'000**	**Vehicles GH¢'000**	**Total GH¢'000**
Balance at 1 January	10,347	1,121	11,468
Depreciation charge for the year	(283)	(930)	(1,213)
Balance at 31 December	**10,064**	**191**	**10,255**

2020	Land GH¢'000	Vehicles GH¢'000	Total GH¢'000
Balance at 1 January	10,565	2,664	13,422
Depreciation charge for the year	(218)	(1,385)	(1,796)
Derecognition of right-of-use assets*	-	(158)	(158)
Balance at 31 December	**10,347**	**1,121**	**11,468**

* Derecognition of the right-of-use assets in 2020 relates to transfer of vehicle to a related entity at book value

(ii) Amounts recognised in profit or loss

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Interest on lease liability (Note 17(iv)	122	401	122	401
Income from sub-leasing right-of-use assets (Note 11)	(14)	(14)	(14)	(14)

Financial Statements

Notes to the financial statements (Continued)

(iii) Amounts recognised in statement of cashflows

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Payment of principal portion of lease liabilities	1,335	1,401	1,335	1,401
Interest payment (Note 17iv)	122	401	122	401
	1,457	**1,802**	**1,457**	**1,802**

(iv) Lease liabilities

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Balance at 1 January	1,511	2,912	1,511	2,912
Interest on lease liabilities	122	401	122	401
Payments made	(1,457)	(1,802)	(1,457)	(1,802)
Balance at 31 December	**176**	**1,511**	**176**	**1,511**

Lease liabilities included in the statement of financial position at 31 December

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Less than one year	176	1,345	176	1,345
More than one year	-	166	-	166
	176	**1,511**	**176**	**1,511**

Maturity analysis – contractual undiscounted cash flows

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Less than six months	128	729	128	729
Six months to one year	59	729	59	729
More than one year	-	187	-	187
Total undiscounted lease liabilities at 31 December	**187**	**1,645**	**187**	**1,645**

17 b. As a lessor

In 2019, the Company sub-let a portion of leased land that has been presented as part of its right-of-use asset. The lease and sub-lease expire in 2068. The Company has classified the sub-lease as a finance sublease. The Company does not have any other leases as a lessor.

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Notes to the financial statements (Continued)

In 2021, the Group recognised interest income on lease receivables of GH¢14,225 (2020: GH¢14,225).

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Group Company

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Less than one year	14	14	14	14
One to two years	14	14	14	14
Two to three years	14	14	14	14
Three to four years	14	14	14	14
Four to five years	14	14	14	14
More than five years	585	599	585	599
Total undiscounted lease receivable	655	669	655	669
Unearned finance income	(562)	(576)	(562)	(576)
Net investment in the lease	**93**	**93**	**93**	**93**

18. Investments

a. Investment in Subsidiaries

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Unilever Ghana Investments Limited	-	-	10	10

Name of subsidiary	Nature of business	% held in 2021 & 2020	Country of incorporation
United Africa Trust Limited	Investment management	100	Ghana
Swanzy Real Estate	Real Estate Development	100	Ghana
Unilever Ghana Investments Limited	Holding Company	100	Ghana
Miller Swanzy (Ghana) Limited	Manufacturing, importing & exporting goods, wares & merchandise of all kinds	100	Ghana

Investments in United Africa Trust Limited Miller Swanzy and Swanzy Real Estate are less than GH¢1,000 and so do not reflect in the list of subsidiaries above.

18b. Other investments

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Equity Investment – Ghana Union Assurance Company Limited	11	11	-	-

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Notes to the financial statements (Continued)

19a. Inventories

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Raw and packing material	32,386	23,844	32,386	23,844
Work in process	394	6,196	394	6,196
Finished goods	24,270	36,466	24,270	36,466
Consumable spares	9,660	8,907	9,660	8,907
Goods in transit	24,723	21,489	24,723	21,489
Right to recover returned goods	194	119	194	119
	91,627	**97,021**	**91,627**	**97,021**

At 31 December 2021, there were no inventories pledged as security (2020: Nil). The amount of inventory recognised in cost of sales amounted to GH¢429.9million (2020: GH¢355.5million). The written-down values of raw materials and consumables and changes in work in process and finished goods included in cost of sales amounted to GH¢2,578,243 (2020: GH¢14,432,051). Inventory items are written down when they are close to expiry. Upon consumption of these inventory items before expiry, the written-down values are reversed. No reversal of write-down was recognised during the year (2020: Nil).

19b. Refund Asset and Liability

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Right to recover returned goods (Note 19a)				
Balance at 1 January	119	3,522	119	3,522
Amount recognised in raw material and conversion cost	75	(3,403)	75	(3,403)
Balance at 31 December	**194**	**119**	**194**	**119**
Refund Liability (Note 27)				
Balance at 1 January	207	6,463	207	6,463
Amount recognised in revenue	33	(6,256)	33	(6,256)
Balance at 31 December	**240**	**207**	**240**	**207**

20. Trade and Other Receivables

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Trade receivables	25,658	22,913	25,658	22,913
Other receivables	10,120	17,075	10,096	17,051
Gross amount	35,778	39,988	35,754	39,964
Impairment allowance (Note 36 b(i))	(11,786)	(14,660)	(11,786)	(14,660)
Net amount	23,992	25,328	23,968	25,304
Amounts due from staff	454	242	454	242
Lease receivable	93	93	93	93
Total	**24,539**	**25,663**	**24,515**	**25,639**

The maximum indebtedness from staff amounted to GH¢454,286 (2020: 241,940).

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Notes to the financial statements (Continued)

Investment in Twifo Oil Palm Plantation (TOPP)

Included in other receivables is an amount of GH¢2.5million relating to shares of Twifo Oil Palm Plantation (TOPP) purchased from the Government of Ghana.

In 2008, the Company bought shares in TOPP valued at $7.2 million from the Government of Ghana. After the acquisition, a lawsuit was brought against the Company by PS Investment Limited challenging the sale of the Government shares in TOPP to the Company resulting in an impairment of the initial investment to GH¢2.5million currently held under other receivables.

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). The Company has entered into negotiations with the Government of Ghana for the resolution of this matter.

21. Prepayments

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
At 1 January	652	1,362	652	1,362
Additions during the year	7,096	1,441	7,096	1,441
Utilised during the year	(4,115)	(2,151)	(4,115)	(2,151)
At 31 December	**3,633**	**652**	**3,633**	**652**

22. Cash and Cash Equivalents

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Short term investment - 91-day treasury bills	2,082	1,849	-	-
Cash at bank	24,281	6,196	24,045	5,947
Bank balances	**26,363**	**8,045**	**24,045**	**5,947**
Bank balances in the statement of financial position	26,363	8,045	24,045	5,947
Bank overdrafts repayable on demand and used for cash management purpose	(52,055)	(6,892)	(52,055)	(6,892)
Cash and cash equivalents in the statement of cashflows	**(25,692)**	**1,153**	**(28,010)**	**(945)**

Included in cash and cash equivalents is a GH¢5million fixed deposit held with Access Bank Ghana Limited with maturity less than 3 months from date of acquisition. The Group had no restriction on cash and bank balances at 31 December 2021 (2020: Nil).

Bank overdraft facilities

At the reporting date, the Group had approved unsecured overdraft facilities with certain local banks to support working capital needs. Total limit on the facilities amount to GH¢ 193 million out of which GH¢52 million had been utilised by 31 December 2021. Interest is payable at the banks base rates minus a spread. The facilities expire in 2022.

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Notes to the financial statements (Continued)

23. Capital and Reserves

a. Share capital

	2021 No of Shares '000	2020 Proceeds GH¢ '000	No of Shares '000	Proceeds GH¢'000
Authorised				
Ordinary shares of no par value	100,000	-	100,000	-
Issued and fully paid	62,500	931	62,500	931
Transferred from surplus	-	269	-	269
	62,500	1,200	62,500	1,200

There is no unpaid liability on any shares and there are no calls or instalments 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.

b. Retained earnings

This represents the residual of cumulative annual results that are available for distribution to shareholders when in credit.

24. Capital Surplus Account

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
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.

25. Share Deals Account

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Balance at 1 January	81	81	81	81

The share deals account was created in line with section 63 of the Companies Act, 2019 (Act 992) to purchase the Company's own shares.

26. Employee Benefits Obligations

(i) Ex-gratia pensions

Ex-gratia pensions is an unfunded scheme for retired employees of UAC (Africa) Ghana Limited. 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.

Financial Statements

Notes to the financial statements (Continued)

(ii) Other long-term benefits

Long Service award is an unfunded scheme to reward staff for their continuous 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.

a. Assumptions

The major assumptions used by the actuaries for the two major schemes are as follows:

	2021 %	2020 %
Discount rate	20.8	22.0
Salary inflation	15.0	16.0
Pension inflation	11%	10.0

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Notes to the financial statements (Continued)

26 b. Movement in employee benefit obligations
Group/Company

	2021 Ex-gratia pensions GH¢'000	2021 Long service award GH¢'000	2021 Total GH¢'000	2020 Ex-gratia pensions GH¢'000	2020 Long service award GH¢'000	2020 Total GH¢'000
Changes in liability						
Balance at 1 January	1,962	1,460	3,422	2,150	1,586	3,736
Service cost	-	205	205	-	790	790
Interest cost	405	299	704	412	375	787
Actuarial loss/(gain) arising from financial assumptions	88	(617)	(529)	(88)	(4)	(92)
Actuarial (gain)/loss arising from other sources	(321)	1,615	1,294	(226)	(988)	(1,214)
Benefits paid/settlement	(243)	(617)	(860)	(286)	(299)	(585)
Balance at 31 December	**1,891**	**2,345**	**4,236**	**1,962**	**1,460**	**3,422**
Financial position						
Employee benefit obligation	1,891	2,345	4,236	1,962	1,460	3,422
Net liability	**1,891**	**2,345**	**4,236**	**1,962**	**1,460**	**3,422**
Included in profit or loss						
Service cost	-	205	205	-	790	790
Interest cost	405	299	704	412	375	787
Net interest and service cost	**405**	**504**	**909**	**412**	**1,165**	**1,577**
Actuarial loss/(gain)	-	998	998	-	(992)	(992)
Amount recognised in profit or loss	**405**	**1,502**	**1,907**	**412**	**173**	**585**
Other comprehensive income						
Actuarial gain	**233**	**-**	**233**	**314**	**-**	**314**
Reconciliation of statement of financial position						
Opening value	1,962	1,460	3,422	2,150	1,586	3,736
Benefits paid	(243)	(617)	(860)	(286)	(299)	(585)
Amount recognised in profit or loss	405	1,502	1,907	412	173	585
Amount recognised in other comprehensive income	(233)	-	(233)	(314)	-	(314)
Net defined obligation	**1,891**	**2,345**	**4,236**	**1,962**	**1,460**	**3,422**

c. 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:

Group/Company

	2021 Increase GH¢'000	2021 Decrease GH¢'000	2020 Increase GH¢'000	2020 Decrease GH¢'000
Discount rate (2% movement)	373	(66)	200	(179)
Salary inflation (2% movement)	248	(176)	(61)	65
Future pension growth (2% movement)	119	(108)	(115)	126

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.


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Notes to the financial statements (Continued)

27. Trade and Other Payables

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Trade payables	47,209	51,691	47,209	51,691
Accrued liabilities	21,734	27,720	21,713	27,714
Trade Terms Structure accrual	5,881	6,517	5,881	6,517
Other payables	17,076	17,109	16,864	16,897
Refund Liability	240	207	240	207
	92,140	**103,244**	**91,907**	**103,026**

28. Related Party Transactions

The Company is 74.5% owned by Unilever Overseas Holding Limited and UAC International Limited through a common control of its ultimate parent Unilever Plc. It is related to other Unilever operations across the world by virtue of common ownership by Unilever Overseas Holding Limited. Transactions and balances with related parties are as follows:

a. Purchase of goods and services

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Ultimate parent				
Unilever PLC	28,300	12,619	28,300	12,619
Other affiliates				
Unilever Philippines	-	1,150	-	1,150
Unilever Nigeria PLC	1,950	3,368	1,950	3,368
Unilever Cote d'Ivoire	2,346	2,048	2,346	2,048
Unilever Gulf	2,104	2,278	2,104	2,278
Unilever Vietnam	55,766	38,772	55,766	38,772
Unilever Asia Private Limited	5,701	8,239	5,701	8,239
Unilever UK Central Resources Limited	296	582	296	582
Unilever South Africa (Pty) Limited	2,045	930	2,045	930
Unilever Supply Chain Company AG	3,022	5,237	3,022	5,237
Unilever N.V.	-	560	-	560
Unilever Indonesia	8,730	3,586	8,730	3,586
Unilever China Limited	-	3,822	-	3,822
Unilever Sichuan	4,076	6,464	4,076	6,464
Unilever Industries Private Limited	624	302	624	302
Unilever Kenya Limited	1,096	34	1,096	34
Unilever Europe – IT	557	-	557	-
Unilever Sri Lanka	941	-	941	-
Lever International Marine Sup	1,333	183	1,333	183
Unilever Tea Distribution Ghana Ltd	2,639	-	2,639	-
	93,226	**77,555**	**93,226**	**77,555**

b. Sale of good and services

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Unilever Cote d'Ivoire (Note 5)	3,490	3,088	3,490	3,088

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Financial risk management (Continued)

(c) Related party receivable and payable balances at 31 December

The following are related party balances at year end. These outstanding balances are not subject to any commitment, conditionalities and other considerations to be provided in respect of settlement and in addition to any guarantee given or to be received. In addition, no provision for doubtful debt or bad debt expense has been recorded in relation to these balances during the year (2020: Nil). All outstanding balances with these related parties are to be settled in cash.

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
(i) Related party receivables				
Other affiliates				
Unilever Nigeria Plc	2,261	1,957	2,261	1,957
Unilever Cote d'Ivoire	84	18,724	84	18,724
Unilever UK Central Resources Limited	1,443	1,496	1,443	1,496
Unilever Tea Distribution Ghana Ltd	51,407	-	51,407	-
Other related parties	1,004	173	994	163
	56,199	**22,350**	**56,189**	**22,340**

(ii) Related party payables

	Group		Company	
	2021	2020	2021	2020
Ultimate parent	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Unilever PLC	92,871	66,793	92,871	66,793
Unilever South Africa (Pty) Limited	467	530	467	530
Unilever Nigeria Plc	27,147	25,314	27,147	25,314
Unilever Cote d' Ivoire	1,648	25,286	1,648	25,286
Unilever Gulf	298	2,239	298	2,239
Unilever Asia Private Limited	-	4,293	-	4,293
Unilever Vietnam	24,151	23,918	24,151	23,918
Unilever Philippines	-	72	-	72
Unilever Indonesia	8,085	-	8,085	-
Unilever Industries Private Limited	614	438	614	438
Unilever Supply Chain	3,032	84	3,032	84
Unilever Sichuan	3,721	-	3,721	-
Unilever Tea Distribution Ghana Ltd	2,639	-	2,639	-
Unilever Sri Lanka Limited	953	-	953	
Other Related Parties	1,178	418	1,184	424
	166,804	**149,385**	**166,810**	**149,391**

29. Dividend Payable

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Balance at 1 January	33,961	33,961	33,828	33,828
Payments during the year	(11,544)	-	(11,544)	-
Balance at 31 December	**22,417**	**33,961**	**22,284**	**33,828**

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Financial risk management (Continued)

30. Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and Company directly or indirectly including any Director (whether executive or otherwise) of the Company.

Key management personnel compensation included the following:

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Short-term employee benefits				
Executive Directors	5,288	3,754	5,288	3,754
Non-executive Directors	592	573	592	573
Other key management personnel	3,203	1,493	3,203	1,493
Total short-term employee benefits	9,083	5,820	9,083	5,820
Post-employment benefit				
Executive Directors	384	234	384	234
Other key management personnel	287	117	287	117
Total post-employee benefits	**671**	**351**	**671**	**351**
Amount relating to:				
Directors	6,264	4,561	6,264	4,561
Other key management personnel	3,490	1,610	3,490	1,610
Total employee benefit	**9,754**	**6,171**	**9,754**	**6,171**

31. Provisions

Group/Company

	Legal GH¢'000	**CSR & AGM GH¢'000**	**Total GH¢'000**
2021			
Balance at 1 January	2,176	676	2,852
Provisions made during the year	10,316	-	10,316
Provisions used during the year	(4,553)	(676)	5,229
Balance at 31 December	**7,939**	**-**	**7,939**
2020			
Balance at 1 January	706	672	1,378
Provisions made during the year	2,070	676	2,746
Provisions used during the year	(600)	(672)	(1,272)
Balance at 31 December	**2,176**	**676**	**2,852**

Legal provisions relate to legal claims against the Group, the outcome of which is uncertain. Provision for the legal cases is the best estimate of claims from legal actions brought against the Group for which the Company has assessed that it is probable judgement may go against the Group.

Corporate Social Responsibility & AGM provisions relate to Annual General Meeting expenses and expenses related to CSR projects for which the amount and timing is uncertain.

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Financial risk management (Continued)

32. Contingencies

The Company has a pending legal case before the court for which the potential liability of GH¢1.04 million (2020: GH¢826,000) was not provided for in Note 31. In the opinion of the Directors, there is no probability of an outflow of resources resulting from this case. Based on legal advice, the Directors do not expect the outcome of the action to have a material effect on the Group's financial position chances of losing this case is remote.

In 2019, Ghana Revenue Authority (GRA) submitted a report on the Company's transfer pricing audit for 2012-2016 years of assessment. The audit resulted in a tax liability of GH¢ 6,236,200. In the opinion of the Directors, the Company has enough evidence to justify the expenses which gave rise to the liability. The Company has objected to the report and paid GH¢1,559,500 as part of 30% of the disputed tax liability to sustain the objection in line with section 42(5) of the Revenue Administration Act, 2016 (A915). The Company has appealed against GRA's decision in court

33. Commitments

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

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Property, plant & equipment contracted	2,811	5	2,811	5
	=====	=====	=====	=====

34. Cash Generated from Operations

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Profit/(loss) for the year	350	(50,240)	196	(50,389)
Adjustments for:	-			
Depreciation on PPE (Note 16a)	12,119	11,425	12,119	11,425
Profit on disposal of Tea assets (Note 16b)	(29,950)	-	(29,950)	-
Profit on disposal of PPE in the ordinary course of business (Note 16c)	(44)		(44)	-
Write-off of PPE	50	890	50	890
Depreciation on ROU asset (Note 17a(i))	1,213	1,796	1,213	1,796
Derecognition of ROU asset (Note 17a(i))	-	158	-	158
Unrealised exchange difference	(540)	237	(540)	237
Employment benefit and retirement plan expense (Note 26b)	909	1,577	909	1,577
Actuarial loss/(gain) on employee benefits (Note 26b)	998	(992)	998	(992)
Benefits paid (Note 26b)	(860)	(585)	(860)	(585)
Decrease in inventories	5,394	18,638	5,394	18,638
Decrease in trade and other receivables	1,124	88,823	1,124	88,677
(Increase)/Decrease in prepayment	(2,981)	710	(2,981)	710
Decrease related party receivables	5,898	13,552	5,898	13,552
(Decrease)/Increase in trade and other payables	(11,104)	15,932	(11,119)	15,911
Increase/ (Decrease) in related party payables	17,419	(60,665)	17,419	(60,665)
Increase in provisions	5,087	1,474	5,087	1,474
Tax charge	51	22,880	-	22,830
Interest on bank overdraft (Note 13)	2,800	5,207	2,800	5,207
Interest on lease liability (Note 13)	122	401	122	401
Interest income (Note 13)	(574)	(333)	(341)	(100)
	------	------	------	------
Cash generated from operations	**7,481**	**70,885**	**7,494**	**70,752**
	=====	=====	=====	=====

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Financial risk management (Continued)

35. Basic Earnings / (Loss) Per Share

The calculation of basic and diluted EPS has been based on the following profit/loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding. This excludes ordinary shares purchased by the Company and held as treasury shares.

	Group		Company	
	2021 GH¢'000	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Earnings per share from continuing and discontinued operations				
Profit/(loss) attributable to equity holders (GH¢'000)	350	(50,240)	196	(50,389)
Weighted average number of ordinary shares in issue (Note 23) (GH¢'000)	62,500	62,500	62,500	62,500
Basic earnings per share	0.0056	(0.8038)	0.0031	(0.8062)
Diluted earnings per share	0.0056	(0.8038)	0.0031	(0.8062)
Earnings per share from discontinued operations				
Profit/(loss) attributable to equity holders (GH¢'000)	35,201	(673)	35,201	(673)
Weighted average number of ordinary shares in issue (Note 23) (GH¢'000)	62,500	62,500	62,500	62,500
Basic earnings per share	0.5632	0.0108	0.5632	0.0108
Diluted earnings per share	0.5632	0.0108	0.5632	0.0108

At the reporting date, the basic earnings per share and the diluted earnings per share were the same as there were no dilutive potential ordinary shares.

36. 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.

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Financial risk management (Continued)

Group

31-Dec-21	Other financial assets at amortised cost GH¢'000	Financial liabilities GH¢'000	Total GH¢'000
Financial assets not measured at fair value			
Trade and other receivables (Note 20)	24,539	-	24,539
Related party receivables (Note 28c(i))	56,199	-	56,199
Cash and bank balances (Note 22)	26,363	-	26,363
	107,101	**-**	**107,101**
Financial liabilities not measured at fair value			
Trade and other payables (Note 27)	-	92,140	92,140
Related party payables (Note 28c(ii))	-	166,804	166,804
Dividend payable (Note 29)	-	22,417	22,417
Bank overdraft (Note 22)	-	52,055	52,055
Lease liabilities (Note 17)	-	176	176
	-	**333,592**	**333,592**
31-Dec-20			
Financial assets not measured at fair value			
Trade and other receivables (Note 20)	25,663	-	25,663
Related party receivables (Note 28c(i))	22,350	-	22,350
Cash and bank balances (Note 22)	8,045	-	8,045
	56,058	**-**	**56,058**
Financial liabilities not measured at fair value			
Trade and other payables (Note 27)	-	103,244	103,244
Related party payables (Note 28c(ii))	-	149,385	149,385
Dividend payable (Note 29)	-	33,961	33,961
Bank overdraft (Note 22)	-	6,892	6,892
Lease liabilities (Note 17)	-	1,511	1,511
	-	**294,993**	**294,993**

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Financial risk management (Continued)

36. Financial Instrument – Fair Values and Risk Management (cont'd)

Company

31-Dec-21	Other financial assets at amortised cost GH¢'000	Financial liabilities GH¢'000	Total GH¢'000
Financial assets not measured at fair value			
Trade and other receivables (Note 20)	24,515	-	24,515
Related party receivables (Note 28c(i))	56,189	-	56,189
Cash and bank balances (Note 22)	24,045	-	24,045
	104,749	**-**	**104,749**
Financial liabilities not measured at fair value			
Trade and other payables (Note 27)	-	91,627	91,627
Related party payables (Note 28c(ii))	-	166,810	166,810
Dividend payable (Note 29)	-	22,284	22,284
Bank overdraft (Note 22)	-	52,055	52,055
Lease liabilities (Note 17)	-	176	176
	-	**332,952**	**332,952**
31-Dec-20			
Financial assets not measured at fair value			
Trade and other receivables (Note 20)	25,639	-	25,639
Related party receivables (Note 28c(i))	22,340	-	22,340
Cash and bank balances (Note 22)	5,947	-	5,947
	53,926	**-**	**53,926**
Financial liabilities not measured at fair value			
Trade and other payables (Note 27)	-	103,026	103,026
Related party payables (Note 28c(ii))	-	149,391	149,391
Dividend payable (Note 29)	-	33,828	33,828
Bank overdraft (Note 22)	-	6,892	6,892
Lease liabilities (Note 17)	-	1,511	1,511
	-	**294,648**	**294,648**

(b) Financial risk management

(i) Overview

The Group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risks

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Financial risk management (Continued)

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's management team is responsible for developing and monitoring the Group's risk management policies. The team meets periodically to discuss corporate plans, evaluate progress reports and action plans to be taken. Risk issues that may have financial reporting implications are brought to the attention of the Finance Director for the necessary action to be taken. The management team reports regularly to the Board of Directors on their activities.

There is an internal audit function which monitors compliance with internal procedures and processes and also assesses the effectiveness of internal controls.

The Group's risk management policies are established to identify and analyse risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through training, management standards and procedures that have been adopted aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(a) 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 Group'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.

(i) Foreign currency risk
The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the functional currency. The currencies in which these transactions primarily are denominated are the United States Dollar (US$), Euro (£), British pound (GBP) and South African Rand (ZAR).

The Group and Company's exposure to foreign currency risk are reported in foreign denominated balances as follows.

2021	USD	EURO	GBP	ZAR
Bank balances	2,158	80	21	1
Related party receivables	462	217	3	-
Trade payables	(219)	(62)	(13)	-
Related party payables	(9,672)	(499)	(39)	(1,048)
Net exposure	**(7,271)**	**(264)**	**(28)**	**(1,047)**

2020	USD	EURO	GBP	ZAR
Bank balances	514	103	97	145
Related party receivables	663	2,525	3	-
Trade payables	(499)	(231)	(12)	-
Related party payables	(5,325)	(3,391)	(76)	(3)
Net exposure	**(4,647)**	**(994)**	**12**	**142**

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Financial risk management (Continued)

The following significant exchange rates applied during the year.

	Average Rate		Reporting Rate	
Cedis	**2021**	2020	**2021**	2020
USD 1	5.90	5.76	6.15	5.88
EUR 1	7.01	6.67	6.97	7.23
GBP 1	8.14	7.45	8.31	8.01
ZAR 1	0.40	0.35	0.39	0.40

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the Group and Company's profit or loss and equity. This sensitivity analysis indicates the potential impact on profit or loss and equity based on the foreign currency exposures recorded at 31 December (see "foreign currency 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.

Impact before tax for Group/Company

As of 31 December,	**2021**			2020		
Currency	**% Change**	**Profit or loss/equity impact: Strengthening GH¢'000**	**Profit or loss/equity impact: weakening GH¢'000**	**% Change**	**Profit or loss/equity impact: Strengthening GH¢'000**	**Profit or loss/equity impact: weakening GH¢'000**
USD	±4.2	1,872	(1,872)	±2.4	656	(656)
EUR	±0.6	11	(11)	±9.7	697	(697)
GBP	±2.1	5	(5)	±8.3	(8)	8
ZAR	±2.5	10	(10)	±15	(9)	9

As of 31 December,	**2021**			2020		
Currency	**% Change**	**Equity, net of tax impact: Strengthening GH¢'000**	**loss/equity tax impact: weakening GH¢'000**	**% Change**	**Equity, net of tax impact: Strengthening GH¢'000**	**Equity, net of tax impact: weakening GH¢'000**
USD	±4.2	1,404	(1,404)	±5.2	492	(492)
EUR	±0.6	8	(8)	±9.7	523	(523)
GBP	±2.1	4	(4)	±8.3	(6)	(6)
ZAR	±2.5	8	(8)	±15	(6)	(6)

(ii) Interest rate risk

At the reporting date, the profile of the Group and Company's interest-bearing financial instruments comprised the following financial instruments:

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Financial risk management (Continued)

Carrying amounts

	2021 GH¢'000	2020 GH¢'000
Fixed rate instruments		
Lease liabilities	176	1,511
	======	======
Variable rate instruments		
Bank overdraft	52,055	6,892
	======	======

Sensitivity analysis for variable rate instrument on Group/Company

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 2020.

As of 31 December	2021 % Change	2021 Income statement impact GH¢'000	2021 Equity GH¢'000	2020 % Change	2020 Income statement impact GH¢'000	2020 Equity GH¢'000
Bank overdraft	±2	(399)	399	±2	(648)	648

Fair value sensitivity analysis for fixed rate instrument

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 200 basis points in interest rates would have had no impact on equity (2020: GH¢ Nil). This analysis assumes that all other variables remain constant.

b) Credit risk

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

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group 2021 GH¢'000	Group 2020 GH¢'000	Company 2021 GH¢'000	Company 2020 GH¢'000
Trade and other receivables (Note 20)	24,539	25,663	24,515	25,639
Related party receivables (Note 28c)	56,199	22,350	56,189	22,340
Bank balances (Note 22)	26,363	8,045	24,045	5,947
	--------	--------	--------	--------
	107,101	**56,058**	**104,749**	**53,926**
	======	======	======	======

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The

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Notes to the financial statements (Continued)

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 by the Board and the utilisation of credit limits is regularly monitored. The Group's maximum exposure to credit risk at 31 December 2021 and 2020 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 assets below. The Group does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved credit limits.

Expected credit loss assessment
The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECLs) for trade and other receivables at an amount equal to lifetime ECLs. The ECLs on trade and other receivables are calculated based on actual credit loss experience over the preceding five years on the total balance of non-credit impaired trade and other receivables. The Group's credit loss experience has shown that aging of receivable balances is primarily due to negotiations about variable consideration.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables from individual customers as at 31 December 2021.

	2021				2020			
	Weighted average GH'000	Gross GH¢'000	Loss allowance GH¢'000	Net GH¢'000	Weighted average GH¢'000	Gross GH¢'000	Loss allowance GH¢'000	Net GH¢'000
Neither past due nor impaired	0 -5%	15,032	75	14,957	0 - 5%	1,390	(1)	1,389
1 to 3 months past due	6 - 15%	1,208	60	1,148	6 - 15%	10,054	(40)	10,014
3-6 months past due	16 - 50%	83	12	71	16 - 50%	2,337	(81)	2,256
6-12 months past due	51 - 65%	76	31	45	51 - 65%	4,766	(1,236)	3,530
Past due above 1 year	75% 100%	11,607	11,607	-	75% -100%	20,974	(13,302)	7,672
		28,006	**11,786**	**16,221**		**39,521**	**(14,660)**	**24,861**

The movement in the allowance for impairment was as follows:

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Balance at 1 January	14,660	63,455	14,660	63,455
Impairment credit recognised in profit/loss	(2,874)	48,795)	(2,874)	(48,795)
Balance at 31 December	**11,786**	**14,660**	**11,786**	**14,660**

In 2021, customer balances amounting to GH¢1.03million were written off (2020: GH¢25.3million). This has been included in the impairment amount presented on the statement of comprehensive income.

(ii) Cash and cash equivalents
The bank balances are held with credit worthy banks regulated by the Bank of Ghana.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures. The Group considers that its cash and cash equivalents do not have a significant credit in 2021 (2020: Nil).

(iii) Related party receivables

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Notes to the financial statements (Continued)

The Group's exposure to credit risk in respect of the amounts due from related parties is minimised. The Group has transacted business with related parties over the years and there has been no defaults in payment of outstanding debts. No impairment has been recognised with respect to amounts due from related parties in the current year (2020: Nil).

c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages liquidity risk by maintaining adequate cash reserves and falling on short term borrowing. 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.

The Group however reported a net current liability position. Measures put in place to mitigate this position are disclosed in note 38.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the Group'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 following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Group		**Contractual cashflows**			
2021	**Carrying amount GH¢'000**	**Total GH¢'000**	**6mths or less GH¢'000**	**612mths GH¢'000**	**Above GH¢'000**
Trade and other payables (Note 27)	92,140	92,140	91,140		-
Related party payables (Note 28)	166,804	166,804	166,804	-	-
Dividend payable (Note 29)	22,417	22,417	22,417	-	-
Bank overdraft (Note 22)	52,055	52,055	52,055	-	-
Lease liabilities (Note 17 iv)	176	176	176	-	-
Net exposure	**333,592**	**333,592**	**333,592**	**-**	**-**
2020					
Trade and other payables (Note 27)	103,244	103,244	103,244	-	-
Related party payables (Note 28)	149,385	149,385	149,385	-	-
Dividend payable (Note 29)	33,961	33,961	33,961	-	-
Bank overdraft (Note 22)	6,892	6,892	6,892	-	-
Lease liabilities (Note 17 iv)	1,511	1,511	729	616	166
Net exposure	**294,993**	**294,993**	**294,211**	**616**	**166**

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Notes to the financial statements (Continued)

c. Liquidity risk (cont'd)

Company

2021	Carrying amount GH¢'000	Total GH¢'000	6mths or less GH¢'000	612mths GH¢'000	Above GH¢'000
Trade and other payables (Note 27)	91,907	91,907	91,907	-	-
Related party payables (Note 28)	166,810	166,810	166,810	-	-
Dividend payable (Note 29)	22,284	22,284	22,284	-	-
Bank overdraft (Note 22)	52,055	52,055	52,055	-	-
Lease liabilities (Note 17 iv)	176	176	176	-	-
Net exposure	**333,232**	**333,232**	**333,232**	**-**	**-**
2020					
Trade and other payables (Note 27)	103,026	103,026	103,026	-	-
Related party payables (Note 28)	149,391	149,391	149,391	-	-
Dividend payable (Note 29)	33,828	33,828	33,828	-	-
Bank overdraft (Note 22)	6,892	6,892	6,892	-	-
Lease liabilities (Note 17 iv)	1,511	1,511	729	616	166
Net exposure	**294,648**	**294,648**	**293,866**	**616**	**166**

d. Capital management

The Group's objectives when managing capital are to safeguard the Group'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 Group may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Group 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 liabilities less cash and bank balances. The Group's adjusted net debts to equity at 31 December were as follows:

	Group		Company	
	2021 GH¢'000	2020 GH¢'000	2021 GH¢'000	2020 GH¢'000
Total liabilities	345,767	301,276	345,407	300,922
Less: cash and bank balances (Note 22)	(26,363)	(8,045)	(24,045)	(5,947)
Net debt	319,374	293,222	321,362	294,975
Total equity	**36,774**	**36,249**	**35,170**	**34,799**
Net debt to adjusted equity ratio	8.68	8.09	9.14	8.48

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

37. Segment Information of Group

Management has determined the operating segments based on the reports reviewed by the Executive Directors that are used to make strategic decisions. The Executive Directors consider the business from a product perspective. The accounting policies of the operating segments are the same. The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices. The Executive Directors assess the performance of the operating segments based on a measure of net profit.

Financial Statements

Notes to the financial statements (Continued)

The Group's reporting segments are based on products, namely Foods, Home Care and Personal Care. Under the Foods division are 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.

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2021 and 2020 are as follows:

Analysis by product divisions

	Foods		**Home Care**		**Personal Care**		**Total**	
Group	**2021 GH¢'000**	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**	**2021 GH¢'000**	**2020 GH¢'000**
Revenues	49,161	42,445	148,208	120,427	361,424	293,407	558,793	456,279
Cost of sales	(39,648)	(35,127)	(119,532)	(99,663)	(291,493)	(245,794)	(450,673)	(380,584)
Distribution cost	(1,527)	(1,634)	(4,604)	(4,637)	(11,234)	(11,297)	(17,365)	(17,568)
Brand & marketing investment	(4,130)	(2,968)	(12,453)	(8,422)	(30,387)	(20,520)	(46,970)	(31,910)
Administration expenses	(7,129)	(6,832)	(21,492)	(19,383)	(52,446)	(46,626)	(81,067)	(72,841)
Restructuring expenses	(53)	(200)	(161)	(568)	(393)	(1,382)	(607)	(2,150)
Impairment provision	139	2,203	419	6,250	1,024	15,017	1,582	23,470
Other income	803	282	2,422	799	5,909	2,172	9,134	3,253
Gain on disposal of tea business	29,950	-	-	-	-	-	29,950	-
Operating profit/loss	27,566	(1,831)	(7,193)	(5,197)	(17,596)	(15,023)	2,777	(22,051)
Unallocated Profit							205	199
Finance income	-	-	-	-	-	-	341	100
Finance costs	-	-	-	-	-	-	(2,922)	(5,608)
Profit/loss before taxation	27,566	(1,831)	(7,193)	(5,197)	(17,596)	(15,023)	401	(27,360)
Income tax	-	-	-	-	-	-	(51)	(22,830)
Profit/loss for the year	27,566	(1,831)	(7,193)	(5,197)	(17,596)	(15,023)	350	(50,389)
Property, plant and equipment	**11,535**	**12,627**	**34,774**	**35,825**	**84,857**	**87,099**	**131,166**	**135,551**

Financial Statements

Notes to the financial statements (Continued)

Reconciliation of information on reportable segment

Asset

	2021 GH¢'000	2020 GH¢'000
Consolidated property, plant and equipment	131,166	135,551
Unallocated amounts	251,375	201,965
	--------	--------
Total assets for reportable entities	**382,541**	**337,516**
	=======	=======

Geographical information
Revenue

In Ghana	555,303	453,191
Outside Ghana	3,490	3,088
	--------	--------
	558,793	**456,279**
	=======	=======

Non-current asset
In Ghana

Property, plant and equipment	131,166	135,551
Right-of-use asset	10,255	11,468
Unallocated amounts	24,492	24,559
	--------	--------
	165,913	**171,569**
	=======	=======

38. Going Concern Consideration
The Group's current liabilities exceeded its current assets by GH¢125 million (2020: GH¢ 133 million) In addition, the Group had a negative net cash and cash equivalents of GH¢ 26 million. A substantial part of the Group's current liabilities is due to its related parties. Unilever PLC, the ultimate parent company of Unilever Ghana PLC on behalf of itself, Unilever Overseas Holdings Limited and UAC International Limited have confirmed in a letter to the Company that they will not demand repayment of amounts due to them for one year from the date of signing the financial statements for the year ended 31 December 2021.

The Company has prepared a forecast for the next twelve (12) months which shows that the Company will have sufficient cashflows to finance future operations and return to profitability in the very near future. Management has further put in place measures to improve the Company's performance through increased marketing and brand visibility activities.

The Company also has financial arrangements with some of its bankers to support its operational activities.

Accordingly, the financial statements are prepared based on accounting policies applicable to that of a going concern. This basis assumes that cash flows arising from the normal course of business will be available to finance future operations of the Company and the realisation of assets and the settlement of liabilities would occur in the normal course of business.

39. Events After the Reporting Period
Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. The Company had no material subsequent events that required adjustments to or disclosure in the financial statements.

Analysis of Shareholding

The Company had 11,570 ordinary shareholders at 31 December 2021 with equal voting rights distributed as follows:

Holding 2021	No. of holders	Holders %	No. of shares	% of holdings
1 – 1,000	10,474	4.60	2,878,071	5
1,001 – 5,000	932	3.17	1,983,145	3
5,001 – 10,000	90	1.05	653,951	1
10,001 and over	74	91.18	56,984,833	91
	11,570	**100**	**62,500,000**	**100**

Holding 2020	No. of holders	Holders %	No. of shares	% of holdings
1 – 1,000	10,516	4.61	2,887,314	5
1,001 – 5,000	939	3.18	1,984,840	3
5,001 – 10,000	85	1.04	649,895	1
10,001 and over	89	91.16	56,977,951	91
	11,629	100	62,500,000	100

Directors' Shareholding

None of the Directors held shares in the Group at 31 December 2021.

20 Largest Shareholders at 31 December 2021

	No. of shares	% of holdings
UNILEVER OVERSEAS HOLDINGS LIMITED	31,562,545	50.50
UAC INTERNATIONAL LIMITED	14,999,955	24.00
KROHNE FUND LP	4,039,379	6.46
SOCIAL SECURITY & NATIONAL INS.TRUST	3,315,872	5.31
STAHL CHRISTOPH MICHAEL ROBERT	625,000	1.00
SCGN/ENTERPRISE LIFE ASSO.CO.	438,330	0.70
SCBN/SSB EATON VANCE TAX-MANAGED	249,000	0.40
HFCN/EDC GHANA BALANCED FUND LIMITED	112,695	0.18
SCGN/SCBM RE STANDARD CHARTERED BAN	97,236	0.16
SCGB/SSB &T AS CUS FOR BMO LLOYD	90,900	0.15
RAINBOW FUND L.P	72,600	0.12
CM FUND LIMITED	50,000	0.08
JAY KAY INDUSTRIES AND INVESTMENTS	50,000	0.07
STD BANK NOMS (TVL) PTY	50,000	0.07
SCBN/UNILEVER GHANA MANAGERS'	46,200	0.07
MR. AMOAKOH DIAMOND CASTRO H.	44,700	0.07
SCGN/ELAC SHAREHOLDERS FUND	41,800	0.06
ESTATE OF REXFORD KWASI ADU	39,175	0.06
SCBN/UNILEVER GHANA PROVIDENT FUND	38,000	0.06
MR. ADDISON EUGENE SAMUEL	37,084	0.0
Reported totals	**56,000,471**	**89.59**

Five-Year Financial Summary of The Company

Financial Position as at 31 December

	2017 GH¢'000	2018 GH¢'000	2019 GH¢'000	2020 GH¢'000	2021 GH¢'000
Employment of funds					
Property, plant and equipment	113,738	144,194	138,983	135,551	131,166
Right of use	-	-	13,422	11,468	10,255
Intangible assets	7	-	-	-	-
Investment in subsidiaries	10	10	10	10	10
Deferred tax asset	-	-	47,447	24,539	24,481
Current assets	354,876	582,286	289,317	164,154	214,665
	468,631	**726,490**	**489,179**	**335,721**	**380,577**
Employment of Funds					
Total equity	120,597	295,141	84,952	34,799	35,216
Deferred income tax	8,644	8,842	-	-	-
Employee benefit obligation	4,364	4,113	3,736	3,422	4,236
Long term lease liability	-	-	1,116	166	-
Current liabilities	335,026	418,394	399,375	297,334	341,171
Total liabilities and total equity	**468,631**	**726,490**	**489,179**	**335,721**	**380,577**
Capital expenditure	21,005	60,914	23,878	8,883	17,587
Depreciation and amortisation	9,705	9,533	8,574	11,425	12,119
Revenue	575,765	632,152	333,290	456,279	558,793
Profit/(loss) after tax	48,149	190,825	(160,316)	(50,389)	196
Final dividend declared	-	(50,000)	-	-	-
Profit/(loss) retained in the year	**48,149**	**140,825**	**(160,316)**	**(50,389)**	**196**


REXONA ANTIBACTERIAL PROTECTION
Rexona
antibacterial protection
10x
10x
more protection against odour-causing bacteria
*when used after bathing with regular soap

Proxy Form

Serial No.

<table>
<tr><td>48th Annual General Meeting To Be Held VIRTUALLY and streamed live on http://ulghagm.com/ from Unilever Ghana PLC, No. Ind/A/3A-4, Heavy Industrial Area, Tema on Thursday, May 26 2022 at 10:00am for the following purposes:</td><td>For Company's Use</td><td colspan="3">No. of Shares</td></tr>
<tr><td rowspan="2">I/We ....
(Insert full name)</td><td>RESOLUTION</td><td>FOR</td><td>AGAINST</td><td>ABSTAIN</td></tr>
<tr><td>To re-elect Mrs Angela Peasah as a Director</td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">of ....
(Insert full address)</td><td>To re-elect Mr. Priyadharshana Ekanayake as a Director</td><td></td><td></td><td></td></tr>
<tr><td>To re-elect Mr Philip Sowah as a Director</td><td></td><td></td><td></td></tr>
<tr><td rowspan="3">being a member(s) of Unilever Ghana PLC, hereby appoint

....
(insert full name)</td><td>To approve Directors' Fees</td><td></td><td></td><td></td></tr>
<tr><td>To authorise the Directors to fix the Remuneration of the Auditor.</td><td></td><td></td><td></td></tr>
<tr><td colspan="4">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="5">Dated this ....day of May, 2022.</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 send via email to registrar.services@myumbbank.com or deposit it at the Registered Office of the Registrars of the Company, Universal Merchant Bank Limited, not less than 48 hours before the Meeting.


Lifebuoy
Unilever
FIGHTS 99.9% OF GERMS*
New
Lifebuoy
germ protection handwash
Herbal
ACTIV SILVER FORMULA
Lifebuoy
germ protection handwash
Total 10
ACTIV SILVER FORMULA
NEW
Lifebuoy
Total 10
NEW
Lifebuoy
Herbal
NEW
Lifebuoy
Lemon Fresh
*As per lab test

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