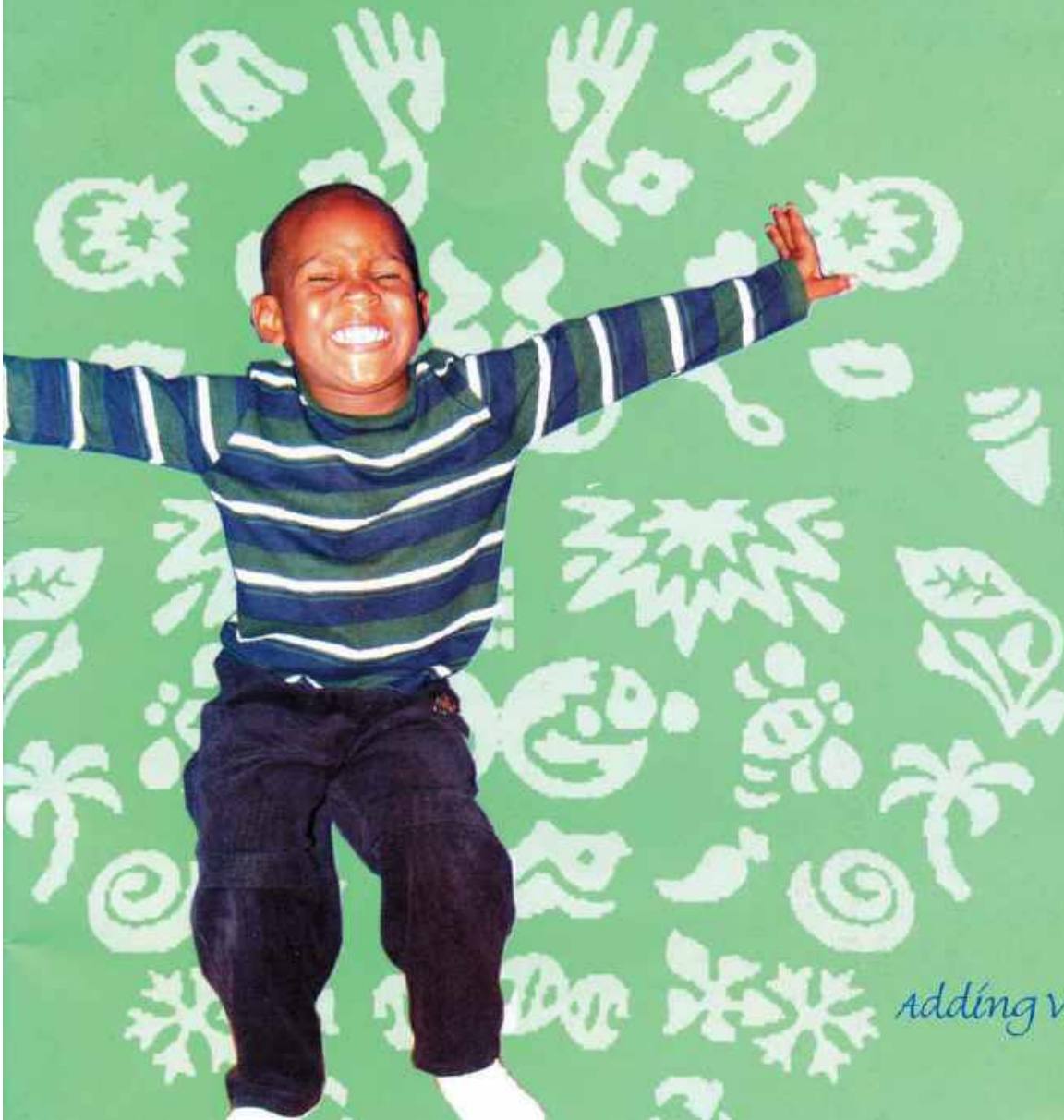




Unilever

Unilever Ghana Limited

2006 Annual Report & Financial Statements



Adding Vitality To Life



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Registered Office

Tema Factory
Ind/A/2/3A-4,
P.O. Box 721, Tema

Registrars

Merchant Bank Ghana Limited
57 Examination Loop, North Ridge
P.O. Box 401, Accra-Ghana

Auditors

PricewaterhouseCoopers,
Chartered Accountants
No. 12, Aviation Road
Una Home, 3rd Floor
Airport City
PMB CT 42, Cantonments,
Accra- Ghana



CURRENT BOARD OF DIRECTORS



I.E. YAMSON
Chairman



C.A. COFIE
Chief Executive Officer



E. K. IDUN
Finance Director



A.Y.O. NSARKOH
Marketing Director



K.O. BOATENG
Supply Chain Director



E.T. ASANTE
Customer Development
Director



P.B. SYKES
Human Resource Director



A. LOKKO
Non-Executive Director



FA. MANU (PROF)
Non-Executive Director



J. N-A. HYDE
Non-Executive Director



A. ODURO ASANTE
Company Secretary





Unilever
Unilever Ghana Limited

Group Financial Highlights

(All amount are expressed in millions of cedis)



	Company			Group		
	2006	2005	% Change	2006	2005	% Change
Turnover	1,164,180	1,019,871	14.1	1,187,124	1,035,247	14.7
Operating profit	100,508	65,224	54.1	113,062	67,394	67.8
Profit before tax (PBT) and national reconstruction levy (NRL)	116,818	105,869	10.3	129,359	105,012	23.2
Minority Interest	-	-	-	9,311	7,786	19.6
Net profit attributable to members of the company	86,863	96,987	(10.4)	88,560	91,862	(3.6)
Operating cashflow	159,761	23,035	593.6	185,486	46,924	295.3
Shareholders' funds	281,939	266,778	5.7	285,291	268,433	6.3
Capital expenditure	51,407	29,197	76.1	67,293	46,771	43.9
Earnings per share (¢)	1,390	1,552	(10.4)	1,417	1,470	(3.6)
Dividend per share (¢)	1,050	896	17.2	1,050	896	17.2
Net assets per share (¢)	4,769	4,544	5.0	6,249	5,923	5.5
PBT & NRL margin (%)	10.0	10.4		10.9	10.1	
Net profit margin (%)	7.5	9.5		8.2	9.6	





Notice is hereby given that the next Annual General Meeting of the Members of Unilever Ghana Limited will be held at the Accra International Conference Centre, Accra on Tuesday 10th April, 2007 at 11.00 a.m. for the following purposes:

AGENDA

1. To receive the Report of the Directors, the Balance Sheet as at 31st December, 2006 together with the Accounts for the year ended on that date and the Report of the Auditors thereon.
2. To declare a Dividend.
3. To re-elect Directors.
4. To approve the terms of appointment of managers.
5. To approve Directors' fees.
6. To fix the remuneration of the Auditors.

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

Dated this 9th day of March, 2007

By Order of the Board



AFUA ODURO ASANTE (MS)
SECRETARY

Registered Office

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

Dividend Warrants

If the payment of the dividend recommended is approved, the warrants will be posted on the 7th day of May, 2007 to the holders of shares whose names are registered in the Register of Members on the 2nd day of April, 2007.

Board of Directors & Secretary

I.E. Yamson, Chairman; C.A. Cofie, CEO; E. T. Asante, K. O. Boateng; J. N-A Hyde; E. K. Idun A. Lokko (Ms); F.A. Manu; A. Y. O. Nsarkoh, P. B. Sykes.
Afua Oduro Asante (Ms) Secretary.

Board Audit Committee

Aurore Lokko (Ms), J. N-A Hyde, E. K. Idun and F. A. Manu.

Registrars Office

Merchant Bank Ghana Ltd, Registrars Department, 57 Examination Loop, North Ridge, P. O. Box 401, Accra, Ghana





Introduction And Business Performance

2006 marked an important milestone towards recovery. Our twin objectives of achieving growth with profitability were achieved. Turnover grew by 14.7% and we continued to strengthen profitability, improving operating profit by 67.8% against prior year.

We made major investments in our foods factory and improved our ability to support our brands through strong cash flow generation. Against the background of the competitive environment, I believe we continue to travel on the road towards full recovery.

Economic Review

The Government continued to implement its economic policy through the Ghana Poverty Reduction Strategy II (GPRS II), with the key thrust being economic stability. Initial indications are that a GDP growth rate approximating 6% will be achieved, led by strong growth in the agricultural sector and in particular cocoa. The services sector also experienced strong growth driven by telecommunications, construction, transport and tourism. The manufacturing sector however continued to suffer on the back of over liberalised imports and a strong exchange rate, which impaired growth opportunities for exporters. The energy crisis compounded the manufacturing sector's problems as industry resorted to expensive energy sources. High gold prices continued to attract investments in the mining sector. The Government's target of achieving single digit inflation proved elusive again as the year ended with inflation at 10.5%, yet this represents a strong performance. The higher levels of inflation could be attributed to high international oil prices, which in turn drove local petroleum prices and energy costs upwards.

Stable exchange rates contributed to lower inflation rates, but eroded the competitiveness of the export sector and indirectly acted as a subsidy to importers. Conversely imports rose significantly. Major increases in inward remittances however, minimised the adverse impact on the current account.

Dividends

We have frozen dividends at ¢896 per share since 2003 to help us conserve cash for investment and to support a major realignment of the business to market operating realities. Whilst our recovery is not complete, we recognise that our shareholders deserve a fair return on investment and this is something at the top of our minds at all times. In this regard, your Board is recommending a dividend of ¢1,050 or a total payout of ¢65.625bn, representing an increase of 17.2% over 2005 and 73.3% of profit attributable to members of the Company. Our proposal aligns with our stated aim of paying dividends at sustainable levels.

Board Changes

Since our last Annual General Meeting, Mr Ato Ampiah, (a Non-Executive Director) and Ms Jeni Hall (Marketing Director) have retired from the Board. We wish to put on record our appreciation to Mr Ampiah and Ms Hall for their dedicated service. We welcome to the Board, Messrs Ebenezer Asante and Yaw Nsarkoh who occupy the positions of Customer Development Director and Marketing Director respectively, to the Board.

PROFILES OF THE TWO NEW DIRECTORS

Mr Ebenezer Twum Asante

Mr Asante is the Customer Development Director. He began his career with Unilever Ghana Limited in 1995 as a management trainee and moved on to become the Key Account Manager responsible for rolling out and managing 5 Key Distributors' accounts in 1997. In 2000, Mr Asante went on an attachment to Hindustan Lever Limited, India where he was exposed to customer management, channel development/strategy and sales/marketing activation. He returned to Unilever Ghana Limited and distinguished himself in the Customer Development Department and was appointed the Country Manager of Unilever Zambia Limited in 2005. Mr Asante was appointed to his current position as the Customer Development Director for Unilever Ghana Limited in July 2006.

Mr Alfred Yaw Oduro Nsarkoh

Mr Nsarkoh is the Marketing Director of Unilever Ghana Limited. Mr Nsarkoh joined Unilever Ghana Limited as a management trainee in 1993 and worked in the Supply Chain Department initially as a Shift Manager and then as Production Manager in the Foods Factory until 1998 when he moved to the Marketing Department as the Brand Manager for culinary products. He then worked as Marketing Manager for the Foods and Home and Personal Care businesses until 2004 when he was appointed to Unilever South Africa as the Omo Regional Brand Manager for Africa. He was based at the Laundry Regional Innovation Centre in Durban, South Africa until he was appointed to his current position as the Marketing Director in July 2006.

Corporate Governance

There have been no major changes in the governance structure of the business.

Looking Forward To 2007

Having made further progress on our road to recovery, the challenges of the market place remain even more challenging than before. We have confidence in our strategies, brands and people as we go forward into 2007.





INTRODUCTION

We promised in our 2006 outlook to focus our attention on the profitability of our brands and ensure that the benefits of the continuing restructuring translated into improved returns to our shareholders. Our performance in 2006 confirms that our strategies to turn the business around are correctly aligned, and are beginning to deliver results.

For the first time in three years, we have increased our dividend payout to €1,050 per share representing an increase of 17.2%. The increased dividend reflects the stronger performance of the underlying business, which is manifested in the return of the business to sustainable growth, improving operating profits and margins and stronger cash flows.

In 2006, we sustained our implementation of the vitality strategy. In this light, we continued to make major investments in our factory, people, processes and systems.

OPERATING REVIEW

Highlights

Unilever Ghana achieved sales of €1.2 trillion. Turnover grew by 14.7% and reflects a real underlying volume growth of 10.7%. This performance is commendable particularly viewed in the context of the dynamics of the market, already characterised by price cutting, particularly from imports. Our export business continued to make a significant contribution to the total business and exports now represent 10.5% of our total turnover. Both our HPC and Foods categories continued to demonstrate good growth potential.

Group operating profit improved against prior year by 67.8% whilst operating margins moved to 9.5%, representing an improvement of 300 basis points. The significant decline in income from asset disposals and higher tax charges dampened the positive impact of the excellent growth in operating profits, leading to a marginal decline versus prior year in profit after tax.

We ended the year with strong cash flows.

Home And Personal Care Division

Turnover for our Home and Personal Care category recorded an underlying sales growth of 16.8%. Most of the growth came through volume increases of 12.1%, with 4.2% being attributable to price. Our Oral category featuring the Close-Up and Pepsodent brands, were the star performers of the category achieving sales growth of 32.8%, which was almost entirely driven by volume growth.

Household care also performed well, delivering growth of 30.1%. Our large HPC product groups of laundry and skin cleansing, representing 72.5% of the category's turnover, continued to grow at acceptable high single digit rates. Achieving acceptable levels of price growth in the category remained a major challenge particularly in view of rising costs ahead of local inflation rates for palm oil, petroleum based ingredients and packaging materials. Our only option was to focus hard on reducing production and operating costs. This yielded positive results and improved operating margins to 11.3% from 2005's 7%. These margin improvements were achieved across board in all product groups within both the Home Care and Personal Care categories. The major driver for margin improvement came from Personal Care. We continued to command very significant market shares in both the Home Care and Personal Care categories.

Foods Division

Foods Division achieved an underlying sales growth of 11% driven mainly by real volume growth. The competitive market situation, an aspect of which was price cutting, was fiercest in the Foods category, particularly in Oils and specifically Frytol, where prices fell generally below 2005 levels. In spite of this adverse market characteristic, good growth rates were achieved for all product groups in the category. Cooking Oils, Tea and Culinary achieved real underlying growth rates of 16.6%; 35.6%; and 11.7% respectively.

The performance of Tea is significant since it represents a high value and margin product in a generally low margin category. We made major investments in Spreads and Bakery, investing a total of €50bn to make capacity, quality and pack size changes in our Foods factory.





This investment will form the basis for our rapid expansion in Spreads and Bakery and will also allow us to grow our export potential. As a result of the work undertaken through most of 2006, volume sales of Spreads and Bakery were constrained to levels below prior year.

High world palm oil prices posed a considerable challenge for margins in our Foods categories. Through a double edged action of focus on cost reduction and product sales mix improvement, margins edged up in most product groups within the category. The vigorous price war in the refined oils market, in addition to the relatively large size of our oils brands within our Foods portfolio, (44% of turnover) impacted adversely on the total operating margins in the category, which remained in the low single digits. We expect major margin improvements in the category following completion of the Foods factory upgrade and we are committed towards driving forward, a favourable mix change in the Foods category.

Plantations

Production volumes generally remained flat against prior year as more acreage of land came under replanting. Greater focus was put on effective agronomic practices and factory efficiencies to minimise the fixed cost base of the Plantation. The Third Party facility for processing Palm Kernel into Palm Kernel Oil came fully on stream and PKO output increased significantly. Overall profitability improved.

Swanzy Real Estates

We continued to generate good cash flows from asset remnants to support our investment funding requirements for the core business.

FINANCIAL REVIEW

Operating Profit

We made further progress in our goal towards raising margins as a catalyst for delivering shareholder value. Operating margin at 9.5% represented a 300 basis points improvement over prior year. Operating profit at €113.1bn represented a growth of 67.8% versus prior year. Although cost of sales (raw material and production costs) growth rate of 17.1% was ahead of the sales growth rate, the potential adverse impact of this on margins was minimised by a major reduction of 17.4% in selling, general and administrative expenses, mainly as a result of the focus on cost reduction and the benefits of restructuring beginning to crystallise.

Other Income

Continuing asset disposals generated €18bn in 2006 versus €63.4bn in prior year.

Financial Charges

Financial charges at €1.7bn reflected higher cash funding to fuel sales growth and lower disposal proceeds to support capital expenditure. The gap was funded with short term borrowings.

Profit Before Tax

Strong growth in operating profits mainly accounts for the growth of 23.2% in profit before tax.

Taxation

The year's tax charge of €31.5bn reflects an effective tax rate of 24.3%. This rate also represents a return to a normal tax and profit before tax relationship as the business begins to derive all or most of its profits from the underlying core business.





Profit After Tax

Profit after tax of €97.9bn marginally declined against prior year's €99.6bn. Despite this marginal decline, we believe that this represents a good performance and shows that the core business is capable of compensating quickly for the loss of profits from disposals which have represented a significant proportion of the business's profits in the last few years. The ability of the business to compensate for the loss of profits from asset sales and the strong growth in underlying profitability also supports the strategic direction of asset disposals and reinvestment into the core business. The restructuring exercises undertaken in 2004 and 2005 are also now yielding positive benefits.

Cash Flow

Strong underlying operating profit growth contributed by a large measure to the three fold growth in cash generated from operations which increased to €185.5bn versus prior year's €46.9bn. Other critical drivers of the strong cash flow included the lower working capital, which generated a positive cash inflow of €51.9bn due to lower inventories and debtors and creditors funding. The stronger cash inflows from operating activities were partially offset by higher tax payments, higher capital expenditure and lower asset disposal proceeds.

We ended the year with a net increase in cash and cash equivalents of €67.3bn.

Contribution To Society

Engaging with the community continued to play a central role in the business during 2006. We spent a total of €4.1 billion on various engagements in the communities. Through our central themes of Education, Health, Hygiene and Good Nutrition, our community projects across the length of Ghana benefited over 102,000 Ghanaians including University students and school children.

Our flagship community project under the Unilever Ghana Foundation for Education and Development was the construction of potable water for six deprived communities in the Northern, Upper East and Upper West regions. Through these projects, a total population of 5,989 in those communities will now be enjoying potable water for the first time.

Thank You To Our Employees

2006 has seen the achievement of results which have been hard fought for in a difficult market. The commitment to success of our employees has been the key in achieving these results. We wish to take this opportunity to thank our employees for their contribution, and trust we can count on their continued support going into the future.

2007 Outlook

In our last annual review, we set our sights on returning to strong profitability. We have made good progress towards this objective in 2006. In 2007, we will intensify our efforts to fully realise this goal by accelerating growth, improving our product mix portfolio, continuing to cut unproductive costs out of the business with the ultimate objective of improving returns to our shareholders.





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 behavior. 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 striven 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.



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 six (6) full time executive and four (4) non-executive directors one of whom is the Chairman of the Board. The non-executive directors are the principal external presence in the governance of Unilever Ghana Limited and provide a strong independent element. The Board meets at least four (4) times a year to deliberate on, Corporate strategy and implementation, approval of Annual Report and Accounts and recommendation of dividends, amongst other things.

All directors with the exception of the CEO 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 two main committees; the Executive Committee, which in turn works through other sub-committees to oversee specific important functions; and the Audit Committee.

The Executive Committee

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 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.

The Audit Committee

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

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 organisational structure, and Board authorities are delegated to middle and lower level management in line with delegated responsibilities as defined by the said structure.

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

Code of Business Principles.

Unilever has a documented code of business principles to guide all employees and business partners in the discharge of their duties. This code sets the standard of professionalism and integrity required for business operations which among other things cover the following areas: compliance with the law, conflicts of interest, acquisition of company shares, public activities, product assurance, environmental management, accuracy and reliability of financial reporting, bribery, etc, and procedures for handling instances of non-compliance.





Membership Of Audit Committee Of The Board

The Unilever Ghana Audit Committee is comprised of all the non executive Directors (except the Chairman of the Board) and the Finance Director. The Committee is chaired by Ms A. Lokko who has a background in accounting, finance and audit. The Unilever Audit Manager is always in attendance and from time to time the external auditors, PWC, are also invited to make presentations to the Committee.

Role Of The Audit Committee

The Audit Committee meets to review:

- The financial performance of the company;
- The adequacy of the plan of internal audit;
- Current statutory and internal audit reports;
- The adequacy of internal controls;
- The degree of compliance to laid down policies, laws, code of ethics and business practices of the company; and
- Compliance with and status of deficiencies under section 404 of the Sarbanes Oxley Act.

Summary Of The Audit Committee's Activities In 2006

In 2006, the Unilever Ghana Audit Committee met four times on:

January 24, 2006, February 24, 2006, July 13, 2006 and October 12, 2006.

Review Of The Financial Performance Of The Company.

At the January 24, 2006 meeting, the Committee reviewed the financial performance of the company for the financial year ended 2005 and also made recommendations on the possible dividend payout for the year.

At all the Committee meetings, the company's financial performance was presented and discussed.

Internal Audit

The Committee reviewed the internal audit plan for 2006 at the beginning of the year and was updated at all subsequent meetings on the activities of the internal audit team including the status of the Operational Control Assessment (OCA) exercise, the Entity Level Assessment (ELA), the internal audits carried out by the team and the corporate risk matrix.

The main internal audit highlights were as follows:

1. The company's risk profile assessment for 2006/2007 was completed and the remedial/preventative actions taken were presented to the audit committee.
2. The Operational Control Assessment for 9 key company processes was completed and this involved three key stages namely:
 - i) The identification of the key risks that the company is exposed to;
 - ii) The assessment of the design adequacy and operational effectiveness of internal controls which have been put in place to mitigate the risks, and formulating action plans to remedy situations where gaps have been identified; and
 - iii) The independent challenge of the quality of the process used in the risk-control assessment.
3. The Entity Level Assessment (ELA) was completed. The assessment involved inter alia a review of Unilever Ghana Ltd.'s leadership teams, annual/strategic plan, business risk assessment, monthly rolling forecast process, and analysis of results versus the prior year's forecast. It also reviewed the company's compliance with its Code of Business Principles and the operation of the "whistle blowing" hotline.
4. The Internal Audit team completed the audits as per their 2006 audit plan.

External Audit

At the January 24, 2006 meeting, the external auditors, PWC, reported on their audit of Unilever Ghana's accounts for the financial year ending December 31, 2005 and also presented their audit findings and recommendations following the audit.

At the October 12, 2006 meeting, PWC furnished the Committee with a copy of their draft audit plan for the 2006 financial year end and took the Committee through the plan which included the objectives of the audit, fraud risk, the audit approach, risk analysis and audit scope and the details on the reporting timetable for the 2006 audit.





The Directors have pleasure in submitting to the Members the Profit and Loss and Income Surplus Accounts of the Group for the year ended 31st December 2006 and the Balance Sheet of the Group as at that date.

The net profit for the year attributable to Members of the company is €88.6 billion for the year against €92 billion for 2005.

The Directors have decided to recommend to Members the payment of a Dividend of €1050 per share.

The Directors wish to inform Members that since the last Annual General Meeting, Ms J. J Hall, who was the Marketing Director and Mr A. Ampiah, a non-executive Director, have resigned from the Board of Unilever Ghana Limited.

Mr. Ebenezer Twum Asante, the Customer Development Director, and Mr Alfred Yaw Oduro Nsarkoh, the Marketing Director, have been appointed by the Board in succession to Ms J. J Hall and Mr A. Ampiah. These changes, it is believed, will enhance and ensure the smooth running of your company.

In accordance with the Regulations of the Company and the Stock Exchange Listing Regulations, Messrs. Ebenezer Twum Asante and Alfred Yaw Oduro Nsarkoh will retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Directors to retire by rotation in accordance with the Regulations of the Company are Ms A. Lokko and Mr P. B. Sykes all of whom offer themselves for re-election.

In accordance with the Companies Code, 1963, Act 179, the Directors' report that on 31st December 2006:

- (a) Swanzy Real Estate Limited was a subsidiary of the Company. The company did not trade during the 2006 financial year.
- (b) The Company was beneficially entitled to equity shares conferring the right to exercise more than 25% of the votes exercisable at General Meetings of United Africa Trust Limited, a company incorporated in Ghana. United Africa Trust Limited operated during that financial year as Trustee of a Pension Fund and Provident Fund for employees of the Company and its associates, but has itself neither income nor expenditure.
- (c) The Company was beneficially entitled to equity shares conferring the right to exercise more than 25% of the votes exercisable at General Meetings of Twifo Oil Palm Plantations Limited, a Company Incorporated in Ghana.
- (d) The Company was beneficially entitled to equity shares conferring the right to exercise more than 25% of the votes exercisable at General Meetings of Benso Oil Palm Plantation Limited, a Company incorporated in Ghana.

The Company is a subsidiary of Unilever Overseas Holdings Limited, UAC International Limited and C.W.A. Holdings Limited, companies wholly owned by Unilever PLC and incorporated in England.

In accordance with Section 134(8) of the Companies Code, 1963, PricewaterhouseCoopers continue in office as Auditors of the Company.

BY ORDER OF THE BOARD



Chairman


Chief Executive Officer



The directors are responsible for the preparation of consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss and cash flows for that period. In preparing these consolidated financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed Ghana Accounting Standards.

The directors are responsible for ensuring that the group keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the group. The directors are also responsible for safeguarding the assets of the group and taking reasonable steps for the prevention and detection of fraud and other irregularities.



Chairman
I. E. Yamison

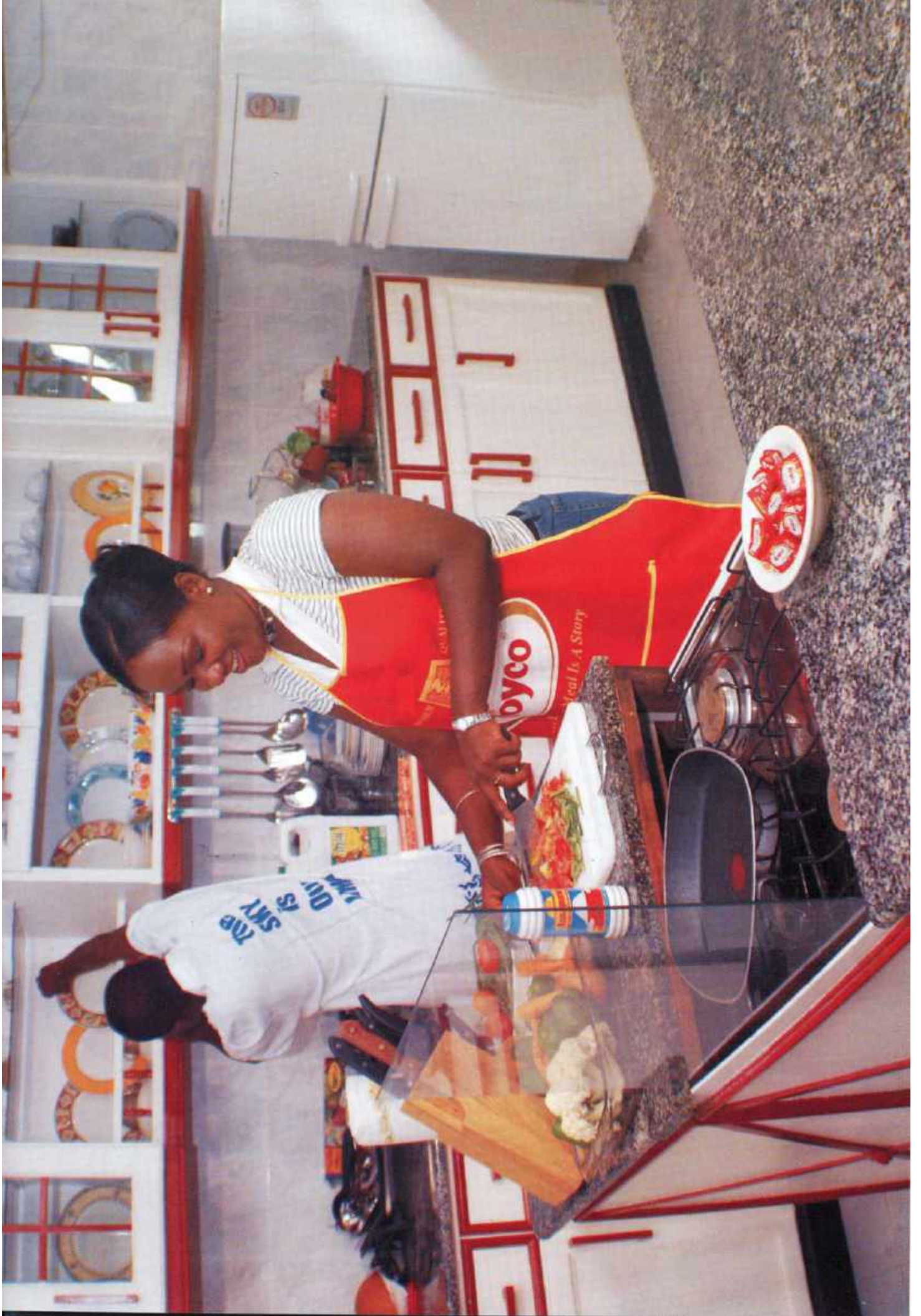


Chief Executive Officer
C. A. Cofie



Finance Director
E. K. Idun







Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Unilever Ghana Limited and its subsidiaries (group) set out on pages 15 to 31. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2006 and the consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Consolidated Financial Statements

As stated on page 12, the directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Ghana Accounting Standards and with the requirements of the Ghana Companies Code, 1963 (Act 179). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the state of the financial affairs of the group at 31 December 2006 and of its profit and cash flows for the year then ended in accordance with Ghana Accounting Standards and comply with the Ghana Companies Code, 1963 (Act 179).

Report on other legal requirements

The Ghana Companies Code, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the group, so far as appears from our examination of those books; and
- iii) the group's balance sheet and profit and loss account are in agreement with the books of accounts.


Chartered Accountants
Accra
19 February, 2007



Consolidated Profit and Loss Account for the year ended 31 December 2006

(ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF CEDIS)



Company		Notes	Group	
2006	2005		2006	2005
1,164,180	1,019,871		1,187,124	1,035,247
(1,063,672)	(954,647)		(1,074,062)	(967,853)
(940,217)	(800,641)		(932,935)	(796,982)
(123,455)	(154,006)		(141,127)	(170,871)
100,508	65,224		113,062	67,394
-	(23,419)		-	(24,501)
100,508	41,805		113,062	42,893
19,055	67,467		18,027	63,384
119,563	109,272		131,089	106,277
(2,745)	(3,403)		(1,730)	(1,265)
116,818	105,869		129,359	105,012
(29,955)	(7,294)		(31,488)	(3,596)
-	(1,588)		-	(1,768)
86,863	96,987		97,871	99,648
-	-		(9,311)	(7,786)
86,863	96,987		88,560	91,862

Company	
2006	2005
208,636	167,649
86,863	96,987
(65,625)	(56,000)
229,874	208,636

Income surplus account for the year ended 31 December 2006

Balance at 1 January	
Net profit for the year	
Dividend proposed	9
Balance at 31 December	

Group	
2006	2005
210,291	174,429
88,560	91,862
(65,625)	(56,000)
233,226	210,291

The accounting policies and notes on pages 19 to 31 form an integral part of these consolidated financial statements.





Company			Group	
2006	2005		2006	2005
		Funds employed		
9,900	9,900	Stated capital	9,900	9,900
41,353	47,430	Capital surplus	41,353	47,430
229,874	208,636	Income surplus account	233,226	210,291
812	812	Share deals account	812	812
<u>281,939</u>	<u>266,778</u>	Shareholders' funds	<u>285,291</u>	<u>268,433</u>
16,137	17,221	Deferred liabilities	16,137	17,221
-	-	Minority interest	89,137	84,561
<u>298,076</u>	<u>283,999</u>		<u>390,565</u>	<u>370,215</u>
		Employment of funds		
201,088	173,066	Property, plant and equipment	337,889	306,305
-	-	Goodwill	37,391	39,743
128,987	128,987	Investments	1	1
<u>225,251</u>	<u>223,085</u>	Current assets	<u>266,904</u>	<u>269,372</u>
119,090	149,109	Inventories	135,502	168,306
32,315	40,303	Trade and other receivables	42,935	47,978
-	828	Tax	-	12,005
73,846	32,845	Cash and bank balances	88,467	41,083
(257,250)	(241,139)	Current liabilities	(251,620)	(245,206)
(150,898)	(137,711)	Trade and other payables	(153,803)	(139,670)
(5,136)	(4,430)	Dividend payable	(5,136)	(4,430)
(65,625)	(56,000)	Dividend proposed	(65,625)	(56,000)
(11,569)	-	Tax	(1,907)	-
(373)	(373)	National reconstruction levy	(234)	(234)
(23,649)	(42,625)	Bank overdrafts	(24,915)	(44,872)
<u>(31,999)</u>	<u>(18,054)</u>	Net current (liabilities)/ assets	<u>15,284</u>	<u>24,166</u>
<u>298,076</u>	<u>283,999</u>	Net assets	<u>390,565</u>	<u>370,215</u>

The consolidated financial statements on pages 15 to 31 were approved by the Board of Directors on 29th January, 2007 and were signed on its behalf by:


Chief Executive Officer
C. A. Coffie


Finance Director
E. K. Idun

The accounting policies and notes on pages 19 to 31 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity for the year ended 31 December 2006

(ALL AMOUNTS ARE EXPRESSED IN MILLIONS OF CEDIS)



Company	Stated capital	Capital surplus	Income surplus	Share deals	Total
Year ended 31 December 2006					
Balance at 1 January 2006	9,900	47,430	208,636	812	266,778
Net profit	-	-	86,863	-	86,863
Adjustment	-	803	-	-	803
Release on disposal	-	(6,880)	-	-	(6,880)
Dividend proposed for 2006	-	-	(65,625)	-	(65,625)
Balance at 31 December 2006	9,900	41,353	229,874	812	281,939
Company					
Year ended 31 December 2005					
Balance at 1 January 2005	9,900	83,062	167,649	812	261,423
Net profit	-	-	96,987	-	96,987
Release on disposal	-	(34,972)	-	-	(34,972)
Impairment of fixed assets	-	(660)	-	-	(660)
Dividend proposed for 2005	-	-	(56,000)	-	(56,000)
Balance at 31 December 2005	9,900	47,430	208,636	812	266,778
Group					
Year ended 31 December 2006					
Balance at 1 January 2006	9,900	47,430	210,291	812	268,433
Net profit	-	-	88,560	-	88,560
Adjustment	-	803	-	-	803
Release on disposal	-	(6,880)	-	-	(6,880)
Dividend proposed for 2006	-	-	(65,625)	-	(65,625)
Balance at 31 December 2006	9,900	41,353	233,226	812	285,291
Group					
Year ended 31 December 2005					
Balance at 1 January 2005	9,900	83,062	174,429	812	268,203
Net profit	-	-	91,862	-	91,862
Release on disposal	-	(34,972)	-	-	(34,972)
Impairment of fixed assets	-	(660)	-	-	(660)
Dividend proposed for 2005	-	-	(56,000)	-	(56,000)
Balance at 31 December 2005	9,900	47,430	210,291	812	268,433

The accounting policies and notes on pages 19 to 31 form an integral part of these consolidated financial statements.





Company				Group	
2006	2005		Notes	2006	2005
159,762	23,035	Cash flows from operating activities		185,486	46,924
715	625	Cash generated from operations	22	1,923	3,092
(3,460)	(4,028)	Interest received		(3,653)	(4,357)
(15,991)	(9,505)	Interest paid		(16,009)	(9,546)
-	(1,670)	Tax paid	6	-	(2,491)
141,026	8,457	National reconstruction levy paid	7	167,747	33,622
		Net cash from operating activities			
		Cash flows from investing activities			
(51,407)	(29,197)	Purchase of property, plant and equipment	15a & 15c	(67,293)	(46,771)
22,569	69,145	Proceeds from sale of property, plant and equipment	15b & 15d	26,916	75,269
3,083	7,386	Dividend received		-	-
(25,755)	47,334	Net cash generated from/(used in) investing activities		(40,377)	28,498
		Cash flows from financing activities			
(55,294)	(79,702)	Dividend paid to members of the company	10a & 10b	(55,294)	(79,702)
-	-	Dividend paid to minority interest	10b & 14	(4,735)	(9,853)
(55,294)	(79,702)	Net cash used in financing activities		(60,029)	(89,555)
59,977	(23,911)	Increase/(decrease) in cash and cash equivalents		67,341	(27,435)
(9,780)	14,131	Cash and cash equivalents at beginning of year		(3,789)	23,646
50,197	(9,780)	Cash and cash equivalents at end of year	23	63,552	(3,789)

The accounting policies and notes on pages 19 to 31 form an integral part of these consolidated financial statements





The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Ghana Accounting Standards and under the historical cost convention except as disclosed in the accounting policies below.

2 Group accounting

Subsidiary undertakings, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has both equity and power to exercise control over the operations, are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Presentation of minority interest on the face of the balance sheet includes unpaid and proposed minority dividend.

3 Property, plant and equipment

Land and buildings (except for investment property) comprise mainly factories and offices. These are shown at cost or valuation less depreciation and impairment.

Plant and machinery as well as plantations are shown at cost or valuation less depreciation.

- l) Depreciation is calculated on a straight-line basis to write off the cost of each asset, or its revalued amounts, to their residual values over their estimated useful lives as follows:

Buildings	2.5%
Plant and machinery	7.0%
Furniture, equipment and motor vehicles	25.0%
Computers	20.0%
Plantations	4.50%

Leasehold land is amortised over the lease period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in other income. On disposal of revalued assets, the revaluation surplus is transferred to the consolidated profit and loss account.

4 Leases

Leases, where a significant portion of risk and rewards are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated profit and loss account on a straight line basis over the period of the lease.

5 Investment property

Investment property, comprising residential and commercial buildings, are held for rental yields and consequently are not occupied by the group. Following group decision to exit from real estate business, upward adjustment of carrying amounts to open market valuation is no longer done for prudence reasons. However, in instances where the open market valuation is lower than the carrying amount, the resultant impairment is recognised immediately.

6 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiary undertakings is included in intangible assets. Goodwill is amortised using the straight-line method over its estimated useful life, not exceeding a maximum period of 20 years.

7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the standard costing method. Where actual costs differ from standard costs, variances arising are recognised in the profit and loss account immediately. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.





Unilever
Unilever Ghana Limited

Accounting policies



8 Trade receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

9 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated balance sheet at cost. For purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

10 Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The principal temporary differences arise from depreciation on property, plant and equipment. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

11 Long-term employee benefits

a. Pension obligations

The group operates a funded defined benefit scheme. The pension plans are funded by contributions from both employees and by the relevant group companies, taking account of the recommendations of independent qualified actuaries.

For defined benefit plans, pension costs are assessed under the going concern approach using the projected unit actuarial cost method. Allowance is made for future increases in pensionable pay as well as pension increases.

The group's contributions to defined contribution pension plans are charged to the income statement in the period to which the contributions relate.

Apart from company contributions that have been charged to consolidated profit and loss account, for prudence credits representing excess of plan assets over deferred liabilities, have not been taken up in the consolidated financial statements.

b. Other post-retirement obligations

The group also provides ex-gratia pensions for ex-employees of Unilever Ghana Limited who retired, or were close to retirement age prior to the formation of the funded defined benefit scheme. The entitlement to these benefits was based on the employee remaining in service up to retirement age, having completed a minimum service period. The resultant deferred obligation is recognised at valuation advised by independent qualified actuaries

12 Revenue recognition

Sales are recognised upon dispatch of products. Sales are shown net of discounts, VAT and after eliminating sales within the Group.

Other revenues earned by the Group are recognised on the following bases:

Rental income - on an accrual basis.

Interest income - on an accrual basis.

Dividend income - when the Group's right to receive payment is established.

13 Foreign currency

Transactions in foreign currencies during the year are converted into cedis at prevailing rates at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into cedis at rates of exchange ruling at that date. The resulting gains/losses are dealt with in the consolidated profit and loss account.

14 Dividend proposed

"Dividend proposed" represents dividend to be approved at the Annual General Meeting.





1. Turnover

Turnover comprises the value of goods and services invoiced to third parties less VAT, discounts, commissions returns and allowances.

Company			Group	
31-Dec 2006	31-Dec 2005		31-Dec 2006	31-Dec 2005
1,161,054	1,013,886	By type: Sale of goods Rental income	1,183,998	1,029,262
3,126	5,985		3,126	5,985
<u>1,164,180</u>	<u>1,019,871</u>		<u>1,187,124</u>	<u>1,035,247</u>
1,111,921	969,532	By customer: Third parties Related parties (note 26b)	1,135,548	987,118
52,259	50,339		51,576	48,129
<u>1,164,180</u>	<u>1,019,871</u>		<u>1,187,124</u>	<u>1,035,247</u>

2. Cost of sales

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

876,824	733,877	Raw materials & conversion costs Materials sourcing expenses	871,332	740,523
63,393	66,764		61,603	56,459
<u>940,217</u>	<u>800,641</u>		<u>932,935</u>	<u>796,982</u>

3. Selling, general and administrative expenses

Selling, general and administrative expenses comprises:

2,107	2,786	Depreciation Auditors' remuneration Voluntary contributions Amortisation of goodwill Others	2,416	3,250
506	420		801	676
189	181		286	381
-	-		2,352	2,352
120,653	150,619		135,272	164,212
<u>123,455</u>	<u>154,006</u>		<u>141,127</u>	<u>170,871</u>

4. Exceptional item

Exceptional item relates to restructuring costs and costs of re-alignment of systems and business processes.

-	23,419	-	24,501
<u>-</u>	<u>23,419</u>	<u>-</u>	<u>24,501</u>

5. Other income

Profit on disposal of property, plant and equipment (notes 15b/15d)
Sundry income

15,972	60,081	18,027	63,367
3,083	7,386	-	17
<u>19,055</u>	<u>67,467</u>	<u>18,027</u>	<u>63,384</u>





6. Tax

Company	Balance at 1 January	Released on disposal	Payments during the year	Charge to profit and loss	Balance at 31 December
Income tax					
Prior to 2005	(18,193)	-	-	-	(18,193)
2005	10,850	-	-	-	10,850
2006	-	-	(15,427)	18,396	2,969
	<u>(7,343)</u>	<u>-</u>	<u>(15,427)</u>	<u>18,396</u>	<u>(4,374)</u>
Capital gains tax					
2005	948	-	-	-	948
2006	-	-	(564)	1,743	1,179
	<u>948</u>	<u>-</u>	<u>(564)</u>	<u>1,743</u>	<u>2,127</u>
Deferred Tax					
2005	(597)	(803)	-	9,816	8,416
2006	6,164	(764)	-	-	5,400
	<u>5,567</u>	<u>(1,567)</u>	<u>-</u>	<u>9,816</u>	<u>13,816</u>
	<u>(828)</u>	<u>(1,567)</u>	<u>(15,991)</u>	<u>29,955</u>	<u>11,569</u>

Group	Balance at 1 January	Released on disposal	Payments during the year	Charge to profit and loss/ adjustment	Balance at 31 December
Income tax					
Prior to 2005	(29,326)	-	-	1,533	(27,793)
2005	10,809	-	-	-	10,809
2006	-	-	(15,445)	18,396	2,951
	<u>(18,517)</u>	<u>-</u>	<u>(15,445)</u>	<u>19,929</u>	<u>(14,033)</u>
Capital gains tax					
2005	1,222	-	-	-	1,222
2006	-	-	(564)	1,743	1,179
	<u>1,222</u>	<u>-</u>	<u>(564)</u>	<u>1,743</u>	<u>2,401</u>
Deferred Tax					
2005	(874)	(803)	-	9,816	8,139
2006	6,164	(764)	-	-	5,400
	<u>5,290</u>	<u>(1,567)</u>	<u>-</u>	<u>9,816</u>	<u>13,539</u>
	<u>(12,005)</u>	<u>(1,567)</u>	<u>(16,009)</u>	<u>31,488</u>	<u>1,907</u>





7. National reconstruction levy

	Balance at 1 January 2006	Payments during the year	Charge to profit and loss	Balance at 31 December 2006
Company				
2005	373	-	-	373
	<u>373</u>	<u>-</u>	<u>-</u>	<u>373</u>
	<u>373</u>	<u>-</u>	<u>-</u>	<u>373</u>
Group				
2005	234	-	-	234
	<u>234</u>	<u>-</u>	<u>-</u>	<u>234</u>
	<u>234</u>	<u>-</u>	<u>-</u>	<u>234</u>

The National reconstruction levy was abolished, effective 1 January 2006, hence, no charge for the year under review.

8. Directors' emoluments

Company	
2006	2005
12,430	13,365
<u>12,430</u>	<u>13,365</u>

The aggregate amounts of Directors' emoluments as defined in section 128 of the Ghana Companies Code, 1963 (Act 179) paid to or receivable by them in respect of their services as officers of this company and of its subsidiaries are:

Group	
2006	2005
14,520	15,355
<u>14,520</u>	<u>15,355</u>

9. Dividend proposed

Company	
2006	2005
56,000	56,000
(56,000)	(56,000)
65,625	56,000
<u>65,625</u>	<u>56,000</u>
<u>65,625</u>	<u>56,000</u>

Balance at 1 January
Transfer to dividend payable (note 10a)
Dividend proposed

Balance at 31 December

Group	
2006	2005
56,000	56,000
(56,000)	(56,000)
65,625	56,000
<u>65,625</u>	<u>56,000</u>
<u>65,625</u>	<u>56,000</u>





10a. Dividend payable

Company			Group	
2006	2005		2006	2005
4,430	28,132	Balance at 1 January	4,430	28,132
56,000	56,000	Transfer from dividend proposed (note 9)	56,000	56,000
(55,294)	(79,702)	Payment during the year	(55,294)	(79,702)
<u>5,136</u>	<u>4,430</u>	Unclaimed at 31 December	<u>5,136</u>	<u>4,430</u>
=====	=====		=====	=====

10b. Dividend paid

Company			Group	
2006	2005		2006	2005
55,294	79,702	Dividends paid to shareholders	60,029	89,555
-	-	Less:	(4,735)	(9,853)
(55,294)	(79,702)	Dividend paid to minority interest	(55,294)	(79,702)
<u>-----</u>	<u>-----</u>	Dividend paid to members of the company	<u>-----</u>	<u>-----</u>
=====	=====		=====	=====

Payment of dividend is subject to the deduction of withholding taxes at the appropriate rate.

11. Stated capital

	2006		2005	
	No. of shares of no par value	Proceeds	No. of shares of no par value	Proceeds
Authorised shares	<u>100,000,000</u>		<u>100,000,000</u>	
Issued shares				
Issued and fully paid	5,000,000	10	5,000,000	10
Issued on merger	7,500,000	9,300	7,500,000	9,300
Bonus issue	50,000,000	-	50,000,000	-
Transferred from capital surplus	-	590	-	590
	<u>62,500,000</u>	<u>9,900</u>	<u>62,500,000</u>	<u>9,900</u>
	=====	=====	=====	=====

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



12. Capital surplus

	Company		Group	
	2006	2005	2006	2005
Balance at 1 January	47,430	83,062	47,430	83,062
Release on disposal (note 15b&d)	(6,880)	(34,972)	(6,880)	(34,972)
Adjustment	803	-	803	-
Impairment of fixed assets	-	(660)	-	(660)
Balance at 31 December	41,353	47,430	41,353	47,430

13. Deferred liabilities

Deferred liabilities represent the company's pension obligation to retired staff. Movements in the liability recognised in the balance sheet are as follows:

	Company		Group	
	2006	2005	2006	2005
Balance at 1 January	17,221	15,693	17,221	15,693
Interest credit	986	3,332	986	3,332
Benefits paid	(2,070)	(1,804)	(2,070)	(1,804)
Balance at 31 December	16,137	17,221	16,137	17,221

Net surplus on the active pension fund amounting to ₵37bn (2005: ₵26bn) representing the excess of plan assets over deferred liabilities have not been taken up in the consolidated financial statements, due to prudence.

14. Minority interest

	Group	
	2006	2005
Balance at 1 January	84,561	86,628
Add: Profit and loss account	9,311	7,786
Less: Minority dividend payments	(4,735)	(9,853)
Balance at 31 December	89,137	84,561



15a. Property, plant and equipment

Company	Investment properties	Leasehold land and buildings	Plant, motor vehicles and furniture	Work in Progress	2006	2005
					Total	Total
Cost or valuation						
Balance at 1 January	65,735	16,630	127,930	33,398	243,693	273,781
Additions in the year	949	-	-	50,458	51,407	29,197
Impairment	-	-	-	-	-	(660)
Capitalisation/reclassification	1,793	496	17,484	(19,773)	-	-
Disposals during year	(13,672)	(526)	(2,471)	-	(16,669)	(58,625)
Balance at 31 December	54,805	16,600	142,943	64,083	278,431	243,693
Accumulated depreciation						
Balance at 1 January	-	7,158	63,469	-	70,627	69,522
Charge for the year	-	377	8,767	-	9,144	9,992
Disposals during year	-	(203)	(2,225)	-	(2,428)	(8,887)
Balance at 31 December	-	7,332	70,011	-	77,343	70,627
Net book value	54,805	9,268	72,932	64,083	201,088	
At 31 December 2005	65,735	9,472	64,461	33,398	173,066	

Depreciation has been charged to the profit and loss account as follows:

	2006	2005
Cost of sales	7,037	7,206
Selling, general and administrative expenses	2,107	2,786
	9,144	9,992

15b. Profit on disposal of property, plant and equipment

	Investment properties	Leasehold land and buildings	Plant, motor vehicles and furniture	2006	2005
				Total	Total
Gross book value	13,672	526	2,471	16,669	58,625
Accumulated depreciation	-	(203)	(2,225)	(2,428)	(8,887)
Net book value	13,672	323	246	14,241	49,738
Sales proceeds	(22,380)	(323)	134	(22,569)	(69,145)
Capital surplus released on disposal (note 12)	(6,880)	-	-	(6,880)	(34,972)
Deferred tax released on disposal (note 6)	(764)	-	-	(764)	(5,702)
Profit on disposal	(16,352)	-	380	(15,972)	(60,081)





15c. Property, plant and equipment

Group	Investment properties	Leasehold land and buildings/ plantations	Plant, motor vehicles and furniture	Work in Progress	2006	2005
					Total	Total
Cost or valuation						
Balance at 1 January	65,735	120,600	224,071	52,335	462,741	482,538
Additions in the year	949	-	-	66,344	67,293	46,771
Impairment	-	-	-	-	-	(660)
Capitalisation	1,793	7,373	24,945	(34,111)	-	-
Disposals during year	(13,672)	(3,431)	(4,516)	-	(21,619)	(65,908)
Balance at 31 December	54,805	124,542	244,500	84,568	508,415	462,741
Accumulated depreciation						
Balance at 1 January	-	41,386	115,050	-	156,436	150,194
Charge for the year	-	3,974	15,202	-	19,176	19,574
Disposals during year	-	(1,158)	(3,928)	-	(5,086)	(13,332)
Balance at 31 December	-	44,202	126,324	-	170,526	156,436
Net book value						
At 31 December 2006	54,805	80,340	118,176	84,568	337,889	
At 31 December 2005	65,735	79,214	109,021	52,335	306,305	

Depreciation has been charged to the group's profit and loss account as follows:

	2006	2005
Cost of sales	16,760	16,324
Selling, general and administrative expenses	2,416	3,250
	19,176	19,574

15d. Profit on disposal of property, plant and equipment

	Investment properties	Leasehold land and buildings/ plantations	Plant, motor vehicles and furniture	2006	2005
				Total	Total
Gross book value	13,672	3,431	4,516	21,619	65,908
Accumulated depreciation	-	(1,158)	(3,928)	(5,086)	(13,332)
Net book value	13,672	2,273	588	16,533	52,576
Sales proceeds	(22,380)	(4,284)	(252)	(26,916)	(75,269)
Capital surplus released on disposal (note 12)	(6,880)	-	-	(6,880)	(34,972)
Deferred tax released on disposal (note 6)	(764)	-	-	(764)	(5,702)
Profit on disposal	(16,352)	(2,011)	336	(18,027)	(63,367)





Unilever
Unilever Ghana Limited

Notes to the Consolidated Financial Statements

16. Goodwill

BOPP	TOPP
103,458	25,528
(70,956)	(10,996)
32,502	14,532

Purchase consideration
Acquired net assets
Goodwill on acquisition

Group
128,986
(81,952)
47,034

Company	
2006	2005
-	-
-	-
-	-
-	-
-	-
-	-

Cost
Balance at 1 January
Balance at 31 December
Amortisation
Balance at 1 January
Charge for the year
Balance at 31 December
Net book value at 31 December

Group	
2006	2005
47,034	47,034
47,034	47,034
7,291	4,939
2,352	2,352
9,643	7,291
37,391	39,743

17. Investments at cost

Company	
2006	2005
1	1
25,528	25,528
103,458	103,458
128,987	128,987

United Africa Trust Limited
Twifo Oil Palm Plantations Limited
Benso Oil Palm Plantations Limited

Group	
2006	2005
1	1
-	-
-	-
1	1

Name of subsidiary	Nature of Business	% Held	Country of Incorporation
United Africa Trust Limited	Investment Management	100.00	Ghana
Twifo Oil Palm Plantations Limited	Plantation	40.00	Ghana
Benso Oil Palm Plantations Limited	Plantation	58.45	Ghana
Swanzy Real Estate Limited	Real Estate Development	100.00	Ghana

In view of the fact that Unilever Ghana exercises management control of Twifo Oil Palm Plantations (TOPP) Limited, and in accordance with Ghana Accounting Standards, TOPP has been designated as a subsidiary.

In October 2003, Unilever Ghana Limited acquired 58.45% shares in Benso Oil Palm Plantation Limited from Unilever Overseas Holdings/CWA Holding, a company based in the United Kingdom.

In accordance with the Ghana Companies Code, 1963 (Act 179) Section 127 (3b) the group financial statements does not deal with Swanzy Real Estates Limited because the company did not operate during the year, and the amounts involved are not considered significant.



18. Inventories

Company			Group	
2006	2005		2006	2005
75,173	91,204	Raw and packing materials	76,685	92,356
3,595	1,526	Work in process	3,595	1,526
29,445	45,298	Finished goods	31,481	46,420
10,877	11,081	Non-trade stock	23,741	28,004
<u>119,090</u>	<u>149,109</u>		<u>135,502</u>	<u>168,306</u>

19. Trade and other receivables

Company			Group	
2006	2005		2006	2005
13,255	18,091	Trade receivables - 3rd parties	21,505	21,420
4,043	6,442	Trade receivables - Related parties (note 26c)	1,563	5,173
5,653	3,417	Amount due from officers	7,071	5,112
2,593	1,353	Payments in advance	2,627	1,392
6,771	11,000	Other receivables	10,169	14,881
<u>32,315</u>	<u>40,303</u>		<u>42,935</u>	<u>47,978</u>
<u>6,803</u>	<u>3,417</u>	The highest level of indebtedness by officers during the year amounted to	<u>8,704</u>	<u>5,112</u>

20. Trade and other payables

Company			Group	
2006	2005		2006	2005
50,430	19,063	Trade payables - 3rd parties	52,400	23,303
31,958	24,106	Trade payables - Related parties (note 26d)	25,328	15,622
27,378	30,018	Accrued liabilities	29,513	31,627
41,132	64,524	Other payables	46,562	69,118
<u>150,898</u>	<u>137,711</u>		<u>153,803</u>	<u>139,670</u>

21. Bank overdrafts

Company			Group	
2006	2005		2006	2005
<u>170,263</u>	<u>171,500</u>	The Company had at 31 December, approved unsecured overdraft facilities not exceeding	<u>174,963</u>	<u>174,500</u>





22. Cash generated from operations

Company			Group	
2006	2005		2006	2005
116,818	105,869	Profit before tax and national reconstruction levy	129,359	105,012
9,144	9,992	Depreciation (note 15a & 15c)	19,176	19,574
(15,972)	(60,081)	Profit on sale of property, plant and equipment	(18,027)	(63,367)
-	-	Amortisation of goodwill (note 16)	2,352	2,352
30,019	(32,567)	Decrease/(increase) in inventories	32,804	(31,076)
7,988	9,954	Decrease in trade and other receivables	5,043	9,780
13,187	(7,677)	Increase/(decrease) in trade and other payables	14,133	1,856
(1,084)	1,528	(Decrease)/Increase in deferred liabilities	(1,084)	1,528
(3,083)	(7,386)	Dividends received	-	-
3,460	4,028	Interest charge	3,653	4,357
(715)	(625)	Interest credit	(1,923)	(3,092)
159,762	23,035	Cash generated from operations	185,486	46,924

23. Cash and cash equivalents

Company			Group	
2006	2005		2006	2005
73,846	32,845	For the purpose of the cash flow statement, the cash and cash equivalents comprise:	88,467	41,083
(23,649)	(42,625)	Cash at bank	(24,915)	(44,872)
50,197	(9,780)	Bank overdrafts	63,552	(3,789)

24. Contingencies

(i) At 31 December 2006 the company had contingent liabilities in respect of pending legal claims amounting to €615.2 million (2005: €615.2 million).

(ii) At 31 December 2006, the company had guaranteed loans to employees made by 3rd party financial institutions amounting to €6,660 million (2005: €4,402 million).

In the opinion of the directors no loss is anticipated to arise in respect of the above.

25. Commitments

Capital expenditure commitment at the balance sheet date but not recognised in the financial statement is as follows:

Company			Group	
2006	2005		2006	2005
14,833	668	Property, plant & equipment contracted	16,899	1,067





26. Related party transactions

The company, together with sister subsidiaries, is owned and controlled by Unilever Overseas Holding. During the year, the following related party transactions took place as detailed below:

Company	
2006	2005
79,561	69,279
83,324	73,992
128,055	169,503
-----	-----
290,940	312,774
=====	=====

26 a. Purchases of goods & services:

Benso Oil Palm Plantation
Twifo Oil Palm Plantation
Other related parties

Group	
2006	2005
-	-
-	-
128,055	169,503
-----	-----
128,055	169,503
=====	=====

683	2,210
51,576	48,129
-----	-----
52,259	50,339
=====	=====

26 b. Sale of goods & services:

Benso/Twifo Oil Palm Plantation
Other related parties

-	-
51,576	48,129
-----	-----
51,576	48,129
=====	=====

Year end balances arising from related party transactions are as follows:

Company	
2006	2005
1,500	619
980	650
1,563	5,173
-----	-----
4,043	6,442
=====	=====

26 c. Receivables from related parties:

Benso Oil Palm Plantation
Twifo Oil Palm Plantation
Other related parties

Group	
2006	2005
-	-
-	-
1,563	5,173
-----	-----
1,563	5,173
=====	=====

Company	
2006	2005
1,339	2,006
5,291	6,478
25,328	15,622
-----	-----
31,958	24,106
=====	=====

26 d. Payables to related parties:

Benso Oil Palm Plantation
Twifo Oil Palm Plantation
Other related parties

Group	
2006	2005
-	-
-	-
25,328	15,622
-----	-----
25,328	15,622
=====	=====

The Company is a subsidiary of Unilever PLC incorporated in England through wholly owned subsidiary of Unilever Overseas Holdings Limited and CWA Holdings Limited.

The above transactions were carried out on commercial terms and conditions.

27. Comparatives

Where necessary the comparative figures have been adjusted to conform with changes in the presentation in the current year.





Number of shareholders

The Company had 12,032 ordinary shareholders at 31 December 2006 with equal voting rights distributed as follows:

Holding	No. of holders	Holders %	No. of shares	% of Holding
1 - 1,000	10,678	88.747	3,117,326	4.99
1,001 - 5,000	1,142	9.491	2,519,089	4.03
5,001 - 10,000	117	0.972	874,421	1.40
10,001 - and over	95	0.790	55,989,164	89.58
	-----	-----	-----	-----
	12,032	100.00	62,500,000	100.00
	=====	=====	=====	=====

Directors' shareholding

The Directors named below held the following number of shares in the Company as at 31 December 2006:

Mr. Ishmael Evans Yamson	-	2,500
Mr. Charles Alexander Cofie	-	2,000
Mr. Emmanuel Kojo Idun	-	1,050
Mr. Joseph Nee-Amahthey Hyde	-	500
Mr. Alfred Yaw Oduro Nsarkoh	-	100
		=====

20 Largest shareholders at 31 December 2006

Shareholders	Number of shares	% Holding
1. Unilever Overseas Holdings Limited	26,249,980	42.00
2. UAC International Limited	14,999,955	24.00
3. Mr. Daniel Ofori	3,445,637	5.51
4. Social Security & National Insurance Trust	3,300,332	5.28
5. B.B.G. Nominees/State Street Bank TST X71 AX71	1,889,000	3.02
6. B.B.G. Nominee/EPACK Investment Fund Limited	1,481,050	2.37
7. B.B.G. Nominees/State Street X71 AX71	988,070	1.58
8. CWA Holdings Limited	350,040	0.56
9. BBGN/Unilever Ghana Managers Pension Scheme	264,796	0.42
10. B.B.G.N./ SSB Eaton Vance Tax - Managed Market Fund	249,000	0.40
11. Databank Brokerage Limited	180,060	0.29
12. BBGN/HSBC BANK PLC	180,003	0.29
13. Enterprise Insurance Co. Ltd	155,000	0.25
14. B.B.G. Nominee/Unilever Ghana Provident Fund	135,000	0.22
15. BBGN/BARCLAY MAURITIUS	130,000	0.21
16. Equity Focus	98,702	0.16
17. DBL/ Daniel Ofori	86,000	0.14
18. Mr. Rexford Kwasi Obeng	75,000	0.12
19. NTHC/ Rainbow Funds L.P.	69,000	0.11
20. B.B.G. Nominees/State Street X71 AX71	62,930	0.10
	-----	-----
	54,389,555	87.02
	=====	=====





Balance Sheet as at 31 December

	2002	2003	2004	2005	2006
Funds employed					
Shareholders' funds	290,825	292,213	268,203	268,433	285,291
Deferred liabilities	11,342	11,755	15,693	17,221	16,137
Minority interest	18,008	70,489	86,628	84,561	89,137
	<u>320,175</u>	<u>374,457</u>	<u>370,524</u>	<u>370,215</u>	<u>390,565</u>
Employment of funds					
Property, plant and equipment	293,219	353,149	332,344	306,305	337,889
Goodwill	13,078	44,447	42,095	39,743	37,391
Investments at cost	1	1	1	1	1
Net current (liabilities)/assets	13,877	(23,140)	(3,916)	24,166	15,284
Net assets	<u>320,175</u>	<u>374,457</u>	<u>370,524</u>	<u>370,215</u>	<u>390,565</u>
Capital expenditure	36,879	27,778	40,518	46,771	67,293
Depreciation	12,131	18,313	20,897	19,574	19,176
Results					
Turnover	737,020	911,227	888,110	1,035,247	1,187,124
Profit after tax and minority interest	86,812	116,063	62,739	91,862	88,560
Dividend proposed	(43,668)	(56,000)	(56,000)	(56,000)	(65,625)
Profit retained in the year	<u>43,144</u>	<u>60,063</u>	<u>6,739</u>	<u>35,862</u>	<u>22,935</u>
Unclaimed dividends and share certificates					

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

either:

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

or:

The Registrars
Merchant Bank (Gh) Limited
57 Examination Loop
North Ridge
P. O. Box 401
Accra, Ghana.





How can I buy or sell Unilever Ghana shares?

Unilever Ghana Limited is listed on the Ghana Stock Exchange and thus its shares can only be bought and/or sold on the Ghana Stock Exchange. Therefore anyone wishing to purchase or to sell Unilever Ghana Limited shares must contact a licensed broker to undertake the share sale or purchase on their behalf (A list of all licensed brokers can be obtained from the Ghana Stock Exchange).

How do I transfer or give my shares?

In order to transfer or give your shares to someone else as a gift, you will need to send to our Registrars, Merchant Bank (Ghana) Limited:

- your share certificate along with a duly filled share transfer form indicating the name of the person you are transferring or gifting your shares to (Please note that copies of share transfer forms can be obtained from any licensed broker);
- Proof of payment of the relevant gift tax to the IRS; and
- If the transfer is to a family member or relative, proof of the relationship such as a marriage certificate, a birth certificate or baptismal certificate.

Our Registrars, Merchant Bank (Ghana) Limited will then undertake the transfer and once the transfer is done then a share certificate will be issued in the name of the person to whom you have transferred or given your shares.

What can be done to transfer shares owned by a deceased shareholder?

In order to effect a transfer of the shares of a deceased person, the Administrators or Executors of the deceased person's estate need to contact our Registrars, Merchant Bank (Ghana) Limited, and take along the following documents:

- The original copy of the Letters of Administration (if the deceased did not leave a will) or Probate (if the deceased left a will);
- The deceased's share certificate(s). Please note that if the deceased's share certificate(s) are lost then, the Executors/Administrators will be required to fill in an indemnity form;
- The full names and contact information as well as bank details of the beneficiaries to whom the shares should be transferred; and
- Some form of identification.

Our Registrars will then assist the Executors or Administrators to fill in the necessary forms to effect the transfer.

How can I get a new share certificate if my share certificate gets lost or is destroyed?

If your share certificate gets lost or is destroyed, then you will need to contact our Registrars, Merchant Bank (Ghana) Limited, for an indemnity form. Once you duly fill in the indemnity form and pay an administrative fee to the Registrars then a new share certificate will be processed for you. Please note however that once a new share certificate is issued then the old one will be cancelled and a restriction put on it in our system. It will therefore not be possible to use the said share certificate for any purpose and thus, if you find your old share certificate then you must return it to the Registrars.

What should I do if I need to change my address or my bank account details?

Kindly write to our Registrars, Merchant Bank (Ghana) Limited, and notify them of your change of address or change of banking details. Please note however that the Registrars will only effect the change if the letter is written and signed by the owner of the shares.

I have not received my dividend. What action do I take?

All dividend warrants are posted to the address in our records, thus if you have not received your dividend warrant by post then you may write to the Company Secretary and the Registrars furnishing them with the particulars of the dividend not received. The Registrars will then check their records and issue a duplicate dividend warrant if their records show that the dividend has indeed not been paid. Please note however that no duplicate dividend warrant will be issued unless the original unpaid dividend warrant has expired.

What is the procedure for obtaining a duplicate dividend warrant?

In the event that your dividend warrant gets lost or expires prior to you paying it in then, please write to the Company Secretary and the Registrars furnishing them with the particulars of the dividend warrant. Please note that no duplicate dividend will be issued during the validity of the original dividend warrant. Thus, for lost dividend warrants which have not expired, you will have to wait until the expiry date (which is usually six months after the issue of the dividend warrant). However once the validity period has expired, if the lost/expired dividend warrant is still shown unpaid in our records, then we will issue a duplicate warrant expeditiously.

We would therefore like to urge all shareholders who have unpaid dividends to contact our Registrars, Merchant Bank (Ghana) Limited.

Please note also that we can pay your dividend directly into your bank account rather than issuing you with a dividend warrant. We therefore encourage all shareholders who wish to have their dividends paid directly into their bank accounts to avoid the issues regarding lost or expired dividend warrants to submit their bank details to our Registrars. Their contact details are:

Merchant Bank (Ghana) Limited
Registrars' Services
37 Examination Loop, North Ridge, Accra
P.O. Box GP 401, Accra
Tel: 021 251131-5

In all correspondence please quote your share certificate number, your full name as it appears on your share certificate and the number of shares to enable us to attend to your queries quickly. If you are outside Accra then you can also contact any Merchant Bank (Ghana) Limited branch nationwide for enquiries. Currently Merchant Bank (Ghana) Limited has the following branches outside Accra:

CITY	LOCATION OF THE BRANCH
- Tema,	Heavy Industrial Area
- Tarkwa	1 st Floor Sic Building
- Techiman	Q312/2 Main Techiman St.
- Takoradi	SSNIT Office Complex
- Kumasi	1, Raintree Ave, Dweta Fie
- Bibiani	23a Newtown
- Koforidua	House #10 Broadway
- Kaneshie	Fisherman House
- Konongo	Kumasi Rd- Mines Rd Junction





Unilever

Unilever Ghana Limited

2007 AGM



PROXY FORM

Serial No.

ANNUAL GENERAL MEETING
TO BE HELD at 11.00 a.m. on
Tuesday 10th April, 2007 at The Accra
International Conference Centre,
Accra.

I/We
(Insert full name)

of
(Insert full address)

Being a member(s) of Unilever Ghana
Limited, hereby appoint

.....
(Insert full name)

or failing him the Chairman of the
Meeting as my/our proxy to vote for
me/us and on my/our behalf at the
Annual General Meeting of that
Company to be held on Tuesday
10th April, 2007 and at any and every
adjournment thereof.

<i>For Company's Use</i>	<i>No. of Shares</i>	
RESOLUTION	FOR	AGAINST
To declare a Dividend		
To re-elect Mr. E. T. Asante as a Director		
To re-elect Mr. A. Y. O. Nsarkoh as a Director		
To re-elect Ms. A. Lokko as a Director		
To re-elect Mr. P. B. Sykes as a Director		
To approve the terms of appointment of Mr. E. T. Asante as a Manager.		
To approve the terms of appointment of Mr. A. Y. O. Nsarkoh as a Manager.		
To approve Directors' Fees.		
To fix the Remuneration of Auditors.		
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.		

Dated thisday of April, 2007

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

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

- NOTES (1) In the case of joint holders, each should sign.
- (2) If executed by a Corporation, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director.
- (3) Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 11.00 a.m. on 8th April, 2007.



Fourth fold here

The Registrars
Merchant Bank Ghana Limited
57 Examination Loop
North Ridge
P O Box 401
Accra, Ghana.

please fix
stamp

Second fold here

First fold here

Third fold here







Unilever

Unilever Ghana Limited



Adding Vitality to life

