

OUR BRANDS

SUSTAINING OUR WORLD TODAY
FOR TOMORROW

2012 **FINANCIAL STATEMENTS**
For the year ended 31 December 2012

OUR BRANDS

SUSTAINING OUR WORLD TODAY
FOR TOMORROW

At Unilever we care for the little moments of life. Brushing teeth, showering, cooking meals, caring for the baby, cleaning the house, doing the dishes and the laundry.

To us the moments that make everyday life richer is what inspires us to care about our consumers.



2012

Annual Report and Financial Statements



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Our mission

We work to create a better future every day.
We help people feel good, look good and get
more out of life with brands and services that
are good for them and good for others.

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

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

BOARD OF DIRECTORS



Seated L-R

David M. Meredith
(Managing Director)

Ms Aurora Lokko
(Non-Executive Director)

Ishmael Evans Yanson
(Chairman)

Standing L-R

Ms Naana Bedu-Addo
(Company Secretary)

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

Mrs. Victoria Kayaga Kiggundu
(Finance Director)

Ms. Maudie E. Arkutu
(Brand Building Director)

Charles A. Coffe
(Non-Executive Director)

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

Sampson A. Dontoh
(Human Resource Director)

Financial Highlights

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



	2012	2011	% Change
Revenue	282,138	239,005	18.0
Operating profit	24,515	38,038	(36)
Profit before income tax	20,758	37,881	(45)
Profit after income tax	16,082	30,416	(47)
Cash flows from operating activities	53,445	20,074	166
Shareholders' funds	31,768	48,893	(35)
Capital expenditure	25,206	14,843	70
Earnings per share (GHC)	0.2573	0.4867	(47)
Proposed dividend per share (GHC)	0.2560	0.4800	(47)
Net assets per share (GHC)	0.5083	0.7823	(35)
PBT margin (%)	7.4	15.8	
Net profit margin (%)	5.7	12.7	

Note: Included in the 2011 Operating profit was one off profit on the sale of investments in BOPP of GHC4.3m and GHC4.7m of other income including, dividend income and service fees from the Plantations.

Notice of Meeting



Notice is hereby given that the next Annual General Meeting of the Members of Unilever Ghana Limited will be held at the National Theatre, Accra on Wednesday, 24th April 2013 at 11.00 a.m. for the following purposes:

AGENDA

1. To receive the report of the Directors, the financial position as at 31st December, 2012 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 retiring by rotation.
4. To approve Directors' fees.
5. To authorize the Directors 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 21st day of February 2013.

By Order of the Board

Naana Bedu-Addo (Ms)
Secretary

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

Dividend Warrants

If the payment of the dividend recommended is approved, the warrants will be posted on the 24th day of May 2013 to holders of shares whose names are registered in the Register of Members at the close of day on the 10th day of April, 2013.

Board of Directors & Secretary

I.E. Yamson; Chairman; D.M. Mureithi; Managing Director; C A Cofie, S. A. Dontoh; J. N-A Hyde; V. Kayaga Kiggundu (Mrs); A. Lokko (Ms); F.A. Manu, Maidie E. Arkutu (Ms) and Naana Bedu-Addo (Ms), Secretary.

Board Audit Committee

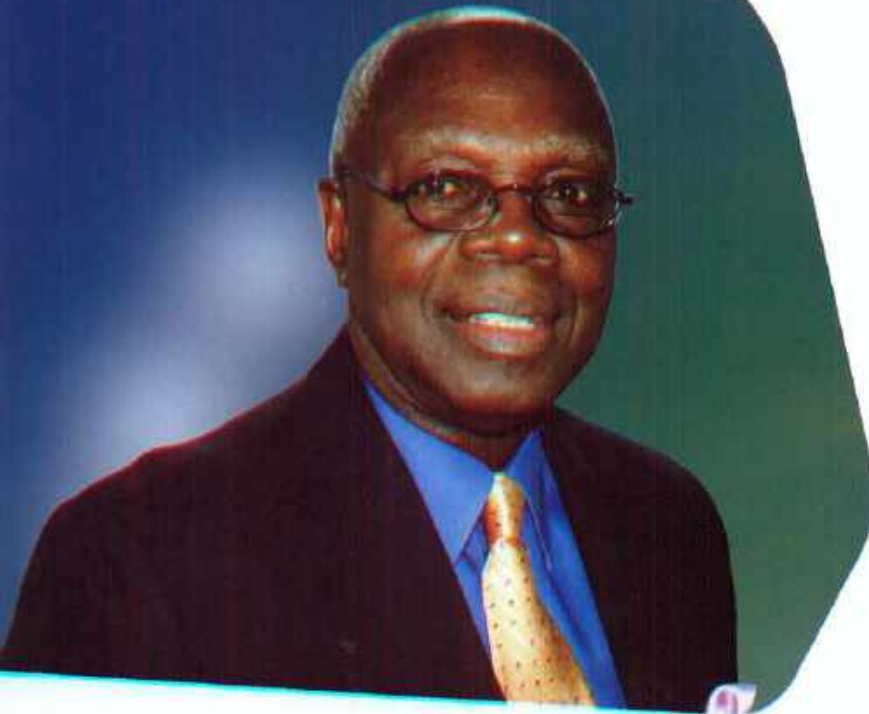
Aurore Lokko (Ms); J. N-A Hyde, V. Kayaga Kiggundu (Mrs) and F. A. Manu.

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

REMOVES STAINS IN **1** STEP



NEW OMO MULTIACTIVE



Chairman's Review

Introduction

I am delighted to report that in the year 2012 your business continued on its strong growth trajectory of previous years. Our leadership of the market in our core categories remained on track and our brands are growing stronger as we expand our portfolio. We had good Revenue growth of 18% which places us on track to double the size of the business by 2015. However operating profit declined to GH¢24.5million from the 2011 levels of GH¢29million which excludes profit on sale of investments in BOPP and other income including dividend and service fees from the plantations. This was driven largely by cost pressures associated with the cedi devaluation and by cost inflation in energy and raw materials that were partly recovered through price. The Managing Director will give you more insights into actions which were taken by the company to respond to these challenges.

The Board, in keeping with its commitment to shareholders, is proposing an annual dividend of GH¢0.256 per share representing a 100% pay out of the 2012 profit.

Political and Economic Review – 2012

Our nation's credentials as a thriving democracy were given a further boost in 2012 by a smooth transition from the President John Atta-Mills Government to the President John Mahama Government after the death of His Excellency Professor John Evans Atta- Mills in July. The 2012 presidential elections passed

off peacefully however it brought in its wake a further test of our democratic institutions with the election petition filed at the Supreme Court by the Presidential candidate of the New Patriotic Party challenging the results of the elections. We expect that the Supreme Court will dispose of the case expeditiously so as to remove any uncertainties that the court case might have created to enable the current positive business environment to prevail. We have no doubt that the democratic institutions will pass the test presented by the petition and build upon successes chalked earlier in our forward march to entrench the rule of law and good governance.

Ghana remained an attractive destination for investments in the sub region. Government focus in 2012 was primarily to preserve the relative economic stability made in previous years. This aided the economy to continue to attract investments from various destinations across the globe in the year under review. Investor confidence in the economy also grew as manifested in the over subscription of all government bonds issued during the year. The Ghana Statistical Service estimate Real GDP will grow by 7.1% in 2012.

Despite the attractiveness of the economy, the depreciation of the cedi accelerated in the first half year, leading to some deterioration in the macro-economic environment. The cedi depreciated by 17.5% against the US dollar, our major trading

Chairman's Review (Continued)



year-on-year. Interest rates remained relatively high during the year, with generally low liquidity. The resulting effects were a squeeze on consumer purchasing power and significant cost increases in our operations especially from currency depreciation, exchange losses and the prolonged energy crises. Cumulatively, the central bank policy rate was raised by 250 basis points to 15% in June 2012 and maintained for the rest of the year which impacted borrowing rates in the year.

Board Changes

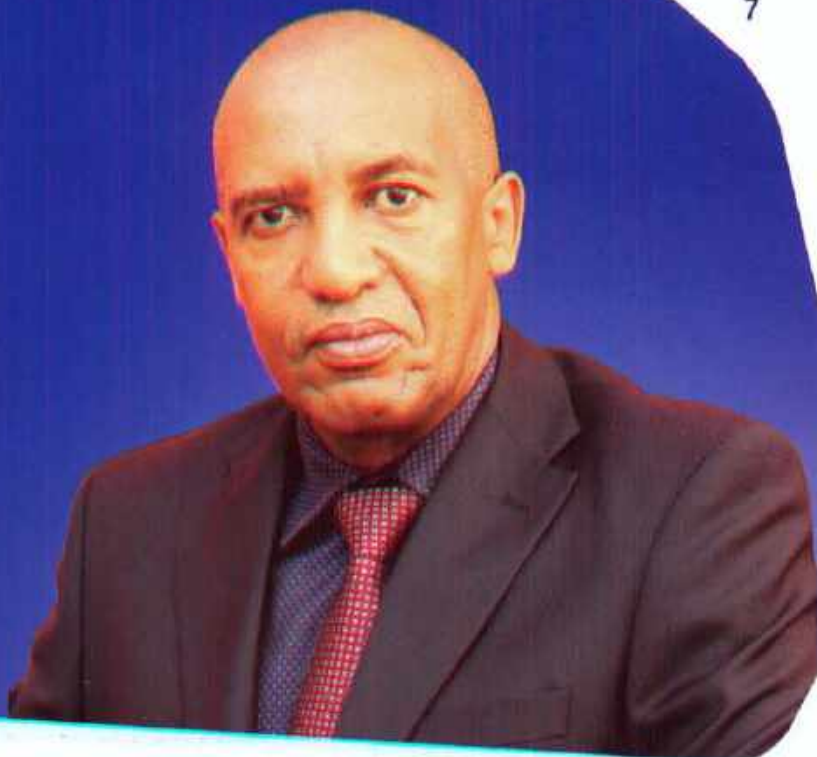
Since our last Annual General Meeting Mr. Akofa Ata (Customer Development Director) has resigned from the Board. He has gone for an international assignment with Unilever South Africa. Mr. David Mureithi, the Managing Director of Unilever Ghana Limited, has expressed his intention to leave the business by the end of April, 2013. His replacement will be announced in due course.

Outlook for 2013

We expect a more difficult operating environment in 2013 given the high levels of deficit and arrears as well as the deteriorated current account and balance of payments positions, all of which will seriously threaten the low level inflationary environment experienced in the last couple of years.

Besides the challenges faced in the energy sector are not over and will impact adversely on our operations. To address the impact of the energy crisis on our business, we have put in place measures to generate power internally which will be fully operational in 2013.

Your company will have to continually be agile in dealing with these challenges but we remain positive about the sound foundations we have laid for the business and are confident in our strategies and people to deliver on our commitment to our shareholders.



Managing Director's Review

Introduction

The year 2012 saw the business continuing to grow well in a more challenging business environment. Revenue grew by 18% over 2011 and we remain on track to achieve the ambition set in 2010 to double the business by 2015. Our key brands in Personal Care, Home care and Foods categories continued to strengthen their market leadership giving assurance that this growth will be sustained going forward. Our operating profit though remaining strong declined slightly from the previous year. The key driver was sharp depreciation of the Cedi in the year that increased input costs. Included in the 2011 Operating profit was one off profit on the sale of investments in BOPP of GH¢4.3m and GH¢4.7m of other income including, dividend income and service fees from the Plantations (refer to note 13)

The market saw the entry of many new brands within our traditional categories and other categories resulting in more competition for shelf space and the shoppers wallet. Albeit the increased competition, our existing brands together with innovations rolled out within the year ensured we remained relevant to our cherished consumers. We continued to focus on the improvement of our service levels to both our Key Distributors and retailers, by building a portfolio of healthy forward looking Key Distributors, coverage of new retail stores and investing in our brands. Our focus on ensuring that our innovations were accessible to shoppers in every corner of this country contributed to getting us optimal value from these

innovations. Our resolve is to continue to be the thought leaders in sales systems and retail marketing in the coming years.

We proposed a dividend per share of GH¢0.256 to be paid from profits for the year. This represents a 100% payout of the 2012 profit.

Operating Review Highlights

Revenue for the year grew from GH¢239m to GH¢282m, an increase of 18% over prior year despite highly competitive economic environment. The company grew on both volume and value which is a true hallmark of a sustainable business. The increase in volume and sales was broad based across our key brands and reflected in our dominance in market shares in key categories. Investments behind our brands increased by 6.5%, this went to enhance and build equity further. We re-launched Sunlight 2 in1 powder and introduced a new variant to compliment the portfolio. Geisha was also re-launched with enhanced perfumes to meet its positioning on the market. In our Oral category new variants of Close up and Pepsodent were introduced to meet the various needs in the different segments of the market.

Operating profit for the period was GH¢24.5m compared with GH¢38m same period in 2011. High input cost driven by an

Managing Director's Review (Continued)



average of 17.5% depreciation of the cedi to the US dollar coupled with general price increase in goods and services accounted for the decline in operating profit.

During the year, we commissioned a Combined Heat and Power (CHP) Plant to generate our own cleaner electricity and steam to help minimize the effect of the energy crisis on our operations. We continued to invest heavily in modernizing our factory to ensure that it keeps up with demand and can operate at the highest efficiency.

Home and Personal Care Category

Our Home and Personal Care category grew by 19.3% over 2011. The growth was driven by significant investments made through relevant innovations and consumer activations. We re-launched Geisha and Omo with superior formulation to meet consumer needs. Our Schools activation programs for Lifebuoy and Pepsodent were continued to help build the right habits of hand washing and twice brushing for improved health and well being of all Ghanaians.

Foods Category

The Foods category grew by 13.7% over same period last year. Underlying this growth were Lipton Tea and Blue Band. We continued to invest in equity building activities as well in the year to entrench our position on the market leaders. This growth has required further capacity investment in foods that will come into production early in 2013.

Capital Investments

2012 saw us continue to make strategic investments in capital projects both tangible and intangible to take full advantage of the growth opportunities the economy offers us. We invested in a new Enterprise Resource Planning (ERP) System, SAP to enable us plan and manage our inventories more efficiently to meet the growing demands of our customers and consumers. We also invested in new production lines for our Skin Cleansing category. This investment will see us decouple the Skin Cleansing lines from the Laundry bar line to improve capacity, through-put and efficiency. Investment also commenced in a new Lipton Tea Packing Plant to enable us pack tea locally from mid 2013. The GH¢25.2m investments in capital expenditure made in 2012 was all geared towards improving our capacities and efficiencies to meet the needs of our consumers in both Ghana and other West Africa Countries.

Financial Review

Operating Profit

Operating profit for the period was GH¢24.5m compared to underlying operating profit of GH¢29m for 2011. The decline was mainly driven by higher input cost coupled with the depreciation of the cedi and the effect of the prolonged energy crises. Administrative cost also increased on the back of the general increases in prices of goods and services that characterized the economy in the year.

Financing cost rose to GH¢3.8m due to our dependence on overdraft facilities to finance our activities at certain stages of the year. Taxation for the year was GH¢4.7m which was in line with the profit for the year.

Flowing from the above, Profit after tax from operating activities was GH¢ 16.1m as against GH¢21.6m for 2011(excluding profit on sale of investments in BOPP and other income including dividends and service fees from the Plantations).

Cash Flow

Our cash flow was impacted by the significant investments we made in capital projects to position the business very well to meet its growth ambitions in the coming years. Cash and cash equivalent at end of the period was GH¢11.6m against GH¢21.3m for 2011.

Our People and Business Partners

Our people and partners remained the greatest driving force behind our forward march of creating a stronger business which constantly delivers on its promise. We appreciate their continue support and loyalty to our vision and believe together we are on track to creating a great business which will stand the test of time. In 2013, we will deepen our engagement with our employees and partners to build upon the sound foundations we have laid for entrenching our performance culture which we believe will help achieve our ambitions.

Contribution to Society

In line with our Unilever Sustainable Living Plan (USLP), our social responsibility in 2012 was driven by the policy to drive sustainable living amongst all our stakeholders.

In the year under review, we invested in sustaining and creating

Managing Director's Review (Continued)



awareness of the principles of the USLP and also bringing these principles to life. We focused on enhancing livelihood through the delivery of products and services in health, hygiene and water. On the environment, we underscored the need for urgent action to reverse the deteriorating trend by partnering relevant government ministries and agencies, civil society organisations, non-governmental organisations, academia and private institutions in a sustainability summit aimed at following up on the progress made in the area of sustainability. We invested in the following services through our brands and the Unilever Ghana Foundation.

Improving Health & Well-being

- A lifebuoy "Hand washing with soap" campaign
- Building a hygiene station for the Tema Presbyterian New Town Cluster of Schools
- Unilever is partnering with UNICEF in supporting sanitation and hygiene behavior change initiatives in various communities within Ghana. Actions include; identifying and training facilitators for sustained behavior change as it relates to sanitation, supporting sanitation and hygiene behavior change initiatives in a select number of schools where gender- and child-friendly inclusive latrines with adequate hand-washing stations will be constructed and facilitating verification, certification and celebration of open defecation free (ODF) status in relevant communities.

Enhancing Livelihood

- Entrepreneurial skills workshop for 180 women in small and medium enterprises at Sunyani, Kumasi and Takoradi to help grow their businesses sustainably to improve the living standards of their families and dependents.
- Excellence Awards for the Best female graduates from the public universities and polytechnics to drive gender diversity in national development.
- For the 17th consecutive time, we sponsored the Ghana Journalists' Association's Journalist of the Year Award as our contribution to facilitating professional journalism to drive national growth and development.

2013 Outlook

With the return of the business to consistent growth as demonstrated with our Revenues for the past three years we believe our business is on the right trajectory towards achieving its goal of doubling its size by 2015. We are also confident now that the business can respond effectively to the rapidly changing market dynamics. In 2013, attention will be focused on profitability which we believe will enable us improve productivity through investments in our brands and improve returns to our shareholders.

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.

Board of Directors

The responsibility of good corporate governance is placed on the Board of Directors and the Management Team. The Board of Directors are highly qualified and experienced in their professional areas of expertise. The Board is currently comprised of four (4) full time executive and 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

Legal Structure of Unilever



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 the achievement of set goals.

Corporate Governance (Cont'd)



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 comprised three non executive Directors and the Finance Director for Unilever Ghana Limited. The Committee is chaired by Ms A. Lokko, a non executive Director with a background in accounting, finance and audit. The Unilever Audit Manager is always in attendance at the meetings and from time to time the external auditors, PricewaterhouseCoopers (PwC), are also invited to make presentations to the Committee.

Role of the Audit Committee

The Audit Committee meets to review:

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

Summary Of the Audit Committee's Activities in 2012

In 2012, the Unilever Ghana Limited Audit Committee met four (4) times on 19th January 2012, 17th April 2012, 16th July 2012 and 15th October 2012.

Review of the Financial Performance of the Company

At the 19th January 2012 meeting, the Committee reviewed the financial performance of the Company for the financial year ended December 2011 and the audited accounts for the 2011 financial year.

The Committee was updated on the Company's performance in 2012 during the 17th April 2012, 16th July 2012 and 15th October 2012 meetings.

Internal Audit

The internal Audit Team updated the Committee on the Code of Business Principles (CoBP) training. Managers participated in the courses and were made to sign a declaration that they had read, understood and would comply with the Code Policies.

The Audit Team also updated the Committee regularly on the Company's audit and risk management and reported that scoping schedules for all base Operational Control Assessment (OCA) entities were completed. Process documentation, Design Effectiveness Assessment (DEA) and Operational Effectiveness Assessment (OEA) were ongoing.

The overall status was satisfactory.

External Audit

At the 19th January, 2012 meeting, PwC reported that the quality of accounting principles used by Unilever Ghana Limited were sound and prudent. PwC was also satisfied with the significant estimates and judgments made by Management. They found them reasonable and were determined using established processes applied consistently from period to period.



Report of Directors

The Directors have the pleasure in submitting to the Members the Company's Statement of Comprehensive Income for the year ended 31st December 2012 and the Statement of its Financial position as at that date.

The net profit for the year attributable to Members of the Company for the year is GH¢16.1m as against GH¢30.4m for 2011.

The Directors have decided to recommend to Members the payment of a dividend of GH¢ 0.256 per share.

The Directors wish to inform Members that since the last Annual General Meeting, Mr Akofa Ata has resigned from the Board of Unilever Ghana Limited with effect from 1st February 2013.

The Directors to retire by rotation in accordance with the Regulations of the Company are Prof. Franklyn A. Manu, Mrs Victoria Kayaga Kiggundu and Ms. Maidie E. Arkutu all of whom offer themselves for re-election.

In accordance with the Companies Act, 1963, Act 179, the Directors report that on 31st December 2012:

- (a) Swanzy Real Estate Limited was a subsidiary of the Company. The Swanzy Real Estate Limited did not trade during the 2012 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 2012 financial year.
- (c) Unilever Ghana Limited ceased to own its 40% share interest in Twifo Oil Palm Plantations Limited (TOPP). Consequently, Unilever Ghana Limited has not prepared Consolidated Financial Statements for the year ended 31st December 2012.

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.

The auditor, PricewaterhouseCoopers Chartered Accountants, has expressed willingness to continue in office in accordance with Section 134 (5) of the Companies Act, 1963 (Act 179).

BY ORDER OF THE BOARD

Chairman
21st February, 2013

Managing Director

Statement of Directors' Responsibilities



The Directors are responsible for the preparation of the company's financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the statement of comprehensive income and statement of cash flows for that period.

In preparing these financial statements, the Directors have selected suitable account 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 company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the company. The Directors are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairman
I E Yamson

Managing Director
David Mureithi

Finance Director
V. Kayaga Kiggundu (Mrs)

Report of the Independent Auditor to the Members of Unilever Ghana Limited



Report On The Financial Statements

We have audited the accompanying financial statements of Unilever Ghana Limited set out on pages 16 to 48. These financial statements comprise the statement of financial position as at 31 December 2012, and statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Act, 1963 (Act 179) and for such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Unilever Ghana Limited as at 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

Report on other legal requirements

The Companies Act, 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 Company's balance sheet (statement of financial position) and profit and loss account (part of the statement of comprehensive income) are in agreement with the books of account.

Chartered Accountants
26 March 2013
Accra, Ghana
Michael Asiedu-Antwi (ICAG/P/1138)



Statement of comprehensive income for the year ended 31 December

(All amounts are expressed in thousands of Ghana cedis)



	Notes	2012	2011
Revenue	3	282,138	239,005
Cost of sales	4	(216,461)	(176,332)
		-----	-----
Gross profit		65,677	62,673
Distribution expenses	5	(17,037)	(15,542)
Administrative expenses	6	(23,879)	(15,008)
Other income	7	-	4,665
Profit on disposal of investment		-	4,339
Restructuring costs	23a&b	(246)	(3,089)
		-----	-----
Operating profit:		24,515	38,038
Finance income	8	671	1,016
Finance costs	8	(4,428)	(1,173)
		-----	-----
Profit before income tax		20,758	37,881
Income tax expense	10c	(4,676)	(7,465)
		-----	-----
Net profit after tax for the year		16,082	30,416
		=====	=====
Net profit after tax for the year		16,082	30,416
Other comprehensive income :			
Actuarial losses on pensions before tax	12c	(4,276)	(6,393)
Income tax relating to other comprehensive income	12c	1,069	1,598
		-----	-----
Total comprehensive income for the year		12,875	25,621
		=====	=====
Earnings per share for profit attributable to the equity holders of the company			
Basic and diluted earnings per share	30	0.2573	0.4867

Statement of financial position as at 31 December

(All amounts are expressed in thousands of Ghana cedis)

	Notes	2012	2011
Non-current assets			
Property, plant and equipment	11a&b	40,973	30,554
Intangible assets	11d	10,964	1
Investment in subsidiaries	13	10	10
Pension assets for funded scheme in surplus	12d	3,915	8,409
		55,862	38,974
Current assets			
Inventories	14	32,576	31,735
Assets of disposal group held for sale		-	282
Trade and other receivables	19	42,272	33,424
Current income tax	10a	3,336	1,233
Cash at bank	22	19,666	21,298
		97,850	87,972
Current liabilities			
Trade and other payables	20	(103,880)	(68,285)
Dividend payable	15	(2,764)	(1,977)
Provisions	23a&b	(598)	(1,209)
Bank overdrafts	22	(8,087)	-
		(115,329)	(71,471)
Net current (liabilities) /assets		(17,480)	16,501
Total assets less current liabilities		38,382	55,475
Non-current liabilities			
Deferred income tax	10a	4,166	3,444
Post employment benefits obligation-unfunded	12d	2,448	3,138
		6,614	6,582
Shareholders' fund			
Stated capital	16	1,200	1,200
Capital surplus account	17	204	204
Income surplus account	31	30,283	47,408
Share deals account	18	81	81
		31,768	48,893
Shareholders' equity		31,768	48,893
Total equity and non-current liabilities		38,382	55,475

The financial statements on pages 16 - 48 were approved by the Board of Directors on 21st February, 2013 and were signed on its behalf by:


 Managing Director
 David Mureithi


 Finance Director
 Victoria K. Riggundu

Statement of cash flows for the year ended 31 December

(All amounts are expressed in thousands of Ghana cedis)

	Notes	2012	2011
Cash flows from operating activities			
Cash generated from operations	21	53,445	20,074
Interest paid	8	(4,428)	(1,173)
Interest received	8	671	1,016
Tax paid	10a	(4,988)	(5,885)
		-----	-----
Net cash generated from operating activities		(44,700)	14,032
		-----	-----
Cash flows from investing activities			
Purchases of property, plant and equipment	11a&b	(13,201)	(14,843)
Purchases of Intangible assets	11d	(12,005)	-
Proceeds from disposal of property, plant and equipment	11c	-	49
Dividend received	7	-	3,572
Net proceeds from sale of investment	24	-	14,686
		-----	-----
Net cash (used in) / generated from investing activities		(25,206)	3,464
		-----	-----
Cash flows from financing activities			
Dividend paid	15	(29,213)	(17,549)
		-----	-----
Net cash used in financing activities		(29,213)	(17,549)
		-----	-----
Decrease in cash and cash equivalents		(9,719)	(53)
Cash and cash equivalents at beginning of year		21,298	21,351
		-----	-----
Cash and cash equivalents at end of year	22	11,579	21,298
		=====	=====

Statement of changes in equity as at 31 December

(All amounts are expressed in thousands of Ghana cedis)

Year ended 31 December 2012

	Notes	Stated capital	Capital surplus account	Income surplus account	Share deals account	Total equity
Balance at 1 January 2012		1,200	204	47,408	81	48,893
Comprehensive income						
Profit for the year		-	-	16,082	-	16,082
Other comprehensive income						
Actuarial losses on pensions after tax	12c	-	-	(3,207)	-	(3,207)
Total comprehensive income for the year		-	-	12,875	-	12,875
Final dividend to equity holders 2011	15	-	-	(30,000)	-	(30,000)
Balance at 31 December 2012		1,200	204	30,283	81	31,768
Year ended 31 December 2011						
Balance at 1 January 2011		1,200	329	39,730	81	41,340
Release of provision		-	(125)	-	-	(125)
Comprehensive income						
Profit for the year		-	-	30,416	-	30,416
Other comprehensive income						
Actuarial gains on pensions after tax	12c	-	-	(4,795)	-	(4,795)
Total comprehensive income for the year		-	-	25,621	-	25,621
Final dividend to equity holders 2010	15	-	-	(17,943)	-	(17,943)
Balance at 31 December 2011		1,200	204	47,408	81	48,893



Financial statements

Notes

1a. 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 Company is primarily involved in the manufacture and sale of consumer products. The company is listed on the Ghana Stock Exchange. For the Companies Act, 1963 (Act 179) reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of comprehensive income, in these financial statements.

1b. Summary of significant accounting policies

a. Basis of preparation

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

The financial statements are prepared in accordance with International Financial Reporting Standards and IFRIC interpretations. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The financial statements are presented in Cedis (GHS), rounded to the nearest thousand, unless otherwise stated. Where applicable, the prior year figures have been reclassified to remain consistent with the disclosure of information in the current year. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in statements, are disclosed in note 2 below.

b. Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that would be expected to have a material impact on the Company.

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2012, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

Standard/Interpretation	Title	Applicable for financial years beginning on / after
IAS 1	Presentation of financial statements	1-Jul-12
IAS 19	Employee benefits	1-Jan-13
IFRS 9	Financial instruments	1-Jan-15
IFRS 12	Disclosure of interests in other entities	1-Jan-13
IFRS 13	Fair value measurement	1-Jan-13

IAS 1, Financial statement presentation regarding other comprehensive income

The main change resulting from these amendments is a requirement for entities to Company items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

IAS 19, Employee benefits

The impact on the Company will be as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The Company is yet to assess the full impact of the amendments.

Financial statements

Notes (Continued)

IFRS 9, Financial instruments

IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is 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. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB.

IFRS 12, Disclosure of interests in other entities

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Company is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013.

IFRS 13, Fair value measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

c. Property, plant and equipment

Land and buildings comprise mainly factories, retail outlets 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:

Land and 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 other 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 Company 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.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).



Financial statements

Notes (Continued)

d. Impairment of non-financial assets

Assets that have an indefinite useful life – for example, intangible assets not ready to use – 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.

e. Accounting for Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

f. Non-current assets held for sale

Non-current assets (or disposal Companies) 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.

g. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

h. Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed 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.

i. 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.

j. Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

k. Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



Financial statements

Notes (Continued)

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

l. Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

m. Long-term employee benefits

Pension obligations

The Company operate various pension schemes. The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The Company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define 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. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited

Financial statements

Notes (Continued)

to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period. For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

n. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for good supplied, stated net of discounts, and value added tax. Revenue is recognised upon dispatch of products and acceptance by the customer. Revenue is recognised when the risks and rewards of the underlying products have been substantially transferred to the customer. Other revenues earned by the Company are recognised on the following bases:

Rental income - on accrual basis.

Interest income - on accrual basis.

o. Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the Company is measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Cedis, which is the Company's presentation currency. Transactions and balances Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within finance income or costs. All other foreign exchange gains and losses are presented in the profit or loss within other income or other expenses. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale assets are included in other comprehensive income and accumulated in available-for-sale financial assets reserve.

p. Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the company's shareholders.

q. Segmental reporting

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 Leadership team.

Financial statements

Notes (Continued)

r. 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 Company 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.

s. Financial assets

1. Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company 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. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4. Impairment of financial assets

Assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or Company of financial assets is impaired. A financial asset or a Company 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 Company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

t. Stated capital

Ordinary shares are classified as stated capital in equity.

2 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Financial statements

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

Notes (Continued)

Pension

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. The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumption used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and the terms to maturity approximating the terms of the related pension obligation. Other key assumptions are based in part on current market conditions. Additional information is disclosed in Note 12.

Income taxes

The Company is subject to income taxes. Significant judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities 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 29.

3. 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.

By type:

Sale of goods

By customer:

Third parties

Related parties (note 27)

	2012	2011
	282,138	239,005
	=====	=====
	271,233	216,435
	10,905	22,570
	-----	-----
	282,138	239,005
	=====	=====

Financial statements

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

Notes (Continued)

4. Cost of sales

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

	2012	2011
Raw materials & conversion costs	203,841	164,796
Depreciation (note 11a&b)	2,240	1,804
Material sourcing expenses	1,899	2,923
Staff costs (note 9a)	8,481	6,809
	-----	-----
	216,461	176,332
	=====	=====

5. Distribution expenses

	2012	2011
Freight & distribution management cost	5,608	4,815
Advertising and promotion	11,429	10,727
	-----	-----
	17,037	15,542
	=====	=====

6. Administrative expenses

	2012	2011
Depreciation (note 11a&b)	415	187
Amortisation of intangible assets (note 11d)	1,042	18
Staff costs (note 9b)	7,870	3,053
Auditors' remuneration	169	104
Voluntary contribution	223	294
Operating lease expense	677	588
Other	13,483	10,764
	-----	-----
	23,879	15,008
	=====	=====

Included in 'other' is a central charge (business group fees) of GH¢2,346 (2011:GH¢2,123).

Financial statements

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

Notes (Continued)

7. Other income

	2012	2011
Dividends	-	3,572
Sundry income	-	1,093
	-----	-----
	-	4,665
	=====	=====

8. Net finance costs

	2012	2011
Interest on overdraft and overdue debts	(4,428)	(1,173)
Interest income	671	1,016
	-----	-----
	(3,757)	(157)
	=====	=====

9. Staff costs

Staff costs are charged to cost of sales and administrative expenses as below. The average number of employees at the end of the year was 394 (2011: 407)

9a. Cost of sales

	2012	2011
Remuneration to employees	7,782	6,151
Defined contribution scheme charge	251	237
Social security	448	421
	-----	-----
	8,481	6,809
	=====	=====

9b. Administrative expenses

	2012	2011
Remuneration to employees	7,512	5,310
Defined contribution scheme charge	101	85
Defined benefit scheme gains (note 12b)	(188)	(2,726)
Social security	445	384
	-----	-----
	7,870	3,053
	=====	=====

Financial statements

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

Notes (Continued)

10a. Tax

	Balance at 1 January	Charge / (credit) to profit or loss	Payments during the year	Charge to other comprehensive Income	Balance at 31 December
Income tax					
Prior to 2011	(370)	-	-	-	(370)
2011	(863)	-	-	-	(863)
2012	-	2,885	(4,988)	-	(2,103)
	<u>(1,233)</u>	<u>2,885</u>	<u>(4,988)</u>	<u>-</u>	<u>(3,336)</u>
Deferred income tax					
Accelerated depreciation	2,583	1,201	-	-	3,784
Provisions including restructuring	(1,301)	452	-	-	(849)
Revaluation of assets	60	-	-	-	60
Employee benefits	2,102	138	-	(1,069)	1,171
	<u>3,444</u>	<u>1,791</u>	<u>-</u>	<u>(1,069)</u>	<u>4,166</u>

10b. Tax reconciliation

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

Profit before income tax

Tax calculated at the statutory income tax rate of 25%

Tax effect of:

Disallowable expenses

Profit on exports taxed at a lower rate

Exempt income

Dividend income

Loss / (Profit) on disposal of unusable plant set aside for sale

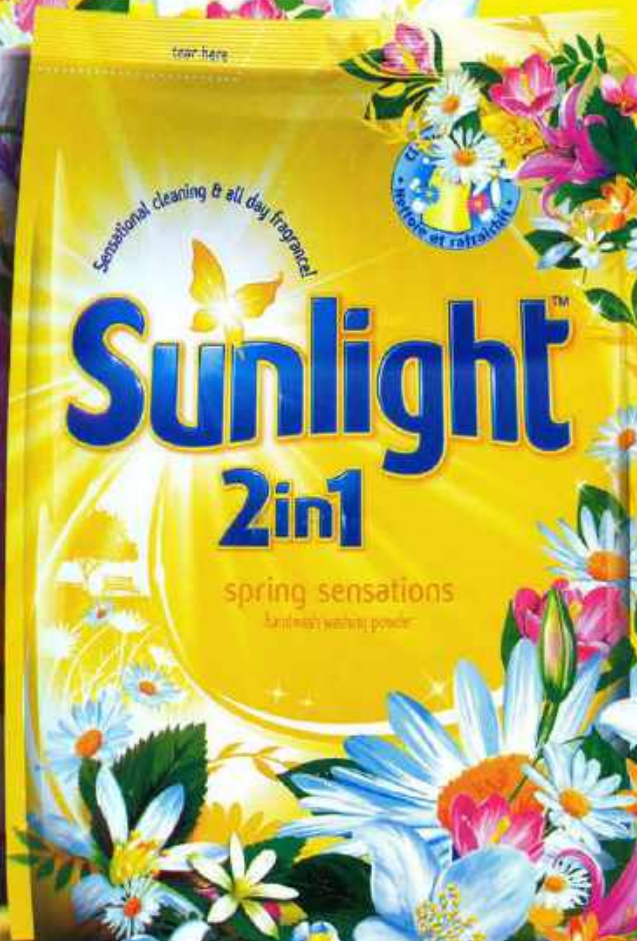
Income tax expense

Effective tax rate

2012	2011
20,758	37,881
<u>5,190</u>	<u>9,470</u>
29	328
(328)	(343)
(352)	(1085)
-	(893)
137	(12)
<u>4,676</u>	<u>7,465</u>
<u>23%</u>	<u>20%</u>

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Financial statements

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

Notes (Continued)

10c. Income Tax Expense

Current Income tax
Deferred Income tax

	2012	2011
Current Income tax	2,885	5,022
Deferred Income tax	1,791	2,443
	-----	-----
	4,676	7,465
	=====	=====

11a. Property, plant and equipment

				2012
	Land and buildings	Plant, motor vehicles and furniture	Capital work in progress	Total
Cost				
Balance at 1 January	3,185	28,798	9,232	41,215
Additions in the year	-	-	13,201	13,201
Capitalisation/transfers	1,678	3,348	(5,026)	-
Reclassification	-	262	-	262
Disposals/write-offs during the year	(26)	(2,384)	-	(2,410)
	-----	-----	-----	-----
Balance at 31 December	4,837	30,024	17,407	52,268
	-----	-----	-----	-----
Accumulated depreciation				
Balance at 1 January	910	9,751	-	10,661
Charge for the year	87	2,568	-	2,655
Disposals/write-offs during the year	(18)	(2,003)	-	(2,021)
	-----	-----	-----	-----
Balance at 31 December	979	10,316	-	11,295
	-----	-----	-----	-----
Net book value at 31 December	3,858	19,708	17,407	40,973
	=====	=====	=====	=====

Financial statements

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

Notes (Continued)

11b. Property, plant and equipment

Cost				2011
	Land and buildings	Plant, motor vehicles and furniture	Capital work in progress	Total
Balance at 1 January	2,508	23,237	958	26,703
Additions in the year	-	-	14,843	14,843
Transfers	677	5,837	(6,514)	-
Disposals during the year	-	(276)	(55)	(331)
Balance at 31 December	3,185	28,798	9,232	41,215
Accumulated depreciation				
Balance at 1 January	849	8,060	-	8,909
Charge for the year	61	1,930	-	1,991
Disposals during the year	-	(239)	-	(239)
Balance at 31 December	910	9,751	-	10,661
Net book value at 31 December	2,275	19,047	9,232	30,554

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

	2012	2011
Cost of sales (Note 4)	2,240	1,804
Administrative expenses (Note 6)	415	187
	2,655	1,991

11c. Loss/(profit) on disposal of assets

			2012	2011
	Land and buildings	Plant, motor vehicles and furniture	Total	Total
Gross book value	26	2,384	2,410	276
Accumulated depreciation	(18)	(2,003)	(2,021)	(239)
Net book value	8	381	389	37
Sales proceeds	-	-	-	(49)
	8	381	389	(12)

Financial statements

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

Notes (Continued)

11d. Intangible assets

	2012	2011
Cost		
Balance at 1 January	71	71
Additions during the year	12,005	-
Balance at 31 December	12,076	71
Accumulated amortisation		
Balance at 1 January	70	52
Charge for the year	1,042	18
Balance at 31 December	1,112	70
Net book value at 31 December	10,964	1

Intangible assets represent software that is used in managing employee information and software that is used to process the company's business transactions.

12. Post employment benefits

12a. Assumptions

For both the funded and unfunded retirement benefit schemes, a full and independent actuarial valuation was carried out at the end of the year using the Projected Unit Credit Method in accordance with IAS 19. The major assumptions used by the actuaries for the two major schemes as at 31 December 2012 were:

	2012	2011
Rate of increase in pensionable salaries	9%	3%
Discount rate	4%	2%
Inflation	9.5%	11%
Nominal interest rate	13%	13%
Long-term expected rate of return on assets	15%	15%
Interest on member's contribution	4%	2%

The number of employees covered under the funded benefit scheme is 49 (2011: 53) and covers all managers of the company.

Financial statements

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

Notes (Continued)

12b. Amount charged to the profit or loss

	2012		2011	
	Funded	Unfunded	Funded	Unfunded
Current service costs	878	-	462	-
Employee contributions	(32)	-	(32)	-
Employer contributions	(27)	-	(178)	-
Interest on liability	916	363	981	353
Expected return on assets	(2,285)	-	(4,312)	-
	<u>(551)</u>	<u>363</u>	<u>(3,079)</u>	<u>353</u>

12c. Actuarial losses

	2012		2011	
	Funded	Unfunded	Funded	Unfunded
Actuarial losses/(gains) for the year	5,045	(769)	5,992	401
Movement on deferred income tax (note 10a)	(1,261)	192	(1,498)	(100)
Total recognised (losses)/gains	<u>3,784</u>	<u>(577)</u>	<u>4,494</u>	<u>301</u>

12d. Net pension (assets)/liabilities

The movement in the defined benefit obligation over the year was as follows:

	2012		2011	
	Funded	Unfunded	Funded	Unfunded
Balance at 1 January	7,823	3,138	7,252	2,697
Current service cost	878	-	462	-
Interest cost	916	363	981	353
Actuarial losses / (gains)	7,235	(769)	552	401
Benefits paid	(2,143)	(284)	(1,424)	(313)
Present value of liabilities	14,709	2,448	7,823	3,138

The movement in the fair value of the plan assets is as follows:

	2012		2011	
	Funded	Unfunded	Funded	Unfunded
Balance at 1 January	(16,233)	-	(18,574)	-
Expected return on assets	(2,285)	-	(4,312)	-
Employer contributions	(32)	-	(32)	-
Employee contributions	(27)	-	(178)	-
Actuarial losses / (gains)	(2,190)	-	5,440	-
Benefits paid	2,143	-	1,424	-
Balance at 31 December	(18,624)	-	(16,232)	-
Net pension (assets) / liabilities as per statement of financial position	(3,915)	2,448	(8,409)	3,138



Financial statements

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

Notes (Continued)

12e. Assets and liabilities of funded pension scheme as at 31 December

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

Five year summary:

	2012	2011	2010	2009	2008
Treasury bills	7,544	6,848	5,644	4,872	4,020
Equity holdings	12,878	10,258	11,671	6,701	9,463
Mutual funds	-	-	-	-	542
Cash at bank	17	906	2,370	1,636	699
Total invested assets	20,440	18,012	19,685	13,209	14,724
Less plan administrative liabilities	(1,816)	(1,779)	(1,110)	-	-
Present value of liabilities	(14,709)	(7,824)	(7,253)	(5,583)	(4,977)
Pension assets net of liabilities	3,915	8,409	11,322	7,626	9,747

At 31 December 2012, the pension scheme held 264,000 shares of Unilever Ghana Limited.

13. Investment in subsidiaries

Unilever Ghana Investments Limited

2012	2011
10	10
10	10

Name of subsidiary	Nature of business	% held in 2012 & 2011	Country of incorporation
United Africa Trust Limited	Investment Management	100.00	Ghana
Swanzy Real Estate	Real Estate Development	100.00	Ghana
Unilever Ghana Investments Limited	Holding Company	100.00	Ghana

Investment in Twifo Oil Palm Plantation (TOPP)

In 2011, the company transferred its investment in TOPP amounting to GHC2,554,000 to another subsidiary, Unilever Ghana Investments Limited to manage, effectively recognising its investment in TOPP as a receivable from Unilever Ghana Investments Limited. Unilever Ghana Limited owned 40% of the issued shares of TOPP. In 2012 however, following a Supreme court ruling to set aside the sale of the 40% interest in TOPP to Unilever Ghana Limited, TOPP has ceased to be a subsidiary and the cost of the investment in TOPP has been reclassified from receivable from Unilever Ghana Investments Limited to receivable from the Government of Ghana pending the outcome of an Alternative Dispute Resolution between the parties involved.



Financial statements

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

Notes (Continued)

Investment in other subsidiaries

Investments in United Africa Trust Limited and Swanzy Real Estate are less than GHC1,000 and so do not reflect in Note 13 above.

In accordance with the Companies Act, 1963 (Act 179) Section 127 (3b), the subsidiaries above have not been consolidated because the companies did not operate in the year and are not considered significant to Unilever Ghana Limited.

14. Inventories

Raw and packing material
Work in process
Finished goods
Non-trade stock

2012	2011
8,617	13,084
1,501	545
20,828	16,747
1,629	1,359
-----	-----
32,576	31,735
=====	=====

Inventories are stated at the lower of cost and net realisable value. During the year, GHC2,156 (2011: GHC856) was charged to the profit or loss as damaged and obsolete inventories.

15. Dividend payable

Balance at 1 January
Final dividend declared
Payments during the year

2012	2011
1,977	1,583
30,000	17,943
(29,213)	(17,549)
-----	-----
2,764	1,977
=====	=====

Payment of dividend is subject to a withholding tax at the rates of 8% and 7.5% (2011: 8% and 7.5%) for local and foreign shareholders respectively.

16. Stated capital

Authorised shares

Issued shares

Issued and fully paid
Transferred from capital surplus

	2012		2011	
	No. of shares of no par value	Proceeds	No. of shares of no par value	Proceeds
Authorised shares	100,000,000		100,000,000	
-----	-----	-----	-----	-----
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 installments unpaid. There are no treasury shares.

Financial statements

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

Notes (Continued)

17. Capital surplus account

Balance at 1 January
Release of surplus in respect of asset disposed off

2012	2011
204	329
-	(125)
204	204

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

18. Share deals account

Balance at 1 January

2012	2011
81	81

The share deals account was created in line with the Companies Act 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 expended on such redemption or purchase of own shares by transferring such sum from income surplus, as defined in section 70 of this Act.

19. Trade and other receivables

Trade receivables - 3rd parties
Receivables - related parties (note 28c)
Amounts due from officers
Payments in advance
Other receivables

2012	2011
1,479	1,815
16,590	18,888
414	265
2,100	681
21,689	11,775
42,272	33,424

The maximum indebtedness from officers of the company do not exceed GH¢414 (2011: GH¢ 265).

Financial statements

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

Notes (Continued)

20. Trade and other payables

	2012	2011
Trade payables- 3rd parties	20,545	14,526
Payables - related parties (note 28d)	51,535	24,360
Accrued liabilities	7,032	5,361
Other payables	24,768	24,038
	-----	-----
	103,880	68,285
	=====	=====

Other payables include business group fees of GHC19.8 million (2011: GHC14.5 million).

21. Cash generated from operations

	2012	2011
Profit before income tax	20,758	37,881
Depreciation (note 11a & b)	2,655	1,991
Amortisation of intangible asset (note 11d)	1,042	18
Loss/(profit) on disposal of property, plant & equipment (note 11c)	389	(12)
Net book values of assets write off	-	55
Employment benefit and retirement plan expense	(452)	(3,001)
Increase in inventories	(841)	(17,033)
Increase in trade and other receivables	(8,848)	(10,960)
Increase in trade and other payables and provisions	34,984	16,335
Non-cash transfer of investment in TOPP	-	2,554
Profit on disposal of investment	-	(4,339)
Dividends received (note 7)	-	(3,572)
Interest charge (note 8)	4,428	1,173
Interest credit (note 8)	(671)	(1,016)
	-----	-----
Cash generated from operations	53,445	20,074
	=====	=====

22. Cash and cash equivalents

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

	2012	2011
Cash at bank	19,666	21,298
Bank overdrafts	(8,087)	-
	-----	-----
	11,579	21,298
	=====	=====

Cash at bank includes cheques issued and not cashed of GHC11,496,000 (2011: GHC1,679,000)

Financial statements

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

Notes (Continued)

Bank overdrafts

At the balance sheet date, the company had approved overdraft facilities with certain local banks not exceeding GH¢16.2 million to support working capital needs. Interest is payable at the banks base rate plus a spread. The facilities expire on 30 April 2013.

23a. Provisions - 2012

Balance at 1 January
Charge during the year
Payments during the year

Balance at 31 December

Restructuring	Other	Total
325	884	1,209
246	1,620	1,866
(571)	(1,906)	(2,477)
-----	-----	-----
-	598	598
=====	=====	=====

23b. Provisions - 2011

Balance at 1 January
Charge during the year
Payments during the year

Balance at 31 December

Restructuring	Other	Total
221	723	944
3,089	1,275	4,364
(2,985)	(1,114)	(4,099)
-----	-----	-----
325	884	1,209
=====	=====	=====

24. Profit on disposal of investment

Net proceeds from sale of investment
Cost of investment

2012	2011
-	14,686
-	(10,347)
-----	-----
-	4,339
=====	=====

25. Contingencies

(i) The company has certain legal cases pending before the courts with a potential liability of GH¢126,000 (2011: GH¢137,000). In the opinion of the directors no loss is anticipated beyond the provision already made in the financial statements.

(ii) At 31 December 2012 the company had guaranteed loans to employees amounting to GH¢407,000 (2011:GH¢428,000).



Financial statements

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

Notes (Continued)

26 Commitments

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

Property, plant & equipment contracted

2012	2011
17,404	2,709

27. Related party transactions

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

During the year, the following related party transactions took place.

a. Purchases of goods & services

	2012	2011
Twifo Oil Palm Plantations Limited	-	31,222
Unilever Market Development - South Africa	305	899
Unilever Indonesia	1,640	1,825
Unilever Kenya	848	848
Unilever Nigeria PLC	4,431	10,782
Unilever Cote D'Ivoire	7,687	18,078
Unilever Gulf	4,591	7,178
Unilever Vietnam	10,354	14,303
Other related parties	2,375	5,452
	<u>32,231</u>	<u>90,587</u>

b. Sales of goods & services

	2012	2011
Twifo Oil Palm Plantations Limited	-	116
Unilever Nigeria PLC	9,912	21,798
Unilever Cote D'Ivoire	993	656
	<u>10,905</u>	<u>22,570</u>

Financial statements

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

Notes (Continued)

c. Receivable from related parties

Twifo Oil Palm Plantations Limited
Unilever Nigeria PLC
Unilever Cote D'Ivoire

	2012	2011
	-	606
	14,773	18,282
	1,817	-
	<u>16,590</u>	<u>18,888</u>

d. Payable to related parties

Unilever UK
Twifo Oil Palm Plantations Limited
Unilever Market Development - South Africa
Unilever Nigeria PLC
Unilever N. V
Unilever Cote D'Ivoire
Unilever Gulf
Unilever Asia Private Limited
Unilever Vietnam
Unilever Mashreq
Other related parties

	2012	2011
	19,836	-
	-	1,856
	93	205
	10,840	10,813
	533	86
	3,578	1,097
	1,637	2,206
	2,499	1,329
	10,534	5,516
	-	983
	1,985	269
	<u>51,535</u>	<u>24,360</u>

28. Key management personnel compensation

Short term employee benefits

	2012	2011
	2,393	1,600

Of which:

Executive Directors

Non-Executive Directors

	2012	2011
	2,291	1,462
	102	138
	<u>2,393</u>	<u>1,600</u>

Financial statements

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

Notes (Continued)

29. Financial Risk Management Objectives and Policies

The company's activities expose it to a variety of financial risks: Market risk (including foreign exchange risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the company 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, Unilever Overseas Holding Ltd.

Market risk

(i) Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies.

At 31 December 2012, if the Cedi had weakened/strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year and equity would have been GH¢ 302 (2011: GH¢ 1,998) higher/lower, mainly as a result of US dollar denominated trade payables, receivables and bank balances. At 31 December 2012 if the Cedi had weakened / strengthened by 10% against the Euro with all other variables held constant, post tax profit for the year and equity would have been GH¢ 181 (2011: GH¢ 155) higher / lower, mainly as a result of Euro denominated trade payables, receivables and bank balances.

(ii) Price risk

Although the company has equity investment in subsidiaries, these investments are measured at cost. The company has no other investment considered as fair value through profit or loss or available -for -sale. Hence the company is not exposed to equity securities price risk. The company is not exposed to commodity price risk. This is because the company does not have commodity purchase contracts that meet the definition of a financial instrument under IAS 39.

(iii) Interest rate risk

The company's only interest bearing financial instruments are the bank overdraft and bank balances, which are at variable rates, and on which they are therefore exposed to cash flow interest rate risk. The company regularly monitors financing options available to ensure optimum interest rates are obtained. At 31 December 2012, an increase/decrease of 2% basis points would have resulted in a decrease/increase in post tax profit of GH¢ 123 (2011: GH¢ 294), mainly as a result of higher/lower interest charges/income on variable rate borrowings and cash balances.

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. The company's maximum exposure to credit risk at 31 December 2012 and 2011 is the same as the balance of cash at bank and trade and other receivables in the statement of financial position. There is no off - balance sheet credit risk exposure.

No collateral is held for any of the above assets. The company does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated. None of the above assets are either past due or impaired except for the following amounts in trade and other receivables (which are due within 30 days of the end of the month in which they are invoiced):



Financial statements

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

Notes (Continued)

Past due but not impaired:

- by up to 30 days
- by 31 to 60 days

	2012	2011
	1,636	1,448
	41	343
	=====	=====

Neither past due nor impaired

Past due but not impaired

Total

Provision for impairment loss

Net carrying amount

	2012	2011
	40,654	31,682
	1,677	1,791
	-----	-----
	42,331	33,473
	(59)	(49)
	-----	-----
	42,272	33,424
	=====	=====

Movements in provision for impairment of trade and other receivables are as follows:

- At 1 January
- Charge/(credit)

At 31 December

	2012	2011
	49	177
	10	(128)
	-----	-----
	59	49
	=====	=====

Liquidity risk

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

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

Financial statements

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

Notes (Continued)

At 31 December 2012

- bank overdraft
- trade and other payables

At 31 December 2011

- bank overdraft
- trade and other payables

Less than
1 year

(8,087)
(103,880)
=====

-
(68,285)
=====

Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. Total capital at 31 December 2012 and 2011 were as follows:

	2012	2011
Total borrowings	(8,087)	-
Less: cash at bank	19,666	21,298
	-----	-----
Net cash	11,579	21,298
Total equity	31,768	48,893
	-----	-----
Total capital	43,347	70,191
	-----	-----
Gearing ratio	-	-
	=====	=====

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 significant."

Financial statements

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

Notes (Continued)

Financial instruments by category

Financial assets

Trade and other receivables (excluding prepayment)
Amounts due from related companies
Cash at bank

Loans and receivables 2012	Loans and receivables 2011
23,582	13,855
16,590	18,888
19,666	21,298
-----	-----
59,838	54,041
=====	=====

Financial liabilities

Trade and other payables
Amounts due to related companies
Overdrafts

Other financial liabilities at amortised cost	Other financial liabilities at amortised cost
52,345	43,925
51,535	24,360
8,087	-
-----	-----
111,967	68,285
=====	=====

30. Earning per share

Profit attributable to equity holders
Weighted average number of ordinary shares in issue, in thousands (note 18)
Earnings per share

2012	2011
16,082	30,416
62,500	62,500
0.2573	0.4867
=====	=====

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.

31. Income surplus accounts

Balance at 1 January
Total comprehensive income
Dividend declared
Balance at 31 December

2012	2011
47,408	39,730
12,875	25,621
(30,000)	(17,943)
-----	-----
30,283	47,408
=====	=====

Financial statements

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

Notes (Continued)

32. Segment information

Management has determined the operating segments based on the reports reviewed by the Leadership team that are used to make strategic decisions. The Leadership team considers the business from a product perspective. The accounting policies of the operating segments are the same. The company accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices. The leadership team assesses the performance of the operating segments based on a measure of net profit. The company's reporting segments are based on products, namely Foods, Home Care and Personal Care. Under the Foods division are Spreads, Tea, 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 stock information is normally available by product.

A simple allocation rule is used in allocating costs which cannot be directly charged to product categories unless where a more sophisticated 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 2012 and 2011 are as follows:

Analysis by product divisions

Company	Foods		Home Care		Personal Care		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues from external customers	61,429	54,041	112,529	97,890	108,180	87,074	282,138	239,005
Depreciation and amortisation	(1,219)	(1,056)	(1,550)	(575)	(928)	(377)	(3,697)	(2,008)
Operating cost	(56,677)	(49,775)	(115,930)	(86,304)	(85,016)	(69,228)	(257,623)	(205,306)
Operating profit	4,752	4,266	(3,401)	11,586	23,164	17,846	24,515	33,699
Other income	-	-	-	-	-	-	-	4,665
Restructuring costs	-	-	-	-	-	-	(246)	(3,089)
Profit on disposal of investment	-	-	-	-	-	-	-	4,339
Finance income	-	-	-	-	-	-	671	1,016
Finance costs	-	-	-	-	-	-	(4,428)	(1,173)
Profit before tax	-	-	-	-	-	-	20,758	37,881
Taxation	-	-	-	-	-	-	(4,676)	(7,465)
Net profit from operations	-	-	-	-	-	-	16,082	30,416



Financial statements

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

Notes (Continued)

Segment information (Continued)

	Foods		Home Care		Personal Care		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Non-current assets	20,245	14,915	20,896	9,634	10,796	6,006	51,937	30,555

No measure of total assets and liabilities are reviewed by the Board. There are no revenues and non-current assets from outside Ghana. No major customer identified during the year.

Other information - Analysis of Shareholding

Number of shareholders

The Company had 11,727 ordinary shareholders at 31 December 2012 with equal voting rights distributed as follows:

Holding	Number of holders	Holders %	No. of shares	% of Holdings
1 - 1,000	10,534	4.78	2,987,205	5
1,001 - 5,000	1,013	3.48	2,175,677	3
5,001 - 10,000	89	1.07	665,696	1
10,001 - and over	91	90.67	56,671,422	91
	11,727	100.00	62,500,000	100

Directors' shareholding

The Directors named below held the following number of shares in the Company at 31 December 2012.

Mr. Ishmael Evans Yamson	- 2,500
Mr. Charles Alexander Cofie	- 2,000
Mr. Joseph Nee-Amahyey Hyde	- 1,500
	=====

20 Largest shareholders at 31 December 2012

Shareholders	Number of shares	%Holding
1 UNILEVER OVERSEAS HOLDINGS LTD	26,249,980	42.00
2 UAC INTERNATIONAL LIMITED	14,999,955	24.00
3 SCBN/HSBC - FUND SERVICES A/C 500	5,750,181	9.20
4 SOCIAL SECURITY & NATIONAL INS.TRUST	3,300,332	5.28
5 SCBN/SSB TST X71 AX 71	2,824,850	4.52
6 CWA HOLDINGS LIMITED	350,040	0.56
7 SCBN/UNILEVER GHANA MANAGERS'	264,796	0.42
8 SCBN/SSB EATON VANCE TAX-MANAGED	249,000	0.40
9 STD NOMS TVL PTY/BNYN/FRONTIER MKT	218,757	0.35
10 ENTERPRISE GROUP LTD	155,000	0.25
11 SCBN/UNILEVER GHANA PROVIDENT FUND	120,000	0.19
12 SEGN/JPMCT. ROWE PRICE	109,300	0.17
13 SCBN/ELAC POLICY HOLDERS FUND	105,000	0.17
14 STD NOMS TVL PTY/BNYM/FLORIDA	98,744	0.16
15 SCB/ ELAC SHAREHOLDERS FUND	82,997	0.13
16 SCBN/RID PLC FRONTIER EQUITY FUND	80,000	0.13
17 THE ESTATE OF LATE REXFORD KWASI OBENG	75,000	0.12
18 RAINBOW FUND L.P	72,600	0.12
19 SCBN/T ROWE PRICE INT. 9323(AA250)	59,700	0.10
20 SCBN/ MAURITIUS RE ALTREE C.SERV.LTD	54,950	0.09
	55,221,182	88.36

Five year financial summary of the Group

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

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

Funds employed	2008	2009	2010	2011	2012
Shareholders' funds	46,254	35,515	41,340	48,893	31,768
Post employment benefits obligation	2,069	2,237	2,697	3,138	2,448
Deferred tax	2,720	751	2,599	3,444	4,166
	=====	=====	=====	=====	=====
	51,043	38,503	46,636	55,475	38,382
	=====	=====	=====	=====	=====
Employment of Funds					
Property, plant and equipment	14,030	14,969	17,794	30,554	40,973
Intangible asset	55	37	19	1	10,964
Pension assets for funded scheme in surplus	9,747	7,626	11,322	8,409	3,915
Net current (liabilities) / assets	14,312	2,972	4,592	16,501	(17,480)
	=====	=====	=====	=====	=====
Net assets	38,144	25,604	33,727	55,465	38,372
	=====	=====	=====	=====	=====
Capital Expenditure	(1,711)	(2,518)	(5,905)	(14,843)	(25,206)
Depreciation	1,390	1,530	1,482	1,991	2,655
	=====	=====	=====	=====	=====
Results					
Revenue	165,590	160,496	179,257	239,005	282,138
	=====	=====	=====	=====	=====
Profit after tax	19,296	(268)	17,947	30,416	16,082
Interim dividend declared	(6,281)	-	-	-	-
Final dividend declared	(7,750)	(7,019)	(13,300)	(17,943)	(30,000)
	=====	=====	=====	=====	=====
Profit retained in the year	5,265	(7,287)	4,647	12,473	(13,918)
	=====	=====	=====	=====	=====

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.

NEW & ADVANCED



**BETTER
GERM PROTECTION**

as compared to ordinary soap



Unilever Ghana Limited

Proxy Form

Serial No. _____

ANNUAL GENERAL MEETING TO BE HELD
at 11.00 a.m. on Wednesday, 24th April 2013
at The National Theatre, Accra.

For Company's Use	No. of Shares	
	FOR	AGAINST
RESOLUTION		
To declare a Dividend.		
To re-elect Prof. Franklyn A. Manu as a Director		
To re-elect Mrs Victoria Kayaga Kiggundu as a Director		
To re-elect Ms Maidie E. Arkutu as a Director		
To approve Directors' Fees		
To authorise the Directors to fix the Remuneration of the 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.		

I/We _____
(Insert full name)

of _____
(Insert full name)

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, 24th April 2013 and at any and every adjournment thereof.

Dated this day of April, 2013

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

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

- NOTES**
- (1) In the case of joint holders, each should sign.
 - (2) If executed by a Corporation, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director.
 - (3) Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 11.00 a.m. on 22nd April 2013.

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

First fold here

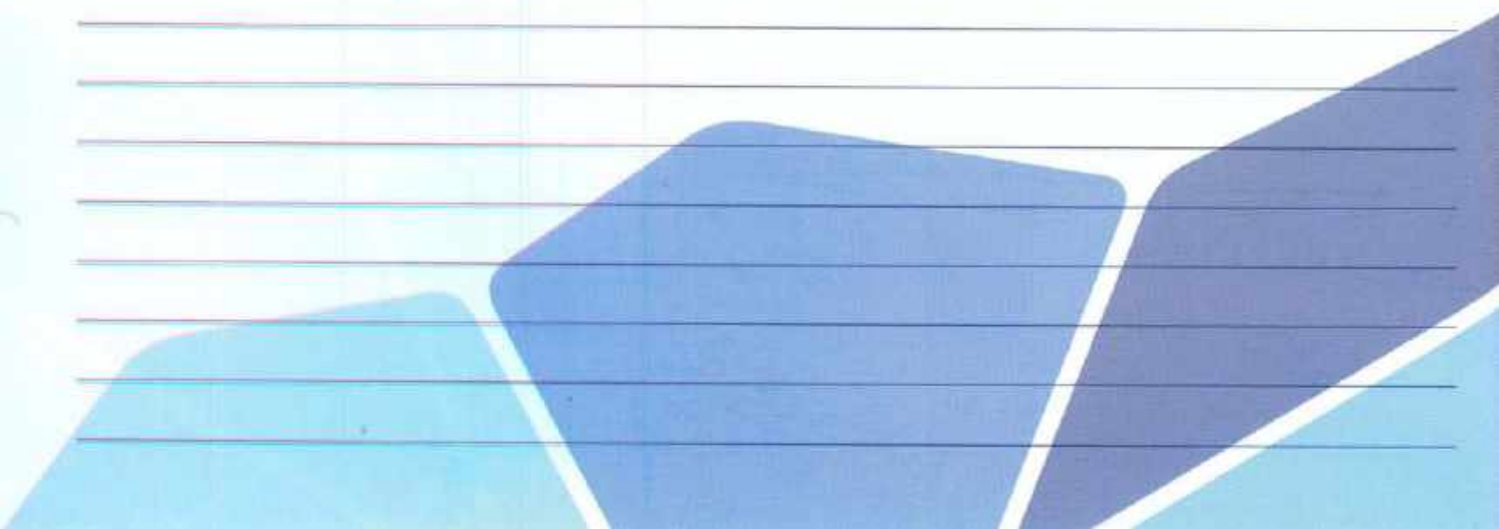
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Notes



Notes

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Unilever

DEEPER ACTION FOR
3X FRESHER
BREATH*



FDI recognizes that twice daily brushing with a fluoride toothpaste such as Closeup active gel is beneficial to oral health.
* Difference in malodor reduction after 4 weeks of regular twice per day brushing versus 20% zinc toothpaste. ** Creative Translations

 www.facebook.com/CloseupGhana

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