2010

Annual Report & Financial Statements

Unilever

Unilever Ghana Limited

Focusing on the small things to get more out of life.

Focusing

on the simple things that make a good life.

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Board of Directors

Standing L-R

Sampson Aaron Dontoh
(Human Resource Director)

Ms Aurore Lokko
(Non-Executive Director)

Akofa Ata
(Customer Development Director)

Mrs. Juliana O. Torpey
(Company Secretary)

Prof. Franklyn A. Manu
(Non-Executive Director)

Mrs. Victoria Kayaga Kiggundu
(Finance Director)

Charles A. Cofie
(Non-Executive Director)

Ms. Maidie E. Arkutu
(Marketing Director)

Joseph N. A. Hyde
(Non-Executive Director)

Seated L-R

Ishmael Evans Yamson
(Chairman)

David M. Mureithi
(Managing Director)

Financial Highlights

(All amounts are expressed in thousands of Ghana cedis unless otherwise stated)

	Company			Group		
	2010	2009	% Change	2010	2009	% Change
Revenue	**179,257**	160,496	11.7	**181,153**	163,863	10.6
Operating profit	**25,843**	3,907	561	**27,431**	5,484	400.2
Profit before tax (PBT)	**22,888**	193	11,759	**25,087**	2,777	803.4
Non-controlling interest	-	-	-	**3,705**	2,875	28.9
Net profit/(loss) after tax for the year attributable to owners of the parent	**17,947**	(268)	(6,797)	**19,109**	1,304	1,365.4
Cash flow from operating activities	**16,955**	14,035	20.8	**21,320**	15,974	33.5
Shareholders' funds	**41,340**	35,515	16.4	**54,136**	47,149	14.8
Capital expenditure	**5,905**	2,518	134.5	**6,294**	2,262	178.2
Earnings per share (GH¢)	**0.2872**	(0.0043)	(6,796.6)	**0.3057**	0.0209	1,365.4
Proposed dividend per share (GH¢)	**0.2871**	0.2128	34.9	**0.2871**	0.2128	34.9
Net assets per share (GH¢)	**0.6614**	0.5682	16.40	**1.2261**	1.0961	11.90
PBT margin (%)	**12.8**	0.1		**13.8**	1.7	
Net profit margin (%)	**10.0**	(0.2)		**11.1**	1.5	

Notice Meeting

Notice is hereby given that the next Annual General Meeting of the Members of Unilever Ghana Limited will be held at the National Theatre, Accra on Wednesday 4th May 2011 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, 2010 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:

   (a) Newly appointed Directors

   (b) Directors retiring by rotation

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 4th day of February 2011.

By Order of the Board

Torpey

J.O. Torpey (Mrs)
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 6th day of June 2011 to the holders of shares whose names are registered in the Register of Members at the close of day on the 20th day of April, 2011.

Board of Directors & Secretary
I.E. Yamson, Chairman; D. M. Mureithi, Managing Director; C A Cofie, S. A. Dontoh; J. N-A Hyde; Victoria Kayaga Kiggundu (Mrs); Aurrore Lokko (Ms); F.A. Manu, A. Ata, Ms Maidie E. Arkutu and Juliana O. Torpey (Mrs), Secretary.

Board Audit Committee
Aurore Lokko (Ms); J. N-A Hyde, Victoria Kayaga Kiggundu (Mrs) and F. A. Manu.

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

Chairman's Review

Political

Our country Ghana remained a stable and functional democratic state. Political parties and Civil Society activities were very buoyant during the year. As 2012 gets nearer Ghana will see even greater political activities but the integrity of the country's stability will remain intact.

Economic

In 2010, Government continued its focus on stabilizing the macroeconomic environment through greater fiscal discipline. The year experienced a stable economy as the pressures on the global economy eased and started to recover from the 2009 financial crisis. Month on month Inflation progressively declined to 8.58% at end December with average inflation for the year at 10.75%.

Against the three major currencies, i.e. the US Dollar, the British Pound and the Euro, the Cedi depreciated by 1.5%, and appreciated by -2.5%, and -6.1% respectively. The prime rate was reduced to 13.5% by the Bank of Ghana. This somewhat impacted positively on borrowing rate which stands at 24%. The response by commercial banks however did not meet the expectations of the business community as the 90days Treasury bill rates also declined to around 12.3% by year end. The upward review in energy tariffs during the year had a significant adverse impact on your business.

In December ,the first Crude Oil was pumped out of the Jubilee fields signifying the commencement of commercial Oil production in Ghana. This is expected to give a boost to government revenue generation, which would help fuel the developmental agenda of the country. It is also expected to enhance the Country's competitiveness as an investment destination in the sub region because it will increase the space for private sector participation in the economy.

Business Performance

The Business delivered a stronger performance in 2010 compared to 2009. Group Revenue grew by 10.6% while operating profit grew by 400% over prior year. The consumer business saw good growth in our major categories of Home and Personal Care. The Foods category delivered marginal growth following the refocusing of the portfolio. Our market leadership in our key categories was maintained whilst we made gains in the powders segment of the Laundry portfolio, with the introduction of our Sunlight Washing Powder.

Dividends

In line with our policy of consistent payment of dividends in the past five year, the board of your company recommends a dividend payout of GH¢ 0.2871 per share. This is a 35% increase over the 2009 levels.

Board Changes

Since our last Annual General Meeting, Mr Kwaku Offeh Boateng (Customer Development Director) and Stephane Achio (Supply Chain Director) have resigned from the board. Charles A. Cofie has also handed over the Managing Directorship to David M. Mureithi but remain on the board as a non executive director. We welcome to the board Mr. David M. Mureithi as Managing Director, Akofa Lolonyo Ata as Customer Development Director and Maidie Elizabeth Arkutu Marketing Director respectively.

Profile of the new Directors

Mr. David M. Mureithi

Mr. David Mureithi an Electrical Engineer by training with 24 years experience in Unilever. He is a Kenyan by nationality and joined the company as a management trainee in the Engineering department and has risen to hold various senior management roles in the Supply Chain function as well as General Management. He has worked in Ivory Coast and Kenya among other African countries. He has an MBA in Marketing from the Leicester University, U.K. Until his appointment, Mr. Mureithi was the Managing Director of Unilever East & Southern Africa, where he was responsible for overseeing Unilever operations in Kenya, Uganda, Tanzania, Rwanda, Malawi, Zambia, Zimbabwe and Mozambique.

Mr. Akofa Lolonyo Ata

Mr. Akofa Lolonyo Ata joined Unilever Ghana as a mid-career entrant in July 2004 as the Customer Service Manager of the Popular Foods team. Prior to that, Akofa worked at Accra Brewery Limited as the Market Development Manager and also at the British Council as the Information Services Manager. He has a Master of Arts Degree in Marketing from the University of Central England, Birmingham, UK.

At Unilever Ghana, Akofa moved from the Popular Foods team to the Customer Development team where he worked as the Category Manager for Foods, and then as the Trade Marketing Manager, Foods. He was subsequently seconded on International Assignment to the Win with Customer Project team as an Implementation Manager. His International Assignments took him to Unilever companies across Africa, Asia, Middle East and Europe. The immediate past role was Head of Brand Building.

Miss Maidie Elizabeth Arkutu

Miss Arkutu joins Unilever Ghana from Coca-Cola East and Central Africa Business Unit (ECABU) where she was Marketing Manager for the Horn, Islands and Mid Africa (HIMA) team. In that role, she headed the franchise marketing team of 11 French speaking countries, including DRC, Mauritius and Madagascar. After 3 years in that role, she joined ECABU's Stills team as the Project Manager for Project Nurture, a unique project seeking to double the fruit income of 54,000 farmers in Kenya and Uganda and also supplying Coca-Cola with locally sourced puree for juice production. Before joining Coca-Cola, Miss Arkutu worked for over 10 years in Unilever in Ghana, South Africa and French West Africa and has extensive experience both in Brand Building and Brand Development.

A professional Marketer, Miss Arkutu has a post-Graduate Diploma in Marketing from the Chartered Institute of Marketing (U.K Board). She also holds a Master of Business Administration (MBA) degree from the Vrije Universiteit Brussel, Belgium and a Bachelor of Arts (BA) degree in Economics and French from Vesalius College, Belgium.

Looking forward to 2011

We continue to position the company to take full advantage of the opportunities the economy would offer in 2011. We remained committed to creating long term sustainable value for our shareholders and we are confident in our strategies to deliver this.

Managing Director's Review

Introduction

2010 was a good year in the context of it being the first year into the recovery after the global financial crisis and our weak performance in 2009. Our challenge for the year was to return to sustainable growth and profitability. Our performance was underpinned by improved consumer demand on account of our intensified marketing activities and superior value our brands deliver. Competitor activities heightened during the year, but our brands continue to perform well.

The Cedi was relatively stable against the major trading currencies; this stability had a positive impact on business performance. We continued to simplify our internal processes during the year, with the aim of making the business agile creating value for our shareholders.

We have in the past years consistently paid dividends which offer a real return to shareholders. In line with this, we propose a dividend per share of GH¢ 0.2871 to be paid from profit for the year. This is a 35% increase over 2009 levels.

Operating Review

Highlights

Our performance for 2010 was very encouraging. The Group delivered GH¢ 181.2m in Revenue which represents 10.6% growth over prior year. The Consumer business grew by 11.7% versus previous year. This was driven by the further strengthening of our distribution network, strong partnership with our distributors, and increased marketing activities. Our launch of Sunlight Washing Powder and introduction of Fanico and BF bar soaps into our portfolio also helped. We have seen impressive growth across our key brands in both Home & Personal Care and Foods.

Operating Profit for the year was GH¢ 27.4m versus GH¢ 5.5m delivered in prior year. This gave operating margin of 15.1% which is higher than the 3.3% for 2009.

Our leadership position in the market for five of our categories was sustained despite the increased competitor activities. Our cash position remained very strong as a result of improvement in Inventories.

Home and Personal Care Category

Growth was strong across our Home and Personal Care portfolio, with particularly strong growth in our key brands of Key Soap, Omo, Sunlight, Pepsodent, and Geisha. In order to strengthen our Laundry portfolio we introduced Fanico & BF bar Soaps. We also launched Sunlight Powder to complement the position of Omo in the Laundry Powder segment. This launch has been received well by our valued consumer. We also increased investment behind our key brands.

Foods Category

Despite the disposal of the Frytol brand, our Foods portfolio performed very well. Our Blue Band and Lipton brands maintained very strong market positions during the year.

Plantations

2010 was also a good year for the Plantations despite lower volumes in the year, we benefited from the increases in the commodity price on the world market.

Financial Review

Operating Profit

Operating margin improved from 3.3% in 2009 to 15.1% in 2010. This was on account of improved product mix, stable exchange rate and savings initiatives undertaken by the business. We recorded operating profit of GH¢ 27.4m, versus prior year of GH¢ 5.5m.

Restructuring Expenses/Release

We continued the streamlining of our operations which resulted in a restructuring cost of GH¢ 4.2m in the year versus GH¢ 2.3m in 2009.

Net Financial Cost

Net Financing cost was GH¢ 1.1m compared to GH¢ (0.412m) in 2009. Our strong cash position resulting from improvement in working capital contributed to lower financing cost.

Taxation

Tax for the year was GH¢ 4.941m, up from GH¢ 0.25m this is driven by the significant improvement in the profit for the business compared to 2009.

Profit after Tax
Profit after tax of GH¢ 22.8m was 445% growth over the GH¢ 4.2m recorded in 2009. This was aided by the relative stable exchange rate and our savings initiatives.

Cash Flow
Cash generated from operations was GH¢21.3m during the year, against GH¢ 16m for 2009. This has been delivered from improvements in working capital especially inventories. We closed the year with cash and cash equivalents of GH¢ 25.9m, a 17.7% improvement over 2009.

Contributions to Society
In 2010, our Corporate Social Responsibility (CSR) delivered mainly through the Unilever Ghana Foundation was focused on three (3) areas: Health and Hygiene, HIV/AIDS and Women's Empowerment. Activities under these pillars include:

- Construction of a Water and Sanitation System for seven (7) communities in the Birim district of the Eastern region
- Oral Hygiene Education in Basic schools across the country
- Support to the World Food Program's (WFP) 'Walk the World' event including the donation of $5,000 to help them feed school children in deprived communities in the three (3) northern regions
- Capacity building workshops for 105 women in Small & Medium enterprises at Koforidua and Nkawkaw
- Excellence Awards for Best Graduating Females from the public universities and polytechnics
- Sponsorship of the Ghana Education Service's Science, Technology and Innovation clinic for girls from public Senior High Schools
- Sponsorship of the Ghana Journalists' Association's Ethical Journalism Initiative

Also, we in collaboration with the Tema Metro office of the Ghana Education Service organised a sensitization quiz on the need to protect the Environment for Basic Schools in Tema. Each participating school was given a gift of a tree seedling to plant and a competition to reward those who have been able to nurture that plant and also to add on some more environmentally friendly initiatives will soon be launched.

Last December, we organised a "Road Safety" campaign for Basic Schools at Tema Manhean (Newtown) as our contribution to helping save our children from the consequences of the gross indiscipline on our roads.
The cost of our social commitment for the year amounted to Gh¢ 0.558m vrs 2009 of GH¢ 0.50m.

Our Stakeholders
Our business partners including Key Distributors, Customers, and Suppliers remained an important part of our business and we fully appreciate their continuous support and look forward to an even better relationship in 2011.

2011 Outlook
We remain committed to creating long term sustainable value for all our shareholders. This we will do through our strategies of investing behind our brands and continuous strengthening of our distribution network. Our resolve to improve margins and profitability by reducing cost and improving operational efficiencies would be sustained. We would also position your business to take advantage of the benefits the Oil find brings to the nation.

Corporate Governance

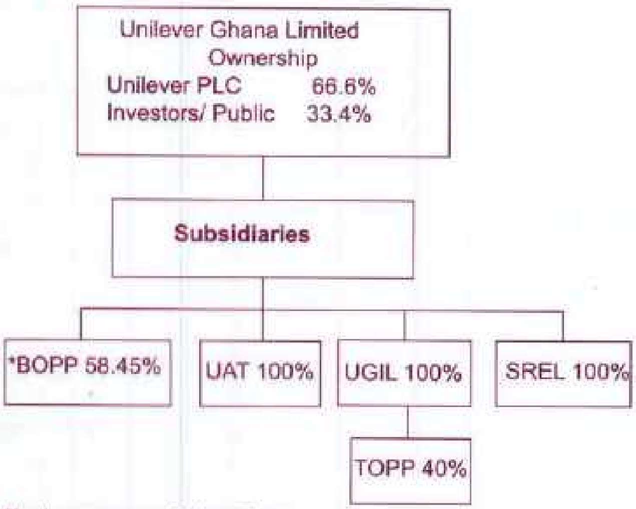
Introduction

Unilever recognises the importance of good corporate governance as a means of sustaining viability of the business in the long term, and further believes that the attainment of business objectives is directly aligned to good corporate behaviour. In line with this, and alongside the need to meet its responsibility to its shareholders and other stake holders, the company strives to meet expectations of the community in which it operates.

In the conduct of its business Unilever has sought to comply with all statutory requirements, adopted, tried and proven best practices to protect the environment and its employees, invested in the community in which it operates, and strive to enhance shareholder value in the process. Unilever adopts both medium and long term growth strategies, and allocates resources in order to guarantee the creation of wealth. It utilises modern technology and continuously innovates in order to satisfy changing consumer and customer needs, and in so doing, stay ahead of the competition. Unilever promotes and recognises excellence through its employee development programmes.

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

Legal Structure of Unilever



*In the process of divestiture

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 five (5) full time executive 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 Limited and provide a strong independent element. The Board meets at least four (4) times a year to deliberate on, Corporate strategy and implementation, approval of Annual Report and Accounts and recommendation of dividends, amongst other things.

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

The Audit Committee

The Audit Committee is made up of four 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.

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 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 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.

Report of the Audit Committee

MEMBERSHIP OF AUDIT COMMITTEE OF THE BOARD

The Unilever Ghana Audit committee is comprised of three non executive Directors and the Finance Director for Unilever Ghana Limited. The Committee is chaired by Ms Aurore Lokko, a non executive Director with 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:

1. The financial performance of the company;
2. The adequacy of the plan of internal audit;
3. Current audit reports; Statutory and Internal Audit;
4. The adequacy of internal controls;
5. The degree of compliance to laid down policies, laws, code of ethics and business practices of the company; and
6. Compliance with the Sarbannes Oxley Act on Operational Control Assessment.

SUMMARY OF THE AUDIT COMMITTEE'S ACTIVITIES IN 2010

In 2010, the Unilever Ghana Audit Committee met four times on 9th February 2010, 14th April 2010, 14th July 2010 and 11th October 2010.

REVIEW OF THE FINANCIAL PERFORMANCE OF THE COMPANY

At the 9th February 2010 meeting, the committee reviewed the financial performance of the company for the financial year ended December 2009 and the audited accounts for the 2009 financial year.

The Committee was updated on the company's performance in 2010 during the 9th February 2010, 14th April 2010, 14th July 2010 and 11th October 2010 meetings.

INTERNAL AUDIT

The committee reviewed the internal audit plan for 2010 at the beginning of the year and was updated regularly on the status of the Base Operational Control Assessment (OCA) exercise, Policy Compliance Assessment and the audits carried out by the team.
The main highlights were as follows:

1. The OCA process was completed and involved identifying and challenging the company's processes as well as assessing the design adequacy and operational effectiveness of the controls in place;

2. The Internal Audit team carried out and completed the audits as per their 2010 audit plan

EXTERNAL AUDIT

At the 9th February 2010 meeting, the external auditors, PwC, reported on their audit of Unilever Ghana's accounts for the financial year ending December 31, 2009 and also presented their audit findings and recommendations following the audit.

At the 11th October 2010 meeting, PwC furnished the Committee with a copy of their draft audit plan for the 2010 financial year ending on December 31, 2010 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 2010 audit.

Report of the Directors

The Directors have pleasure in submitting to the Members the consolidated comprehensive Income Statement of the Group for the year ended 31st December 2010 and the Statement of the Financial position of the Group as at that date.

The net profit for the year attributable to Members of the Company for the year is GH¢ 19,109m as against GH¢ 1,304m for 2009.

The Directors have decided to recommend to Members the payment of a dividend of GH¢ 0.2871 per share. The Directors wish to inform Members that since the last Annual General Meeting, Mr S Achio and Mr. K. O. Boateng have resigned from the Board of Unilever Ghana Limited. Mr David M. Mureithi has been appointed to the Board as the Managing Director with effect from October 22, 2010 and Mr Akofa Ata has been appointed to the Board as the Customer Development Director with effect from 22nd October 2010. Ms Maidie E. Arkutu has been appointed as the Brand Building Director with effect from 4th February 2011.

The directors to retire by rotation in accordance with the Regulations of the Company are Mr. I E Yamson and Mr S A Dontoh all of whom offer themselves for re-election.

In accordance with the Companies Code, 1963, Act 179, the Directors report that on 31st December 2010:

(a) Swanzy Real Estate Limited (SREL) was a subsidiary of the Company. SREL did not trade during the 2010 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 did not operate during the 2010 financial year.

(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. The Company's shares in Twifo Oil Palm Plantations Limited is currently held by Unilever Ghana Investments Limited, a company incorporated in Ghana in March 2010.

(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 ultimate parent company is Unilever PLC, a company incorporated in England. Other related parties, Unilever Overseas Holdings Limited, UAC International Limited and CWA Holdings Limited, Companies wholly owned by Unilever PLC have significant shareholdings in Unilever Ghana Limited.

PricewaterhouseCoopers (PwC) continue in office as Auditors of the Company.

BY ORDER OF THE BOARD

....
Chairman
4th February, 2011

....
Managing Director

Statement of Directors' Responsibilities

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 statement of comprehensive income and statement of 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 International Financial Reporting Standards (IFRS).

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	Managing Director	Finance Director
I E Yamson	David Mureithi	V. Kayaga Kiggundu (Mrs)

Report of the Independent Auditor

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Unilever Ghana Limited (the company) and its subsidiaries (together, the group), as set out on pages 14 to 51. These financial statements comprise the consolidated statement of financial position as at 31 December 2010 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, together with the statement of financial position of the company standing alone as at 31 December 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the 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 the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company and the group as at 31 December 2010 and of the financial performance and cash flows of the company and the group for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179).

REPORT ON OTHER LEGAL REQUIREMENTS

The 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 company, so far as appears from our examination of those books; and

iii) the consolidated balance sheet and consolidated profit and loss account are in agreement with the books of account.

PricewaterhouseCoopers

Chartered Accoutants
Accra

Dated: 9th February, 2011

Statement of comprehensive income

(All amounts are expressed in thousands of Ghana cedis)

Company 2010	Company 2009	Continuing Operation	Notes	Group 2010	Group 2009
179,257	160,496	Revenue	2	181,153	163,863
(132,716)	(132,551)	Cost of sales	3	(129,937)	(132,071)
46,541	27,945	**Gross profit**		51,216	31,792
(12,124)	(9,624)	Distribution costs	4	(12,124)	(9,624)
(11,235)	(16,066)	Administrative expenses	5	(12,029)	(16,882)
2,661	1,652	Other income	6	368	198
25,843	3,907	**Operating profit**		27,431	5,484
(3,526)	(2,295)	Exceptional Items	27c	(3,526)	(2,295)
831	-	Finance income	7	1,445	1435
(260)	(1,419)	Finance costs	7	(263)	(1,847)
22,888	193	**Profit before income tax**		25,087	2,777
(4,941)	(461)	Tax	10c	(4,941)	(250)
17,947	(268)	**Profit / (loss) from continuing operations**		20,146	2,527
		Discontinued operations			
-	-	Profit for the year from discontinued operations	28	2,668	1,652
17,947	(268)	**Profit / (loss) after tax for the year**		22,814	4,179
		Attributable to:			
-	-	Non-controlling interest		3,705	2,875
17,947	(268)	Owners of the parent		19,109	1,304
17,947	(268)	**Net profit / (loss) after tax for the year**		22,814	4,179
		Other comprehensive income:			
1,571	(4,603)	Actuarial gains / (losses) on pensions before tax	12c	1,571	(4,603)
(393)	1,151	Income tax relating to other comprehensive income	12c	(393)	1,151
19,125	(3,720)	**Total comprehensive income/(expense) for the year**		23,992	727
		Attributable to :			
-	-	Non-controlling interest		3,705	2,875
19,125	(3,720)	Owners of the parent		19,109	1,304

Earnings per share from continuing and discontinued operations attributable to the equity holders of the company during the year

Company 2010	Company 2009		Notes	Group 2010	Group 2009
0.2872	(0.0043)	Basic and diluted earnings per share from continuing operations	35	0.3057	0.0209
		Basic and diluted earnings per share from discontinuing operations		0.0427	0.0264

Statement of financial position

(All amounts are expressed in thousands of Ghana cedis)

Company 2010	Company 2009		Notes	Group 2010	Group 2009
		Non-current assets			
17,794	14,969	Property, plant and equipment	11a,b,d&e	21,139	23,458
19	37	Intangible assets	11g	19	37
-	-	Biological assets	26	10,131	20,259
-	-	Goodwill	13	4,210	4,210
12,909	12,899	Investment in subsidiaries	14	-	-
11,322	7,626	Pension assets for funded scheme in surplus	12d	11,322	7,626
42,044	35,531			46,821	55,590
		Current assets			
14,702	23,195	Inventories	15	16,658	28,215
22,464	6,580	Trade and other receivables	21	25,638	8,792
370	699	Tax	10	522	851
21,437	18,230	Cash and cash equivalents	25	25,982	23,429
447	447	Assets of disposal group classified as held for sale	9	24,003	447
59,420	49,151			92,803	61,734
		Current liabilities			
(52,215)	(42,090)	Trade and other payables	22	(53,230)	(41,535)
(1,583)	(1,157)	Dividend payable	17a	(1,583)	(1,157)
(944)	(2,808)	Provisions	27a&b	(1,339)	(3,043)
(86)	(124)	Bank overdrafts	23	(86)	(124)
-	-	Liabilities of disposal group classified as held for sale	28b	(1,487)	-
(54,828)	(46,179)	**Total Liabilities**		(57,725)	(45,859)
4,592	2,972	**Net current assets**		35,078	15,875
46,636	38,503	Total assets less current liabilities		81,899	71,465
		Non-current liabilities			
2,697	2,237	Post employment benefits obligation-unfunded	12d	2,697	2,237
2,599	751	Deferred tax	10a	2,571	723
5,296	2,988			5,268	2,960
		Shareholders' fund			
1,200	1,200	Share capital	18	1,200	1,200
329	329	Capital surplus	19a	329	329
39,730	33,905	Income surplus		52,526	45,539
81	81	Share deals account	19b	81	81
41,340	35,515	**Shareholders' equity**		54,136	47,149
-	-	Non-controlling interest	20	22,495	21,356
41,340	35,515	**Total shareholders' equity**		76,631	68,505
46,636	38,503	**Total equity and non-current liabilities**		81,899	71,465

The financial statements on pages 14-51 were approved by the Board of Directors on 4 Februray 2011 and were signed on its behalf by:

Managing Director
(DAVID MUREITHI)

Finance Director
(VICTORIA KIGGUNDU

Statement of cash flows

(All amounts are expressed in thousands of Ghana cedis)

Company 2010	Company 2009		Notes	Group 2010	Group 2009
		Cash flows from operating activities			
16,955	14,035	Cash generated from operations	24	21,320	15,974
(260)	(1,419)	Interest paid	7	(263)	(1,847)
831	-	Interest received	7	1,445	1,435
(3,157)	(1,834)	Tax paid	10a	(3,157)	(1,834)
14,369	10,782	**Net cash generated from operating activities**		19,345	13,728
		Cash flows from investing activities			
(5,905)	(2,518)	Purchases of property, plant and equipment	11a,b,d&e	(6,294)	(2,262)
-	-	Additions to biological assets	26	(481)	(720)
5,599	25	Proceeds from sale of property, plant and equipment	11c&f	5,602	272
2,066	1,646	Dividend received	6	-	-
1,760	(847)	**Net cash generated from/(used in) investing activities**		(1,173)	(2,710)
		Cash flows from financing activities			
(12,874)	(7,172)	Dividend paid to equity holders of the company	17	(12,874)	(7,172)
-	-	Dividend paid to non-controlling interest	17	(1,409)	(3,910)
(10)	-	Investment in Subsidiary		-	-
(12,884)	(7,172)	**Net cash (used in) financing activities**		(14,283)	(11,082)
3,245	2,763	Net increase in cash and cash equivalents		3,889	(64)
18,106	15,343	Cash and cash equivalents at beginning of year		22,007	22,071
21,351	18,106	**Cash and cash equivalents at end of year**	25	25,896	22,007

Statement of changes in equity

(All amounts are expressed in thousands of Ghana cedis)

Company

	Notes	Stated capital	Capital surplus	Income surplus	Share deals	Share-holders equity	Non-controlling interest	Total equity
Year ended 31 December 2010								
Balance at 1 January 2010		1,200	329	33,905	81	35,515	-	35,515
Comprehensive income								
Profit for the year		-	-	17,947	-	17,947	-	17,947
Other comprehensive income								
Acturial gains / (losses) on pensions after tax	12c	-	-	1,178	-	1,178	-	1,178
Total comprehensive income for the period		-	-	53,030	-	54,640	-	54,640
Transactions with equity owners								
Final dividend to equity holders 2009	17a	-	-	(13,300)	-	(13,300)	-	(13,300)
Balance at 31 December 2010		**1,200**	**329**	**39,730**	**81**	**41,340**	-	**41,340**
Year ended 31 December 2009								
Balance at 1 January 2009		1,200	329	44,644	81	46,254	-	46,254
Comprehensive income								
Loss for the year		-	-	(268)	-	(268)	-	(268)
Other comprehensive income								
Acturial gains / (losses) on pensions after tax	12c	-	-	(3,452)	-	(3,452)	-	(3,452)
Total comprehensive income for the period		-	-	40,924	-	42,534	-	42,534
Transactions with equity owners								
Final dividend to equity holders 2008	17a	-	-	(7,019)	-	(7,019)	-	(7,019)
Balance at 31 December 2009		**1,200**	**329**	**33,905**	**81**	**35,515**	-	**35,515**

Group

	Notes	Stated capital	Capital surplus	Income surplus	Share deals	Share-holders equity	Non-controlling interest	Total equity
Year ended 31 December 2010								
Balance at 1 January 2010		1,200	329	45,539	81	47,149	21,356	68,505
Comprehensive income								
Profit for the year		-	-	19,109	-	19,109	3,705	22,814
Other comprehensive income								
Acturial gains / (losses) on pensions after tax	12c	-	-	1,178	-	1,178	-	1,178
Total comprehensive income for the period		1,200	329	65,826	81	67,436	25,061	92,497
Transactions with equity owners								
Final dividend to equity holders 2009	17a	-	-	(13,300)	-	(13,300)	(2,566)	(15,866)
Balance at 31 December 2010		**1,200**	**329**	**52,526**	**81**	**54,136**	**22,495**	**76,631**
Year ended 31 December 2009								
Balance at 1 January 2009		1,200	329	54,748	81	56,358	20,651	77,009
Profit for the year								
Net profit after tax for the year		-	-	1,304	-	1,262	2,875	4,179
Other comprehensive income								
Acturial gains / (losses) on pensions after tax	12c	-	-	(3,452)	-	(3,452)	-	(3,452)
Total comprehensive income for the period		1,200	329	52,600	81	54,168	23,526	77,736
Transactions with equity owners								
Final dividend to equity holders 2008	17a	-	-	(7,019)	-	(7,019)	(2,212)	(9,231)
Balance at 31 December 2009		**1,200**	**329**	**45,581**	**81**	**47,149**	**21,314**	**68,505**

1. Accounting policies
General information

Unilever Ghana Limited (the company) is a public company domiciled in Ghana. The company's country of incorporation is Ghana. The address of the company's registered office is Tema Factory, P.O. Box 721, Tema, Ghana. The consolidated financial statements of the company as at and for the year ended 31 December 2010 comprise the company and its subsidiaries (together referred to as the Group). The Group is primarily involved in the manufacture of consumer products, the growing of oil palm and the processing of palm fruits to produce palm oil and palm kernel. The company is listed on the Ghana Stock Exchange.

a. Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention as modified by the revaluation of land and buildings. The preparation of financial statements under IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement and complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in "note 1s" below.

b. Consolidation
(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c. Property, plant and equipment

Land and buildings comprise mainly factories, retail outlets and offices. Land and buildings are shown at fair value, based on three years valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Property, plant and equipment are shown at cost less depreciation. Buildings comprise mainly factories and offices. 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 and equipment		25.0%
Computers		20.0%
Motor Vehicles	- Heavy equipment	16.7%
	- Cars and lorries	25.0%

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. All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

d. Goodwill

Goodwill represents excess of (a) over (b) below: (a) the aggregate of: (i) the consideration transferred measured in accordance with IFRS 3 R, which generally requires acquisition-date fair value

(ii) the amount of any non-controlling interest in the acquiree measured in accordance with IFRS 3R ; and(iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree. (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this IFRS. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

e. Intangible assets

The Group recognizes any specifically identifiable intangible asset separately from goodwill, initially measuring the intangible assets on acquisition. Separately purchased intangible assets are initially measured at cost. Asset mainly comprise of patented and non-patented technology, know-how and software. These are capitalized and amortized on a straight line basis in the income statement over the expected useful lives, or the period of legal rights if shorter, none of which exceed the period of ten years. Periods in excess of five years are used only where directors are satisfied that the life of the asset will clearly exceed that period.

f. Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to be used – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

g. 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 income statement on a straight line basis over the period of the lease. Leases mainly comprise vehicle leasing which covers a period of four (4) years.

h. Non-current assets held for sale

Non-current assets (or disposal Groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Following the Group's decision to exit from the real estate business, upward adjustment of carrying amounts to open market valuation is no longer done. However, in instances where the open market valuation is lower than the carrying amount, the resultant impairment is recognized immediately.

Assets are classified as 'held for sale ' when a decision is made to sell the asset, the assets are available for sale immediately or the assets are being actively marketed and a sale has been or is expected to be concluded within twelve months of the reporting date.

i. Biological assets

Biological assets are measured on initial recognition and at each reporting date at fair value less estimated point-of-sale costs. Any gains or losses arising on initial recognition of biological assets and from subsequent changes in fair value less estimated point-of-sale costs are recognised in the profit or loss in the year in which they arise. The fair value of the Fresh Fruit Bunch (FFB) is determined based on market prices of palm trees. The fair value is determined based on the net present values of expected future cash flows, discounted at current market-determined pre-tax rates. All costs of planting, upkeep and maintenance of biological assets are recognised in the income statement under cost of production in the period in which they are incurred.

j. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the standard costing method, adjusted for price variance. Where actual costs differ from standard costs, variances arising are recognised in the income statement or deferred to stocks until utilised. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion.

k. Trade receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

l. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

m. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

n. Income tax

Income tax comprises current tax and deferred tax .

Current tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustment to tax payable in respect of previous years.

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. Tax rates enacted or substantively enacted at the statement of financial position 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.

o. Provisions

Provisions are recognised when a legal or constructive obligation as a result of a past transaction exists at the reporting date, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

p. Long-term employee benefits

Pension obligations

The Group operates a funded defined benefit and defined contribution schemes. The pension plans are funded by contributions from both employees and 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 credit 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. A defined contribution plan is a pension under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior period. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, a defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Other post-employment 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.

Actuarial gains/losses

Actuarial gains or losses are charged to equity in other comprehensive income in the period in which they arise.

q. Revenue recognition

Revenue is recognised upon dispatch of the products and acceptance by the customer. Sales are shown net of discounts, value added tax and after eliminating sales within the Group.

Revenue is recognised when the risks and rewards of the underlying products have been substantially transferred to the customer. Other revenues earned by the Group are recognised on the following bases:

Rental income - on accrual basis.

Interest income - on accrual basis.

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

r. Foreign currency transactions

Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which each entity operates (its functional currency). The financial statements are presented in Ghana cedis. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Those arising on trading transactions are taken to operating profit; those arising on cash, financial assets and financial liabilities are classified as finance income or cost.

s. Critical accounting estimates and assumptions

Biological assets

Critical assumptions are made by directors in determining the fair values of biological assets. The key assumptions are set out in note 26.

Post-employment benefits

Critical assumptions are made by the actuary in determining the present value of post-employment benefit obligations. The assumptions are set out in note 12.

Property, plant and equipment

Critical estimates are made by directors in determining depreciation rates for property, plant and equipment. The rates used are set out in note 1c.

Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Receivables

Critical estimates are made by the directors in determining the recoverable amount of impaired receivables. The carrying amount of impaired receivables is set out in note 21.

t. Segmental reporting

Our reporting segments are based on product divisions, namely Foods, Home care and Personal care. For the purpose of the group the plantations business has been classified under the Foods division. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision - maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

u. Financial Liabilities

Financial liabilities comprise trade and other payables, borrowings and other non-current liabilities (excluding provisions). Non-derivative financial liabilities are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

v. Financial assets

1. Classification

The group classifies its financial assets mostly as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (notes k and m).

2. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

3. Offsetting financial instruments

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

4. Impairment of financial assets

Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
- adverse changes in the payment status of borrowers in the portfolio; and
- national or local economic conditions that correlate with defaults on the assets in the portfolio.

w. Exceptional items

Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

x. Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, and the related income tax effects, is included in equity attributable to the company's equity holders.

y. Changes in accounting policy and disclosures

(1) New and amended standards adopted by the group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

Standard/Interpretation	Content	Applicable for financial years beginning on /after
IFRS 3 (Amendment)	Business combinations	1 July 2009
IAS 27 (Amendment)	Consolidated and separate financial statements	1 July 2009
IFRS 5 (amendment)	Non-current assets held for sale and discontinued operation	1 July 2009

IFRS 3 (Amendment) Business Combinations

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. Although there was no acquisition of any controlling interest in any company, the existing accounting policy was amended to account for the revised standard.

IAS 27 (Amendment) Consolidated and separate financial statements

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. IAS 27 (revised) has had no impact on the current period, as none of the non-controlling interests have a deficit balance; there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.

IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'.

The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirements of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009).

The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

IFRIC 9, 'Reassessment of embedded derivatives and IAS 39, Financial instruments:
Recognition and measurement', effective 1 July 2009. This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative should be separated from a host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. If the entity is unable to make this assessment, the hybrid instrument must remain classified as fair value through profit or loss in its entirety.

IFRIC 16, 'Hedges of a net investment in a foreign operation' effective 1 July 2009.
This amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied. In particular, the group should clearly document its hedging strategy because of the possibility of different designations at different levels of the group.

IAS 38 (amendment), 'Intangible assets', effective 1 January 2010.
The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

IAS 1 (amendment), 'Presentation of financial statements'.
The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

(2) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the group (although they may affect the accounting for future transactions and events).
The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2010 or later periods, but the group has not early adopted them.

IAS 36 (amendment), 'Impairment of assets'.
The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, Operating segments' (that is, before the aggregation of segments with similar economic characteristics).

IFRS 2 (amendments), 'Group cash-settled share-based payment transactions'.
In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation."

(3) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted
The Group's and parent entity's assessment of the impact of these new standards and interpretations is set out below

Standard/Interpretation	Content	Applicable for financial years beginning on /after
IFRS 9	Financial instruments-classification and measurement	1 January 2013
IAS 24 (Revised)	Related party disclosures	1 January 2011
IAS 32 (Amendment)	Classification of right issues	1 February 2010
IFRIC 19	Extinguishing financial liabilities with equity instrument	1 July 2010
IFRIC 9 IFRIC 14 (Amendments)	Prepayments of a minimum funding requirement	1 January 2011

IFRS 9, 'Financial instruments-classification and measurement

This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities and is likely to affect the group's accounting for its financial assets and liabilities .Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss. All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss. Under the new standard, entities with financial liabilities designated at fair value through profit or loss (FVTPL) recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

While adoption of IFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted. The Group is considering the implications of the standard, the impact on the company and the timing of its adoption by the company.

z Changes in accounting policy and disclosures

3) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted (continued)

IAS 24 (Amendment) Related party disclosures

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The company will apply the revised standard from 1 January 2011. When the revised standard is applied, the company will need to disclose any transactions between its subsidiaries and its associates. The company is currently putting systems in place to capture the necessary information. It is, therefore, not possible at this stage to disclose the impact, if any, of the revised standard on the related party disclosures.

IAS 32 (Amendment) Classification of rights issues

Classification of rights issues' (amendment to IAS 32), issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010. Earlier application is permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment applies retrospectively in accordance with IAS 8.

IFRIC 19 Extinguishing financial liabilities with equity instruments

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.

Amendments to IFRIC 9 and Amendments to IFRIC 14 Prepayment of a minimum funding requirement

Prepayments of a minimum funding requirement' (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented.

Improvements to IFRS – 2010

Improvements to IFRS' were issued in May 2010. Amendments to 7 standards. Effective from annual periods starting on 1 July 2010 or 1 January 2011 , with earlier application permitted. Except for amendments to IFRS 7 Financial Instruments: Disclosures and IAS 1 Presentation of Financial Statements, no other material changes to accounting policies are expected as a result of these amendments. These are the improvements issued in May 2010 below:

IFRS	Subject of amendment	Impact
IFRS 1 First-time Adoption of International Financial Reporting Standards	Accounting policy changes in the year of adoption	No impact
	Revaluation basis as deemed cost	No impact
	Use of deemed cost for operations subject to rate regulation	No impact
IFRS 3 Business Combinations	Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS	No material impact
	Measurement of non-controlling interests	No material impact
	Un-replaced and voluntarily replaced share-based payment awards	No material impact
IFRS 7 Financial Instruments: Disclosures	Clarification of disclosures	The Group early adopted this amendment
IAS 1 Presentation of Financial Statements	Clarification of statement of changes in equity	No material impact
IAS 27 Consolidated and Separate Financial Statements	Transition requirements for amendments arising as a result of IAS 27 Consolidated and Separate Financial Statements	No material impact
IAS 34 Interim Financial Reporting	Significant events and transactions	No material impact
IFRIC 13 Customer Loyalty Programmes	Fair value of award credits	No material impact

Improvements to IFRS - 2009

Improvements to IFRS' were issued in April 2009. Amendments to 12 standards. Most are effective from annual periods starting on 1 January 2010, with earlier application permitted. Except for amendments to IFRS 8 Operating Segments, no other material changes to accounting policies are expected as a result of these amendments.

IFRS	Subject of amendment	Impact
IFRS 2 Share-based Payment	Scope of IFRS 2 and revised IFRS 3	No material impact
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations	No material impact
IFRS 8 Operating Segments	Disclosure of information about segment assets	Impact taken account of in the segment disclosure in note 36
IAS 1 Presentation of Financial Statements	Current/non-current classification of convertible instruments	No material impact
IAS 7 Statement of Cash Flows	Classification of expenditures on unrecognised assets	No material impact
IAS 17 Leases	Classification of leases of land and buildings	No material impact
IAS 18 Revenue	Determining whether an entity is acting as a principal or as an agent	No material impact
IAS 36 Impairment of Assets	Unit of accounting for goodwill impairment test	No material impact
IAS 38 Intangible Assets	Additional consequential amendments arising from revised IFRS 3	No material impact
	Measuring the fair value of an intangible asset acquired in a business combination	No material impact
IAS 39 Financial Instruments: Recognition and Measurement	Treating loan prepayment penalties as closely related embedded derivatives	No material impact
	Scope exemption for business combination contracts	No material impact
	Cash flow hedge accounting	No material impact
IFRIC 9 Reassessment of Embedded Derivatives	Scope of IFRIC 9 and revised IFRS 3	No material impact
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	Amendment to the restriction on the entity that can hold hedging instruments	No material impact

Early adoption of standards

Except for the early adoption of the amendment to IFRS 7 Financial Instruments: Disclosures (see above), the company did not early-adopt any other new or amended standard in 2010.

(All Amounts In The Notes Are Expressed In Thousands Of Ghana Cedis Unless Otherwise Stated)

2. Revenue

Revenue is recognised upon dispatch of products and acceptance by the customer. Revenue comprises the value of goods and services invoiced to third parties less VAT, discounts, commissions and returns.

Company 2010	Company 2009		Group 2010	Group 2009
		By type:		
179,257	160,496	Sale of goods	181,153	163,863
========	========		=======	=======
		By customer:		
164,971	148,799	Third parties	167,248	152,227
14,286	11,697	Related parties (note 31)	13,905	11,636
----------	----------		----------	----------
179,257	160,496		181,153	163,863
========	========		=======	========

3. Cost of sales

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

Company 2010	Company 2009		Group 2010	Group 2009
121,888	116,149	Raw materials & conversion costs	116,386	109,775
-	-	Gain arising from changes in fair value of biological assets less estimated point-of-sale cost (see note 26)	142	1,244
1,239	1,347	Depreciation (note 11b&e)	1,567	2,172
2,534	8,991	Material Sourcing expense	2,534	9,039
7,055	6,064	Staff cost (note 8a)	9,308	9,841
----------	----------		----------	----------
132,716	132,551		129,937	132,071
========	========		=======	=======

4. Distribution expense

Company 2010	Company 2009		Group 2010	Group 2009
3,659	3,325	Freight & distribution management cost	3,659	3,325
8,465	6,299	Advertising and promotion	8,465	6,299
--------	----------		--------	----------
12,124	9,624		12,124	9,624
======	=======		======	=======

(All amounts in the notes are expressed in thousands of ghana cedis unless otherwise stated)

Company			Group	

5. Administrative expense

Company 2010	Company 2009		Group 2010	Group 2009
243	183	Depreciation (note 11b&e)	274	245
18	18	Amortisation of intangible assets (note 11g)	18	18
2,676	2,507	Staff cost (note 8b)	2,733	3,312
97	83	Auditors' remuneration	123	148
104	179	Voluntary contribution	109	214
508	551	Operating lease expense	508	574
7,589	12,545	Other	8,264	12,371
11,235	16,066		12,029	16,882

Included in other is a central charge (business group fees) of GH¢ 2,378 (2009:4,586)

Company

Group

6. Other income

Company 2010	Company 2009		Group 2010	Group 2009
2,066	1,646	Dividends	-	-
595	6	Sundry Income	368	198
2,661	1,652		368	198

7. Net finance cost

Company 2010	Company 2009		Group 2010	Group 2009
(260)	(1,419)	Interest on overdraft and overdue debts	(263)	(1,847)
831	-	Interest income	1,445	1,435
571	(1,419)		1,182	(412)

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

8. Staff cost

Staff cost is charged to cost of sales and administrative expenses as below.

8a. Cost of sales

2010	2009		2010	2009
6,432	5,481	Remuneration to employees	8,348	8,776
219	163	Defined contribution scheme charge	334	328
404	420	Social security	626	737
7,055	6,064		9,308	9,841

8b. Administrative expenses

2010	2009		2010	2009
4359	4,303	Remuneration to employees	4,413	5,011
93	119	Defined contribution scheme charge	94	152
(2,125)	(2,269)	Defined benefit scheme gains (note 12b)	(2,125)	(2,269)
349	354	Social security	351	418
2,676	2,507		2,733	3,312

9. Assets held for sale

2010	2009		2010	2009
447	447	Fair value at 1 January	447	447
-	-	Non- current assets of discontinued operation (note 28b)	4,652	-
-	-	Biological assets of discontinued operation (note 28b)	11,699	-
-	-	Other current assets of a disposed group (note 28b)	7,205	-
447	447		24,003	447

Notes (Cont'd)

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

10a. Tax

Company	Balance at 1 January	Released on disposal	Charge / (credit) to income statement	Transfers	Payments during the year	Charge to other comprehensive income	Balance at 31 December
Income tax							
Prior to 2009	(155)	-	-	-	-	-	**(155)**
2009	(544)	-	-	-	-	-	**(544)**
2010	-	-	3,015	-	(2,686)	-	**329**
	(699)	-	**3,015**	-	**(2,686)**	-	**(370)**
Capital gains tax							
2009	-	-	-	-	-	-	-
2010	-	-	471	-	(471)	-	-
	-	-	**471**	-	**(471)**	-	-
Tax on continuing operations	(699)	-	3,486	-	(3,157)	-	**(370)**
Total tax	**(699)**	-	**3,486**	-	**(3,157)**	-	**(370)**
Deferred tax							
Accelerated depreciation	1,705	-	351	-	-	-	**2,056**
Provisions including restructuring	(2,591)	-	267	-	-	-	**(2,324)**
Revaluation of assets	60	-	-	-	-	-	**60**
Employee benefits	1,577	-	837	-	-	393	**2,807**
Deferred tax on continuing operations	**751**	-	**1,455**	-	-	**393**	**2,599**

Group	Balance at 1 January	Released on disposal	Charge / (credit) to income statement	Transfers	Payments during the year	Charge to other comprehensive income	Balance at 31 December
Income tax							
Prior to 2009	(63)	-	-	-	-	-	**(63)**
2009	(815)	-	-	-	-	-	**(815)**
2010	-	-	3,015	18	(2,686)	-	**347**
	(878)	-	**3,015**	18	**(2,686)**	-	**(531)**
Capital gains tax							
Prior to 2009	37	-	-	-	-	-	**37**
2009	(10)	-	-	-	-	-	**(10)**
2010	-	-	471	-	(471)	-	-
	27	-	**471**	-	(471)	-	**27**
Tax on continuing opeartions	(851)	-	3,486	-	(3,157)	-	**(522)**
Total tax	**(851)**	-	**3,486**	-	**(3,157)**	-	**(522)**
Deferred tax							
Accelerated depreciation	1,677	-	351	-	-	-	**2,028**
Provisions including restructuring	(2,591)	-	267	-	-	-	**(2,324)**
Revaluation of assets	60	-	-	-	-	-	**60**
Employee benefits	1,577	-	837	-	-	393	**2,807**
Deferred tax on continuing operations	**723**	-	**1,455**	-	-	**393**	**2,571**

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

10b. Tax reconciliation

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

Company 2010	Company 2009		Group 2010	Group 2009
22,888	193	**Profit before tax**	25,087	2,777
5,722	48	Tax calculated at the statutory income tax rate of 25%	6,272	694
		Tax effect of:		
-	-	Plantations profit not subject to tax	(550)	(1,358)
-	549	Prior year charge	-	549
454	493	Disallowable expenses	454	493
(207)	(217)	Profit on exports taxed at a lower rate	(207)	(216)
(517)	(411)	Dividend income	(517)	(411)
-	(1)	Unusable plant set aside for sale	-	(1)
39	-	Additional income from Disposal of Land & Building	39	-
471	-	Capital Gains Tax	471	-
(1,021)	-	Profit on Disposal of FA/Unusable plant set aside for sale	(1,021)	-
4,941	461	Income tax expense	4,941	250
22%	239%	Effective tax rate	20%	9%

10c. Income Tax Expense

Company 2010	Company 2009		Group 2010	Group 2009
3,486	1280	Current Tax	3,486	1,069
1,455	(819)	Deferred Tax	1,455	(819)
4,941	461		4,941	250

No provision has been made in the financial statements for corporate income tax liability for the subsidiary (TOPP) as the company's profit from agro processing business is zero-rated.

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

11a. Property, plant and equipment - Company

2010

Campany	Land and buildings	Plant, motor vehicle and furniture	Capital work in progress	Total
Cost				
Balance at 1 January	2,465	20,258	1,626	**24,349**
Additions in the year	-	-	5,905	**5,905**
Write-offs during the year	-	-	-	**-**
Capitalisation / Transfers	208	6,350	(6,558)	**-**
Disposals during the year	(165)	(3,371)	(15)	**(3,551)**
Balance at 31 December	**2,508**	**23,237**	**958**	**26,703**
Accumulated depreciation				
Balance at 1 January	871	8,510	-	**9,381**
Charge for the year	56	1,426	-	**1,482**
Disposals during the year	(78)	(1,876)	-	**(1,954)**
Balance at 31 December	**849**	**8,060**	**-**	**8,909**
Net book value at 31 December	**1,659**	**15,177**	**958**	**17,794**

11b. Property, plant and equipment - Company

2009

	Land and buildings	Plant, motor vehicle and furniture	Capital work in progress	Total
Cost				
Balance at 1 January	2,349	19,148	560	**22,057**
Additions in the year	-	6	2,512	**2,518**
Transfers	117	1,302	(1,419)	**-**
Write-offs during the year	-	(2)	(28)	**(30)**
Disposals during the year	-	(195)	-	**(195)**
Balance at 31 December	**2,466**	**20,259**	**1,625**	**24,350**
Accumulated depreciation				
Balance at 1 January	817	7,210	-	**8,027**
Charge for the year	54	1,476	-	**1,530**
Reclassification	-	-	-	**-**
Disposals during the year	-	(176)	-	**(176)**
Balance at 31 December	**871**	**8,510**	**-**	**9,381**
Net book value at 31 December	**1,595**	**11,749**	**1,625**	**14,969**

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

Depreciation has been charged to the income statement as follows:	2010	2009
Cost of sales (Note 3)	1,239	1,347
Selling, general and administrative expenses (Note 5)	243	183
	1,482	1,530

11c. Profit on disposal of assets - Company

	Land and buildings	Plant, motor vehicle and furniture	2010 Total	2009 Total
Gross book value	165	3,371	3,536	195
Accumulated depreciation	(78)	(1,876)	(1,954)	(176)
Net book value	87	1,495	1,582	19
Sales proceeds	(4,078)	(1,521)	(5,599)	(25)
	(3,991)	(26)	(4,017)	(6)

11d. Property, plant and equipment - Group

2010

	Land and buildings	Plant, motor vehicle and furniture	Capital work in progress	Total
Cost				
Balance at 1 January	8,181	31,778	2,290	42,249
Additions in the year	-	-	6,294	6,294
Transfers	(4,557)	(7,067)	(461)	(12,085)
Write-offs during the year	210	7,134	(7,344)	-
Disposals during the year	(165)	(3,399)	(15)	(3,579)
Balance at 31 December	**3,669**	**28,446**	**764**	**32,879**
Accumulated depreciation				
Balance at 1 January	2,810	15,981	-	18,791
Charge for the year	85	1,756	-	1,841
Transfers	(1,660)	(5,250)	-	(6,910)
Disposals during the year	(78)	(1,904)	-	(1,982)
Balance at 31 December	**1,157**	**10,583**	-	**11,740**
Net book value at 31 December	**2,512**	**17,863**	**764**	**21,139**

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

11e. Property, plant and equipment - Group

	Land and buildings	Plant, motor vehicle and furniture	Capital work in progress	2009 Total
Cost				
Balance at 1 January	8,041	30,202	1,203	**39,446**
Additions in the year	-	6	3,136	**3,142**
Transfers	140	1,881	(2,021)	**-**
Write-offs during the year	-	(2)	(28)	**(30)**
Disposals during the year	-	(309)	-	**(309)**
Balance at 31 December	**8,181**	**31,778**	**2,290**	**42,249**
Accumulated depreciation				
Balance at 1 January	2,615	14,042	-	**16,657**
Charge for the year	195	2,222	-	**2,417**
Disposals during the year	-	(283)	-	**(283)**
Balance at 31 December	**2,810**	**15,981**	-	**18,791**
Net book value at 31 December	5,371	15,797	2,290	**23,458**

Depreciation has been charged to the income statement as follows:	2010	2009
Cost of sales (Note 3)	**1,567**	2,172
Selling, general and administrative expenses (Note 5)	**274**	245
	1,841	**2,417**

11f. Profit on disposal of assets - Group

	Land and buildings	Plant, motor vehicle and furniture	2010 Total	2009 Total
Gross book value	165	3,399	**3,564**	309
Accumulated depreciation	(78)	(1,904)	**(1,982)**	(283)
Net book value	87	1,495	**1,582**	26
Sales proceeds	(4,078)	(1,524)	**(5,602)**	(272)
	(3,991)	(29)	**(4,020)**	**(246)**

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

11g. Intangible assets - Company and Group

	2010	2009
Cost		
Balance at 1 January	71	71
Addition during the year	-	-
Balance at 31 December	71	71
Accumulated amortisation		
Balance at 1 January	34	16
Charge for the year	18	18
Balance at 31 December	52	34
Net book value at 31 December	19	37

Intangible assets represent software that is used in managing employee information.

12. Post employment benefits - Company and Group

12a. Assumptions

For both the funded and unfunded retirement benefit schemes, a full and independent acturial valuation was carried out at the end of the year using the Projected Unit Credit Method in accordance with IAS 19.
The major assumptions used by the actuaries for the two major schemes as at 31 December 2010 were:

	2010	2009
Rate of increase in pensionable salaries (real)	4%	4%
Discount rate (real)	4%	4%
Inflation	11%	15%
Nominal interest rate	14%	19%
Long-term expected rate of return on assets	24%	24%
Interest on member's contribution (real)	3%	4%

The number of employees covered under the funded benefit scheme is 61 (2009: 64) and covers all managers of the company

12b. Amount charged to the statement of comprehensive income

	2010		2009	
	Funded	Unfunded	Funded	Unfunded
Current service costs	414	-	327	-
Employee contributions	(41)	-	(45)	-
Employer contributions	(212)	-	-	-
Interest on liability	735	291	988	369
Expected return on assets	(3,021)	-	(3,539)	-
	(2,125)	291	(2,269)	369

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

12c. Actuarial gains / (losses)

	Funded	Unfunded	Funded	Unfunded
Actuarial (loss)/gains for the year	1,571	(153)	(4,603)	201
Movement on deferred tax (note 10a)	(393)	38	1,151	(50)
Total recognised gains	1,178	(115)	(3,452)	151
Attributable to minority shareholders	-	-	-	-
Attributable to equity shareholders	1,178	(115)	(3,452)	151
	=======	======	=======	======

12d. Net pension liabilities / (assets)

	Funded	Unfunded	Funded	Unfunded
Balance at January 1	(7,626)	2,237	(9,747)	2,069
Accrual for sevice fees	414	16	327	-
Interest on liability	735	291	988	369
Expected return on assets	(3,021)	-	(3,539)	-
Employer contributions	(212)	-	(213)	-
Employee contributions	(41)	-	(45)	-
Actuarial loss / (gains)	(1,571)	153	4,603	(201)
	------------	------------	------------	----------
Balance at December 31	(11,322)	2,697	(7,626)	2,237
	=======	======	=======	======

12e. Balance sheet of funded pension scheme as at 31 December

The assets and liabilities of the defined benefit funded pension scheme at the balance sheet date were:

	2010	2009
Treasury bills	5,644	4,872
Equity holdings	11,671	6,701
Other assets	(1,110)	-
Cash at bank	2,370	1,636
	-----------	----------
Total invested assets	18,575	13,209
Present value of liabilities	(7,253)	(5,583)
	-----------	----------
Pension assets net of liabilities	11,322	7,626
	=======	======

At 31 December 2010, the pension scheme held 264 shares of Unilever Ghana Limited.

Assumed healthcare cost trend rates have a significant effect on the amounts recognised in the statement of comprehensive income. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on service cost	418	410
Effect on interest cost	742	728
Effect on defined benefit obligation	(11,435)	(11,209)

Notes (Cont'd)

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

13. Goodwill

Company 2010	Company 2009		Group 2010	Group 2009
-	-	Balance at 1 January and 31 December	4,210	4,210
======	======		=======	=======

There was no impairment during the year ended 31 December 2010.

14. Investment in subsidiaries

2010	2009		2010	2009
-	-	United Africa Trust Limited	-	-
2,553	2,553	Twifo Oil Palm Plantations Limited	-	-
10,346	10,346	Benso Oil Palm Plantations Limited	-	-
10	-	Unilever Ghana Investments Limited	-	-
--------	------------		--------	--------
12,909	12,899		-	-
======	=======		=====	=====

Name of subsidiary	Nature of business	% held in 2010 & 2009	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	Real Estate Development	100.00	Ghana
Unilever Ghana Investments Limited	Holding Company	100.00	Ghana

In view of the fact that Unilever Ghana Limited has the power to exercise control over the operating and financial policies of Twifo Oil Palm Plantations (TOPP) Limited, through its 100% holding company Unilever Ghana Investments Limited and in accordance with International Financial Reporting Standards, TOPP has been designated as a subsidiary.

In accordance with the 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.

15. Inventories

Company 2010	Company 2009		Group 2010	Group 2009
3,580	11,386	Raw and packing material	3,580	10,779
1,085	381	Work in process	1,085	381
8,990	10,373	Finished goods	9,153	10,555
1,047	1,055	Non-trade stock	2,980	5,808
-	-	Provision for unrealised profit	(140)	692
------------	------------		------------	------------
14,702	23,195		16,658	28,215
=======	=======		=======	=======

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

Inventories are stated at the lower of cost and net realisable value. During the year, GH¢240 (2009: GH¢113) was charged to the statement of comprehensive income as damaged and obsolete inventories.
Provision for unrealised profit relates to the profit element on the closing inventories purchased from subsidiaries.

16. Dividend proposed

Payment of dividends is subject to a withholding tax at the rates of 8% and 7.5% (2009: 8% and 7.5%) for local and foreign shareholders respectively.

17a. Dividend payable

Company 2010	Company 2009		Group 2010	Group 2009
1,157	1,310	Balance at 1 January	1,157	1,310
13,300	7,019	Final dividend declared - 2009	13,300	7,019
-	-	Interim dividend declared - 2010	-	-
(12,874)	(7,172)	Payments during the year	(12,874)	(7,172)
1,583	1,157		1,583	1,157

17b. Dividend paid

Company 2010	Company 2009		Group 2010	Group 2009
12,874	7,172	Balance at 1 January	14,283	9,384
		Final dividend declared - 2009		
-	-	Interim Dividend declared - 2010	(1,409)	(2,212)
		Payments during the year		
12,874	7,172		12,874	7,172

18. Stated capital

	2010 No. of shares of no par value	2010 Proceeds	2009 No. of shares of no par value	2009 Proceeds
Authorised shares	100,000,000		100,000,000	
Issued shares				
Issued and fully paid	62,500,000	931	62,500,000	931
Transferred from capital surplus	-	269		269
	62,500,000	1,200	62,500,000	1,200

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

Notes (Cont'd)

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

19a Capital surplus account

	Company 2010	Company 2009	Group 2010	Group 2009
Balance at 1 January	329	329	329	329
Released on disposal (note 11c & f)	-	-	-	-
Transfer to share capital	-	-	-	-
	329	329	329	329

The capital surplus arose as a result of the revaluation of assets including leasehold land, buildings, plantation and plant and machinery.

19b Share deals account

	Company 2010	Company 2009	Group 2010	Group 2009
Balance at 1 January	81	81	81	81
Released on disposal (note 11c & f)	-	-	-	-
Transfer to share capital	-	-	-	-
	81	81	81	81

The share deals account was created in line with the Companies Code 1963 (Act 179) section 63 requirement that a company shall open an account to be known as the share deals account and shall credit thereto a sum not less than the amount to be expened on such redemption or purchase by transferring such sum from income surplus as defined in section 70 of the Code.

20. Non-controlling interest

	2010	2009
Balance at 1 January	21,356	20,651
Add: Statement of comprehensive income	3,705	2,917
Less: Final Dividend	(2,566)	(2,212)
Balance at 31 December	22,495	21,356

21. Trade and other receivables

	Company 2010	Company 2009	Group 2010	Group 2009
Trade receivables - 3rd parties	8,846	487	9,418	3,041
Receivables - related parties (note 31)	9,365	3,359	8,956	2,157
Amount due from officers	469	746	526	866
Payments in advance	1,851	359	1,852	359
Other receivables	1,933	1,629	4,886	2,369
	22,464	6,580	25,638	8,792

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

Full provision has been made for any debtor that is impaired. This amounted to GH¢ 177 (2009: GH¢94).

22. Trade and other Payables

Company 2010	Company 2009		Group 2010	Group 2009
13,270	7,029	Trade payable - 3rd parties	13,606	7,762
14,639	14,098	Payable - related parties (note 31)	10,654	11,603
4,277	14,726	Accrued liabilities	4,344	2,981
20,029	6,237	Other payables	24,626	19,189
52,215	42,090		53,230	41,535

Other payables include business group fees of GH¢9.6 million (2009: GH¢15.1 million).

23. Bank overdraft

Company 2010	Company 2009		Group 2010	Group 2009
(86)	(124)	Bank overdraft	(86)	(124)
(86)	(124)		(86)	(124)

24. Cash generated from operations

Company 2010	Company 2009		Group 2010	Group 2009
22,888	193	Profit from Discontinued operations	25,087	2,777
1,482	1,530	Depreciation (note 11a &d)	1,841	1,888
18	18	Amortisation of intangible asset (note 11g)	18	18
(4,017)	(6)	Profit on sales of assets (note 11c &f)	(4,020)	(198)
15	30	Net book value of write offs	15	30
-	-	Fair value gains on biological assets (note 26)	(142)	(1,346)
(2,125)	(2,313)	Employment benefit plan	(2,125)	(2,313)
461	-	Unfunded retirement benefit	461	-
8,493	14,692	Decrease/(increase) in inventories	8,949	12,452
(15,884)	1,875	Decrease/(increase) in trade and other receivables	(16,884)	1,674
8,261	(1,757)	(Decrease)/increase in trade and other payables	9,302	580
(2,066)	(1,646)	Dividends received (note 6)	-	-
260	1,419	Interest charge (note 7)	263	1,433
(831)	-	Interest credit (note 7)	(1,445)	(1,021)
16,955	14,035	**Cash generated from operations**	21,320	15,974

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

25. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise:

	Company 2010	Company 2009	Group 2010	Group 2009
Cash at bank	21,437	18,230	25,982	22,131
Bank overdrafts	(86)	(124)	(86)	(124)
	21,351	18,106	25,896	22,007

26. Biological assets - Group

a) Changes in carrying amounts of biological assets comprise:

	Group 2010	2009
Fair value at 1 January	20,259	18,248
Additions during the year	481	665
Reclassification	(10,751)	-
Gains arising from changes in fair value less estimated point-of-sale costs	142	1,346
Fair value at 31 December 2010	10,131	20,259

Palm trees are carried at fair value less estimated point-of-sale costs. The fair value of the palm trees were determined based on the discounted net present values of expected cash flows from those assets, discounted at a market-determined pre-tax rate. The following assumptions were made in determining the fair values of the palm trees:

* Average yielding life of a palm tree is 22years
* Climatic conditions will remain same and no anticipation of any disease attacking the trees
* Fresh Fruit bunch selling price of $142 per metric tone. The Fresh Fruit bunch price is highly dependant on crude palm oil and palm kennel oil price.
* A discount rate of 24% for Ghana Cedi denominated cost and 11% for dollar denominated revenue were used.
* The exchange rates used are GH¢1.45:1$ respectively.
* None of the biological assets have been used as collateral for bank facilities.
* Palm plantation covers a total of 4,647 hectares with an average of 135 palm trees per hectare.

27a. Provisions - 2010

	Company Restructuring	Company Other	Company Total	Group Restructuring	Group Other	Group Total
Balance at 1 January 2010	2,306	502	2,808	2,306	737	3,043
Charge/ release during the year	4,247	971	5,218	4,247	1,131	5,378
Payments during the year	(6,332)	(750)	(7,082)	(6,332)	(750)	(7,082)
Balance at 31 December 2010	221	723	944	221	1,118	1,339

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

Restructuring provisions primarily relates to the cost of redundancies and early retirement.

27b. Provisions - 2009

Company Restructuring	Company Other	Company Total		Group Restructuring	Group Other	Group Total
116	377	493	Balance at 1 January 2009	116	762	878
2,295	757	3,052	Charge/ release during the year	2,295	3,486	5,781
(105)	(632)	(737)	Payments during the year	(105)	(3,511)	(3,616)
2,306	502	2,808	**Balance at 31 December 2009**	2,306	737	3,043

27c. Exceptional Items

Company 2010	Company 2009		Group 2010	Group 2009
6,282	-	Proceeds for sale of frytol brand	6,282	-
(1,551)	-	Assets disposed for frytol	(1,551)	-
(4,010)	-	Other cost of frytol disposal	(4,010)	-
(4,247)	(2,295)	Restructuring (note 27a,b)	(4,247)	(2,295)
(3,526)	(2,295)	**Balance at 31 December 2010**	(3,526)	(2,295)

28a. Discountinued operation

Company 2010	Company 2009	**Net profit / (loss) from discontinued operation**	Group 2010	Group 2009
-	-	Revenue	19,366	15,603
-	-	Operating Cost	(16,940)	(14,432)
-	-	Operating profit / (loss)	2,426	1,171
		Other income / (loss)	-	48
		Finance income	254	394
		Finance cost	(12)	(20)
-	-	Profit before tax	2,668	1,593
		Tax (charge) / credit	-	59
-	-	Profit after tax of discontinued operations	2,668	1,652

Notes (Cont'd)

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

28b. Non - current assets held for sale and discontinued operation

The assets and liabilities related to company Benso Oil Palm Plantations Limited (BOPP) (part of the Food segment) have been presented as held for sale following the approval of the group's management and shareholders on 2nd of February 2010 to sell company BOPP. The completion date for the transaction is expected by March 2011.

Company 2010	Company 2009	Assets of disposal group classified as held for sale	Group 2010	Group 2009
-	-	Property, plant and equipment	4,652	-
-	-	Biological assets	11,699	-
-	-	Inventories	1,702	-
-	-	Trade and other receivables	655	-
-	-	Amounts due from related companies	2,310	-
-	-	Tax	7	-
-	-	Cash and bank balances	2,531	-
-	-	Total	23,556	-

Company 2010	Company 2009	Liabilities of disposal group classified as held for sale	Group 2010	Group 2009
-	-	Trade and other payables	(771)	-
-	-	Amounts due to related companies	(716)	-
-	-		(1,487)	-

Company 2010	Company 2009	Cash and cash equivalent at the end of the year	Group 2010	Group 2009
-	-	Net cash flow from operating activities	3,152	1,710
-	-	Net cash flow from investing activities	(833)	(825)
-	-	Net cash flow from financing activities	(1,086)	(1,696)
-	-	Increase in cash and cash equivalents	1,233	(811)
-	-	Cash and cash equivalent at the beginning of the year	1,298	2,109
-	-	**Cash and cash equivalent at the end of the year**	2,531	1,298

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

29. Contingencies

(i) The company has certain legal cases pending before the courts with a potential liability of GH¢ 134 (2009: GH¢ 690). In the opinion of the directors no loss is anticipated beyond the provision already made in the financial statements.

(ii) At 31 December 2010 the company had guaranteed loans to employees amounting to GH¢ 606 (2009: GH¢ 746).

30. Commitments

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

Company 2010	Company 2009		Group 2010	Group 2009
2,570	1,059	Property, plant & equipment contracted	**2,679**	1,366
======	======		======	======

31. Related party transactions

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

Company 2010	Company 2009	a. Purchases of goods & services	Group 2010	Group 2009
19,171	-	Benso Oil Palm Plantations Limited	-	-
17,264	11,310	Twifo Oil Palm Plantations Limited	-	-
-	3,484	Hindustan Lever	-	3,484
311	391	Unilever Market Development - South Africa	**311**	391
164	-	Unilever Indonesia	**164**	-
46	-	Unilever Kenya	**46**	-
6,783	15,005	Unilever Nigeria PLC	**6,783**	15,005
12,007	7,693	Unilever Cote D'voire	**12,007**	7,693
5,675	5,105	Unilever Gulf	**5,675**	5,105
6,551	3,575	Unilever Vietnam	**6,551**	3,575
3,963	550	Other related parties	**3,963**	550
----------	----------		----------	----------
71,935	47,113		**35,500**	35,803
=======	=======		=======	=======

Company 2010	Company 2009	b. Sales of goods & services	Group 2010	Group 2009
195	-	Benso Oil Palm Plantations Limited	-	-
197	61	Twifo Oil Palm Plantations Limited	-	-
-	31	Unilever South Africa	-	31
13,236	11,521	Unilever Nigeria PLC	**13,236**	11,521
658	84	Unilever Cote D'Ivoire	**669**	84
----------	----------		----------	----------
14,286	11,697		**13,905**	11,636
=======	=======		=======	=======

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

31. Related party transactions - (Cont'd)

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

Company 2010	Company 2009	c. Receivables from related parties	Group 2010	Group 2009
167	825	Benso Oil Palm Plantations Limited	-	-
242	377	Twifo Oil Palm Plantations Limited	-	-
8,281	2,019	Unilever Nigeria PLC	8,281	2,019
573	-	Unilever PLC	573	-
102	138	Other related parties	102	138
9,365	3,359		8,956	2,157

Company 2010	Company 2009	d. Payables to related parties	Group 2010	Group 2009
2,297	1,482	Benso Oil Palm Plantations Limited	-	-
1,688	1,013	Twifo Oil Palm Plantations Limited	-	-
133	69	Unilever Market Development - South Africa	133	69
4,150	3,564	Unilever Nigeria PLC	4,150	3,564
6	179	Unilever N. V	6	179
2,730	1,602	Unilever Cote D'voire	2,730	1,602
1,521	942	Unilever Gulf - Arabia	1,521	942
-	4,675	Unilever Kenya	-	4,675
2,005	526	Unilever Vietnam	2,005	526
109	46	Other related parties	109	46
14,639	14,098		10,654	11,603

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

32. Loans to directors - Company & Group

	2010	2009
Balance at 1 January	21	7
Loans advanced during the year	-	84
Loan repayments	(20)	(54)
Interest received	(1)	(16)
Balance at 31 December	-	21

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

33. Key management personnel compensation - Company & Group

	Group 2010	2009
Short term employee benefits	1,547	1,647
	=====	=====
Of which:		
Executive Directors	1,451	1,569
Non-Executive Directors	96	78
	----------	----------
	1,547	1,647
	======	======

34. Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks: Market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the Group does not hedge any risks. Financial risk management is carried out by the Treasury department under policies approved by the Board of Directors and the parent company Unilver Overseas Holding Ltd.

Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar, British Pound and Euro. Foreign exchange risk arises from future commercial transactions.
Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies. At 31 December 2010 if the Cedi had weakened/strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year would have been GH¢ 106 (2009: GH¢ 441) higher/lower, mainly as a result of US dollar denominated trade payables and bank balances. At 31 December 2010 if the Cedi had weakened/strengthened by 10% against the Euro with all other variables held constant, post tax profit for the year would have been GH¢ 29, (2009: GH¢ 150) higher / lower, mainly as a result of Euro denominated bank balances.

(ii) Price risk

The group is not exposed to equity securities price risk because none of its investments are directly into equity securities . The group is not exposed to commodity price risk. This is because the group does not have commodity purchase contracts that meet the definition of a financial instrument under IAS 39.

(iii) Cash flow and fair value interest rate risk

The group's only interest bearing financial liability is the bank overdraft and bank balances, which are at variable rates, and on which they are therefore exposed to cash flow interest rate risk. The company regularly monitors financing options available to ensure optimum interest rates are obtained. At 31 December 2010, an increase/decrease of 2% basis points would have resulted in a decrease/increase in post tax profit of GH¢517 (2009: GH¢466).

Credit risk

Credit risk arises from cash at bank and short term deposits with banks, as well as trade and other receivables. The company does not have any significant concentrations of credit risk. The credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted and deposit with a bank is limited to 20% of the net worth of that bank. The company's maximum exposure to credit risk at 31 December 2010 and 2009 is the same as the balance of cash at bank and trade and other recievables in the statement of financial position. There is no off balance sheet credit risk exposure. No collateral is held for any of the above assets. The company does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated. None of the above assets are either past due or impaired except for the following amounts in trade receivables (which are due within 30 days of the end of the month in which they are invoiced).

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

34. Financial Risk Management Objectives and Policies Cont'd

Credit risk Cont'd

	2010	2009
Past due but not impaired:		
- by up to 30 days	264	138
- by 31 to 60 days	240	3,806
	=====	=====

	2010	2009
Neither past due nor impaired	23,459	4,583
Past due but not impaired	504	3,944
Individually impaired	---------	---------
Total	23,963	8,527
Provision for impairment loss	(177)	(94)
	---------	---------
Net carrying amount	23,786	8,433
	=====	=====

Movement on the group provision for impairment of trade receivables are follows:	2010	2009
At 1 January	94	45
Provision receivables impairment	83	49
	---------	---------
At 31 Decmber	177	94
	=====	=====

Liquidity risk

The Company and the Group manage liquidty risk by maintaining adequate cash reserves and calling on short term borrowing and funding from related parties .Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flow. In addition, the Group maintains the following lines of credit:

The table below analyses the company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. 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 reconcile to the amounts disclosed in the statement of financial position.

	Less than 1 year
At 31 December 2010	
- bank overdraft	(86)
- trade and other payables	(53,230)
At 31 December 2009:	
- bank overdraft	(124)
- trade and other payables	(41,535)

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

Capital

The group's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. Total capital at 31 December 2010 and 2009 were as follows:

	2010	2009
Total borrowings	(86)	(124)
Less: cash and cash equivalents	25,982	23,429
	------------	------------
Net debt/cash	25,896	23,305
Total equity	1,200	1,200
	------------	------------
Total capital	27,096	24,505
	------------	------------

Fair values of financial assets and liabilities

The carrying amounts of all financial assets and liabilities are a reasonable approximation of their fair value, because of their short term nature.The carrying amount of all financial assets and liabilities equals their carrying amount, as the impact of discounting is not signficant.

Financial instruments by category

Company: Loans and receivables 2010	Company: Loans and receivables 2009		Group: Loans and receivables 2010	Group: Loans and receivables 2009
		Financial assets		
11,248	2,862	Trade and other receivables	14,830	6,276
9,365	359	Amounts due from related companies	8,956	2,157
21,437	18,106	Cash and cash equivalents	25,896	23,305
----------	------------		----------	------------
42,050	21,327		49,682	31,738
financial liabilities	financial liabilities		**financial liabilities**	financial liabilities
		Financial assets		
37,576	35,061	Trade and other receivables	42,576	29,932
14,639	14,098	Amounts due from related companies	10,654	11,603
86	124	Cash and cash equivalents	86	124
----------	------------		----------	------------
52,301	49,283		53,316	41,659
======	======		======	======

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

35. Earning per share

	Company		Group	
	2010	2009	**2010**	2009
Profit attributable to equity holders	**17,947**	(268)	**19,109**	1,304
Weighted average number of ordinary shares in issue, in	**62,500**	62,500	**62,500**	62,500
Earnings per share	**0.2872**	(0.0043)	**0.3057**	0.0209

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

36. Segment information

Management has determined the operating segments based on the reports reviewed by the Executive committee that are used to make strategic decisions. The committee considers the business from a product perspective. The accounting policies of the operating segments are the same. The Group accounts for intersegment sales and transfers as if the sales or tranfers were to third parties, ie at current market prices.

The leadership team assesses the performance of the operating segments based on a measure of net profit. Net profit is based on IFRS principles. Hence reconciliation of Non- GAAP to the financial statements information based on IFRS is not required.The group's reporting segments are based on products. namely Foods, Home Care and Personal Care. Under the Foods division are Spreads, Tea, Savoury, Oils and Health & Wellness. The Home Care division comprises the Laundry and Household care categories. The Personal Care division has the Skin Cleansing and Oral categories.

Costs relating to segments have been allocated on the following basis:

Cost such as capital are directly charged to products whenever this can be done. For instance finished goods stocks information is normarlly available by product.

A simple allocation rule is used in allocating costs which cannot be directly charged to product categories unless where a more sophiscated allocation basis has been agreed within the region.

The segment information provided to the Executive committee for the reportable segments for the year ended 31 December 2010 and 2009 are as follows:

Notes (Cont'd)

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

Analysis by product divisions

Company

	Foods		Home Care		Personal Care		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
Revenues from external customers	**43,795**	51,065	**70,019**	53,303	**65,443**	56,128	**179,257**	160,496
Intersegment revenues	**-**	-	**-**	-	**-**	-	**-**	-
Depreciation and amortisation	**(788)**	(873)	**(429)**	(411)	**(282)**	(264)	**(1,499)**	(1,548)
Operating cost	**(37,194)**	(52,754)	**(64,490)**	(55,299)	**(51,730)**	(50,188)	**(153,414)**	(158,241)
Operating profit / (loss)	**6,601**	(1,689)	**5,529**	(1,996)	**13,713**	5,940	**25,843**	2,255
Other income	**-**	-	**-**	-	**-**	-	**2,661**	1,652
Exceptional item							**(3,526)**	(2,295)
Finance income							**831**	-
Finance cost	**-**	-	**-**	-	**-**	-	**(260)**	(1,419)
Profit before tax	**-**	-					**22,888**	193
Taxation	**-**	-	**-**	-	**-**	-	**(4,941)**	(461)
Net profit from continuing operations	**-**	-	**-**	-	**-**	-	**17,947**	(268)

Group

	Foods		Home Care		Personal Care		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
Revenues from external customers	**45,691**	54,432	**70,019**	53,303	**65,443**	56,128	**181,153**	163,863
Intersegment revenues	**36,827**	11,371	**-**	-	**-**	-	**36,827**	11,371
Depreciation and amortisation	**(1,147)**	(1,760)	**(429)**	(411)	**(283)**	(264)	**(1,859)**	(2,435)
Operating cost	**(37,502)**	(52,892)	**(64,490)**	(55,299)	**(51,730)**	(50,188)	**(153,723)**	(158,379)
Operating profit / (loss)	**45,016**	2,513	**5,529**	(1,996)	**13,713**	5,940	**64,258**	16,855
Exceptional item							**(3,526)**	(2,295)
Other income	**-**	-	**-**	-	**-**	-	**368**	198
Finance income							**1,445**	1,435
Finance cost	**-**	-	**-**	-	**-**	-	**(263)**	(1,847)
Profit before tax	**-**	-	**-**	-	**-**	-	**61,914**	14,148
Taxation	**-**	-	**-**	-	**-**	-	**(4,941)**	(250)
Profit from continuing operations	**-**	-	**-**	-	**-**	-	**56,973**	13,898
Adjustment for inter-segment	**-**	-	**-**	-	**-**	-	**(36,827)**	(11,371)
Profit	**-**	-	**-**	-	**-**	-	**20,146**	2,527

No measure of total assets and liabilities are reviewed by the Leadership Team. Hence no disclosure of total assets and liabilities for each reporting segment has been disclosed. There no revenues and non current assets from outside Ghana. No major customer identified during the year.

Analysis of Shareholding

Number of shareholders

The Company had 11,768 Ordinary shareholders at 31 December 2010 with equal voting rights distributed as follows:

Holding	Number of holders	Holders %	No. of shares	% of Holdings
1 - 1,000	10,547	89.62	3,042,606	5
1,001 - 5000	1,041	8.85	2,240,627	4
5,001 - 10,000	92	0.78	674,360	1
10,001 - and over	88	0.75	56,542,407	90
	11,768	100.00	62,500,000	100

Directors' shareholding

The Directors named below held the following number of shares in the Company at 31 December 2010

Mr. Ishmael Evans Yamson	-	2,500
Mr. Charles Alexander Cofie	-	2,000
Mr. Joseph Nee-Amahtey Hyde	-	500

20 Largest shareholders at 31 December 2010

	Shareholders	Number of shares	Shareholders
1	UNILEVER OVERSEAS HOLDINGS LTD	26,249,980	42.00
2	UAC INTERNATIONAL LIMITED	14,999,955	24.00
3	SOCIAL SECURITY & NAT. INS. TRUST	3,300,332	5.28
4	SCBN/HSBC BANK PLC ARISAIG AFRICA FUND LTD	3,120,000	4.99
5	SCBN/STATE STREET BANK TST X71 AX71	1,889,000	3.02
6	SCBN/HSBC - FUND SERVICES A/C 500	1,440,000	2.30
7	SCBN/HSBC BANK PLC	1,190,181	1.90
8	SCBN/STATE STREET X71 AX71	988,070	1.58
9	CWA HOLDINGS LIMITED	350,040	0.56
10	SCBN/UNILEVER GHANA MANAGERS'	264,796	0.42
11	SCBN/SSB EATON VANCE TAX-MANAGED	249,000	0.40
12	STD NOMS TVL PTY/BNYM/FRONTIER MKT	177,178	0.28
13	ENTERPRISE INSURANCE CO. LTD.	155,000	0.25
14	SCBN/SSB & T RUSSEL T.C.C. EMP	146,700	0.23
15	SCBN/UNILEVER GHANA PROVIDENT FUND	135,000	0.22
16	SCBN/ELAC SHAREHOLDERS FUND	82,997	0.13
17	THE EST OF LATE REXFORD KWASI OBENG	75,000	0.12
18	STD NOM TVL PTY/BNYM/FLORIDA	72,944	0.12
19	SCBN/STATE STREET X71 AX71	70,930	0.11
20	SCBN/SSB & T RUSSEL T.C.C. EMP	69,000	0.11
		55,026,103	**88.04**

Five year financial summary of the Group

(All amounts in the notes are expressed in thousands of Ghana cedis unless otherwise stated)

Balance sheet as at 31 December

	IFRS				
Funds employed	**2006**	**2007**	**2008**	**2009**	**2010**
Shareholders' funds	45,885	50,295	56,358	47,149	**54,136**
Post employment benefits obligation	1,614	2,073	2,069	2,237	**2,697**
Deferred tax	1,977	2,351	2,692	723	**2,571**
Non-controlling interest	14,769	15,559	20,651	21,356	**22,495**
	64,245	70,278	81,770	71,465	**81,899**
Employment of Funds					
Property, plant and equipment	23,622	23,290	22,789	23,458	**21,139**
Intangible asset	-	-	55	37	**19**
Biological assets	15,941	17,515	18,248	20,259	**10,131**
Goodwill	4,210	4,210	4,210	4,210	**4,210**
Pension assets for funded scheme in surplus	5,546	6,868	9,747	7,626	**11,322**
Net current (liabilities) / assets	14,926	18,395	26,721	15,875	**35,078**
Net assets	64,245	70,278	81,770	71,465	**81,899**
Capital Expenditure	6,729	2,495	3,243	3,807	**6,294**
Depreciation	1,917	2,112	2,240	2,417	**2,364**
Results					
Revenue	118,399	139,054	165,590	167,952	**181,153**
Profit attributable to the equity holders of the company	10,149	11,090	22,236	1,262	**19,109**
Interim dividend declared			(6,281)		
Final dividend declared		(6,563)	(7,750)	(7,019)	**(13,300)**
Profit retained in the year	10,149	4,527	8,205	(5,757)	**5,809**

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.

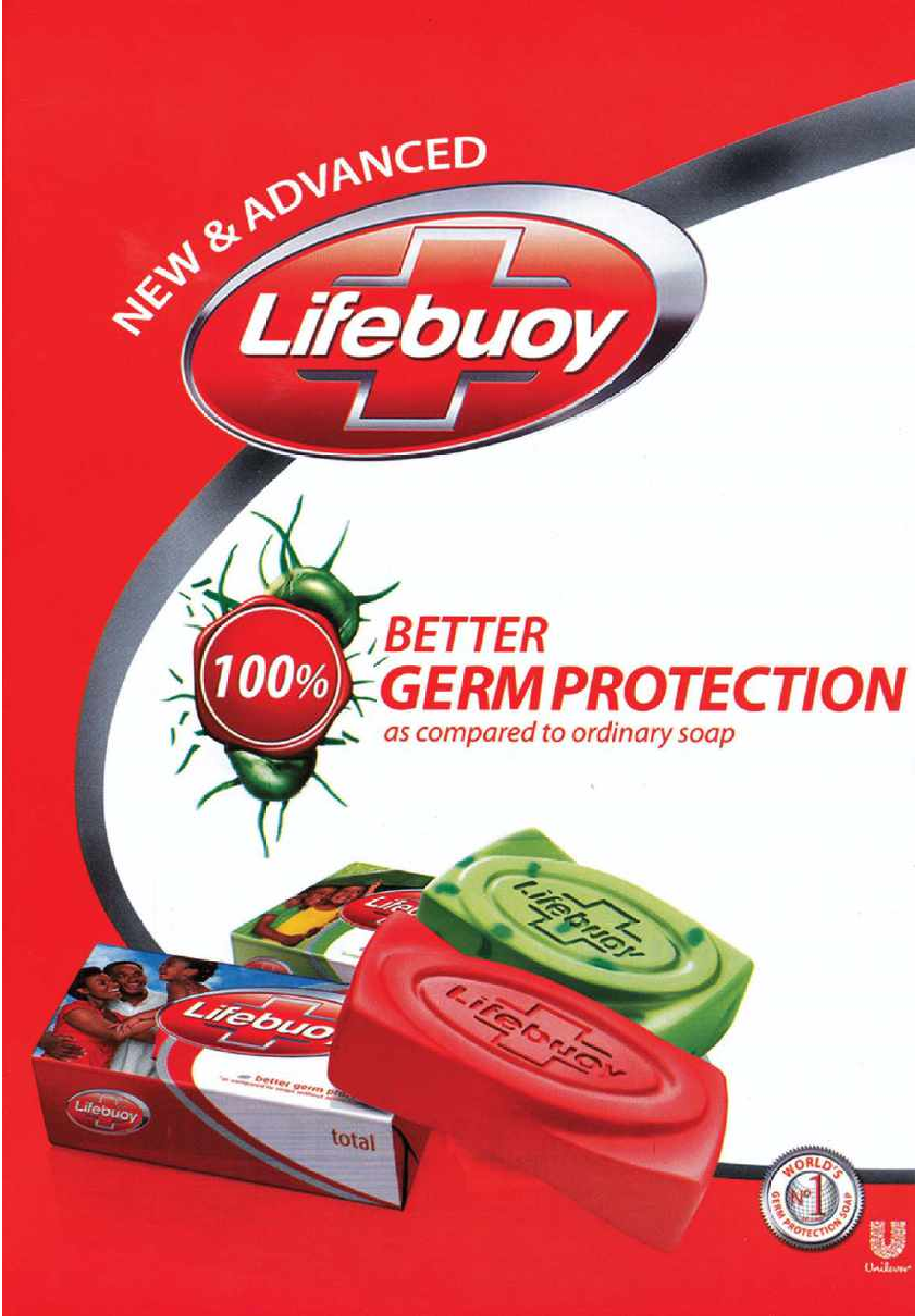
either:

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.


TEETH-EATING MONSTERS ATTACK AT NIGHT!
Brush day+night means up to 2 times less bacteria in your kids mouth compared to brushing in the morning only*.
Closeup
BRUSH DAY+NIGHT
fdi
FDI World Dental Federation
FDI recognizes that twice daily brushing with a fluoride toothpaste is beneficial to oral health.
Unilever
Unilever Ghana Limited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Lifebuoy
100%
BETTER
GERM PROTECTION
as compared to ordinary soap
Lifebuoy
total
WORLD'S
No 1
GERM PROTECTION SOAP
Unilever

Focusing

on the simple things that make life brighter.

AGM 2011
ADMISSION CARD

No.

ANNUAL GENERAL MEETING to be held at 11.00a.m. on Wednesday, 4th May 2011 at the National Theatre, Accra

Name of Shareholder ....

....

Address ....

....

No. of Shares

....

IMPORTANT This admission card must be produced By the Shareholder or his proxy.

....

UNILEVER GHANA LIMITED

No.

Name of Shareholder ....

....

No. of Shares

....

Unilever

Unilever Ghana Limited

AGM 2011
ADMISSION CARD

Proxy Form

Unilever Ghana Limited

Serial No.

ANNUAL GENERAL MEETING
TO BE HELD at 11.00 a.m. on Wednesday, 4th May 2011 at The National Theatre, 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 Wednesday, 4th May 2011 and at any and every adjournment thereof.

Dated this .... day of May, 2011

For Company's Use	*No. of shares*	
RESOLUTION	**FOR**	**AGAINST**
To declare a Dividend		
To re-elect Mr D. M. Mureithi as a Director		
To re-elect Mr A. Ata as a Director		
To re-elect Ms Maidie E. Arkutu as a Director		
To re-elect Mr I. E Yamson as a Director		
To re-elect Mr S. A. Dontoh as a Director		
To approve the terms of appointment of Mr Akofa Ata as a manager		
To approve the terms of appointment of Mr David M. Mureithi as a Manager		
To approve the terms of appointment of Ms Maidie E. Arkutu 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.

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 holder, each should sign.

(2) If executed by a Corporation, the proxy From should bear its Common Seal or be signed on its behalf by a Director

(3) Please sign the above proxy From and post it so as to reach the address shown overleaf not later than 11.00a.m. on 2nd May, 2011.

Second fold here

please fix
stamp

Fourth fold
here

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

Third fold
here

First fold here

Focusing

on the simple things that change your world.

Unilever Head Office and Factory
P. O. Box 721 Tema, Ghana.
www.unileverghana.com