Unilever

2014 ANNUAL REPORT AND FINANCIAL STATEMENTS

CREATING A BRIGHTER FUTURE FOR GHANAIANS

Our Mission

We work to create a better future everyday. 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.

Unilever

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BOARD OF DIRECTORS

Financial highlights

(All amounts are expressed in thousands of Ghana cedis)

	2014	2013	% Change
Revenue	410,450	323,407	27
Operating profit	4,124	19,900	(79)
(Loss)/profit before taxation	(634)	18,803	(103)
(Loss)/profit after taxation	(710)	14,073	(105)
Cash flows from operating activities	25,241	17,534	44
Shareholders' funds	31,593	32,629	(3)
Capital expenditure	13,515	18,304	(26)
Basic earnings per share (GH¢)	(0.0114)	0.2252	(105)
Diluted earnings per share (GH¢)	(0.0114)	0.2252	(105)
Net assets per share (GH¢)	0.5055	0.5221	(3)
PBT margin (%)	-0.2	5.8	
Net (loss)/ profit margin (%)	-0.2	4.4	

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 Thursday, 14 May 2015 at 11.00 a.m. for the following purposes:

AGENDA

1. To receive the report of the Directors, the financial position as at 31 December, 2014 together with the Accounts for the year ended on that date and the Report of the Auditor thereon.
2. To appoint Directors including those retiring by rotation.
3. To approve the terms of appointment of a Manager
4. To approve Directors' fees.
5. To authorize the Directors to fix the remuneration of the Auditor.

A Member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. 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, Universal Merchant Bank Ghana Limited, not less than 48 hours before the meeting.

Dated this 24 day of February 2015.

By Order of the Board

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Elizabeth Donkoh (Ms)
Ag. Secretary

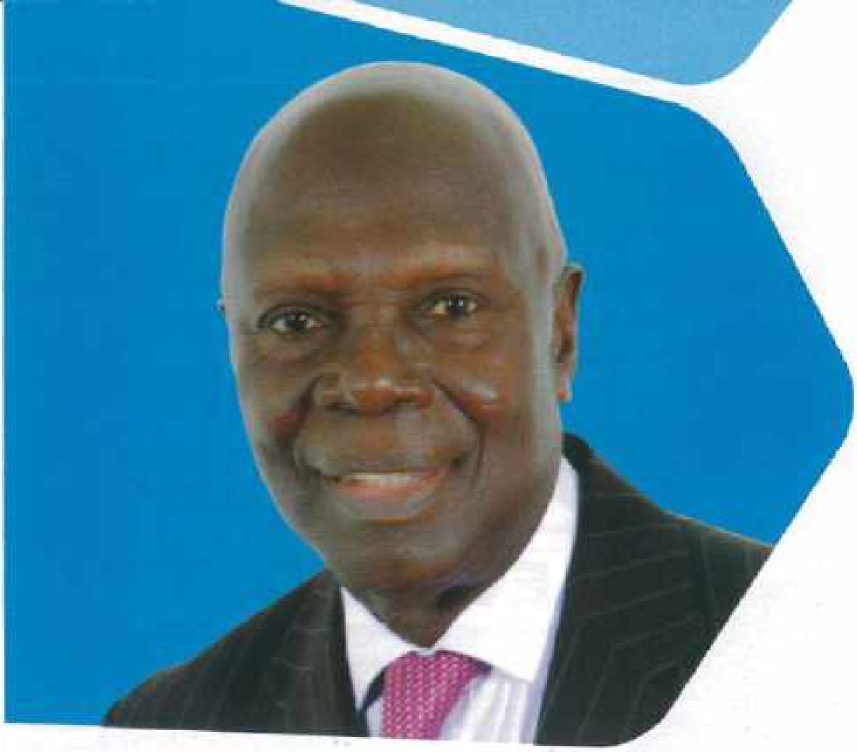
Registered Office:
Unilever Ghana Limited, Tema Factory, Plot No. Ind/A/2/3A-4, P O Box 721, Tema

BOARD OF DIRECTORS & SECRETARY

I.E. Yamson; Chairman; Luc-Olivier Marquet; Vice Chairman; Ms Maidie E. Arkutu; Managing Director; C A Cofie, J. N-A Hyde; Miguel A. Marquez; F.A Manu, M.B. Amao; C. D. Nartey, and Elizabeth Donkoh (Ms), Ag. Secretary.

Board Audit Committee
J. N-A Hyde, M. A. Marquez and F. A. Manu.

Registrars Office:
Universal Merchant Bank Ltd, Registrars Department, 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, Accra, P. O. Box 401, Accra, Ghana



CHAIRMAN'S REVIEW

Introduction

Once again it is my pleasure to welcome you to another AGM of your company. The year 2014 proved to be more difficult and volatile for the economy than expected. Key macroeconomic indicators showed considerable deterioration from the previous year. The official real GDP estimate for 2014 was revised downwards from 6.9% to 4.2%.

The business environment remained turbulent throughout the year, marked by a "tsunamic" depreciation of the cedi driven by persistent high levels of budget deficits, heavy domestic and offshore borrowing, unsustainably high public service wage bill and continued double digit current account deficits. Interest rates soared and inflationary pressures worsened. These, coupled with high competitive pressures, deep energy crisis and rising costs of inputs, including hikes in energy and utility prices resulted overall in significant cost pressures which impacted profitability.

Notwithstanding these challenges we stuck to our long term strategies which enabled us to grow Revenues by 26.9%, but profitability suffered with a loss of GH¢0.7m, which nevertheless was a good recovery from the GH¢11m loss recorded at the end of the first nine months of the year; clearly a strong fourth quarter.

Political

Ghana remained a stable, functional democracy with a very vibrant media and active civil society. Civil society groups have taken their role of holding government accountable to a higher level demonstrated for instance by the case in which the Auditor General is being asked to exercise fully the powers conferred on by the Constitution to retrieve monies proven to have been lost by the state.

Confidence in Ghana's democratic governance continued to grow following successful elections by the major political parties of their governing executives during the year. We expect the tempo of political activities to rise as we approach 2016, which happens to be an election year.

We believe Ghana's democracy has matured and we do not therefore see any difficulties with future national elections.

Economic

Government's resolve at rebalancing the budget in 2014 was severely tested as the economy experienced significant shocks from a sharp deterioration in all macro-economic indicators, a deepening energy deficit, fall in gold, cocoa and oil prices, rising public wage bill and a crushing debt servicing obligation.

During the period the Cedi sharply depreciated against the three major trading currencies i.e. the US Dollar, the British Pound and the Euro by 39.4%, 31.3% and 22.7% respectively. These factors contributed to a significant rise in year-end inflation to 17.0%, compared to 13.5% for the previous year. This had an adverse effect on the disposable income of consumers. Additionally the Central Bank increased its Monetary Policy Rate to 21.0%, an increase of 500bps relative to 2013. This along with certain disruptive monetary measures including changes in the foreign exchange market operations, further fuelled the depreciation of the cedi and inflationary pressures leading to considerable increases in the cost of financing businesses and destroying the value of many companies, including your Company. The economy naturally nosedived with the manufacturing sector suffering the most decline.

Business Performance

The company delivered very strong Turnover growth in 2014, 26.9% over previous year. All the three categories, Home Care, Personal Care and Foods had double digit growth of 32.0%, 23.5% and 11.5% respectively. However there was a sharp drop in operating profit by 79% when compared to 2013. Higher Cedi depreciation, erratic power supply, high levels of inflation and continued investments in capacity and in our brands and route to market were the main drivers accounting for the shortfall. In spite of the challenges of the period, our market leadership in all our key categories was maintained.

Due to the difficult situation the Company faced in the year, coupled with the fact that it was only able to break even, the Board of Directors of the Company have decided not to recommend the payment of dividend for 2014.

2015 Outlook

2015 will be another challenging year for Ghana and the FMCG sector as a whole. Energy crisis, exchange rate pressures and commodity price volatility will test companies on their effectiveness and efficiency as well as their absorptive capacity and their agility to respond to the emerging new challenges.

We have proactively addressed such difficulties by making the necessary investments to generate power internally, which became fully operational in March 2015 and is estimated to reduce our energy cost significantly. Your Company's ability to adapt to changes has proven successful since the second half of last year and continues to show good prospects for the first quarter of 2015.

This turnaround in performance has been underpinned by our renewed focus on high profitable brands and continuous improvement in internal processes that have enhanced our flexibility and speed in reacting to market dynamics especially with cost management.

We remain positive and confident that our people and our portfolio will build the foundation for future profitable growth in order to deliver on our commitments to you, our shareholders.

Board Changes

Since our last Annual General Meeting Mrs. Victoria Kayaga Kiggundu, [Finance Director] resigned from the board. We welcome to the Board, Mr. Miguel Angel Marquez who is our new Finance Director.

Profile of the new Director

Miguel A. Marquez

Graduated, with an Honours degree in Business Administration from the Universidad Panamericana and has more than 15 years of experience in the FMCG industry. He has been a Senior Finance Executive with broad experience in both Regional as well as local company roles. His experience includes Supply Chain, Finance, Business Partnering to Brand Building and Sales, Regional and local strategic Planning, Corporate Finance Controller as well as international experience in London, Chile and USA. He possesses the right combination of diverse international experience and leadership skills to drive effective strategy execution as well as strong results across the business. He has a proven success of defining and executing business strategy, leading teams to high performance culture and a strong promoter of continuous improvement. Miguel has already demonstrated pragmatism, team building, flexibility and energy. He will be a good addition to the team.

MANAGING DIRECTOR'S REVIEW

Introduction

The year 2014 became difficult for the business as the performance suffered heavily from unanticipated high cedi depreciation and general price increases of goods and services which impacted negatively on our operating profit. As a result of accelerated increases in raw material and other operating costs, we increased prices across the brands to recover the cost of operations whilst ensuring the medium to long term sustainability of our business. Notwithstanding the difficult economic environment, turnover grew by 26.9% over 2013. To maintain our leadership position in the market environment, a sizeable amount of our budget was spent on advertising and marketing activities.

Customer Service Development.

Our "More Stores, Better Stores" agenda continued with the Launch of Project Tulip which involved extending our distribution to cover additional 1,500 Table-Tops with Tricycle vendors. Additionally, to accelerate the distribution of our newly launched Deodorants and Skincare brands we extended coverage into 3,000 cosmetic stores. To maintain high visibility at the point of sale we run an exciting visibility program for our 8,000 perfect stores across the five sales areas with retailers winning prizes such as Fridges, LED and TVs.

Home and Personal Care Categories

The Home and Personal care categories grew 27.5% driven by successful innovations, renovatio and volume driving activities including trade, shopp and consumer promotions.

Homecare category grew by 32.0% fuelled by the r launch of Omo and successful execution of the K @ 50 Anniversary celebrations which injected a lot excitement into one of Ghana's iconic local jewel Omo, Ghana's No.1 washing powder was re-launche with a superior formulation. This helped us mainta our leadership position in the market. Sunlig portfolio also expanded with the introduction of a Pi bar variant which helped to consolidate our leadersh position in the Laundry segment.

Personal Care category continued to be the growt and profit driver of the Company. It grew by 23.5 compared to prior year, contributing 54.0% in top lin and 81.0% in Gross Profits to the Home and Person Care categories. Oral Care further consolidated i strong market leadership on account of continue efforts on "Brush Twice" education and consumptio building activities such as the 200gm consume promotion. Close Up has also recorded growth an improved its relevance with its younger adult targ courtesy of the Freshness Dance Revolution campaig

Skin Cleansing also delivered 19.3% growth, driven by Geisha, Lifebuoy and Carbolic. Geisha and Carbolic's growth were partly driven by extra production capacity from the new Skin Cleansing factory. Lifebuoy's hand-washing programme proved to be very important especially in a year where the country had to deal with health epidemics like Cholera. Our Grow FM campaign, the multi-brand entertainment programme with the objective of educating children about good eating and hygiene habits, reached 1.4 million children.

We also launched two new and profitable categories, Deodorants & Skin Care, which have already added GH¢ 4m incremental turnover to the business.

Foods and Beverages

The Foods & Beverages Category grew by 11.5% over 2013. Royco and Lipton Tea underwrote growth. Royco was re-launched in June and grew by 88.0%. We maintained our market leadership positions in Tea and Spreads categories by continuing our investments in Market Development activities. These involved encouraging daily tea drinking and regular spreading of Blue Band on bread. Over 1 million school children were taught the importance of spreading margarine on their bread and having a balanced diet.

Operating and Financial Review

Revenue achieved for the period was strong at GH¢410.5m representing a growth of 26.9% over previous year. We had strong growth of 53.4% in our export business to West Africa communities. Double digit growth at 24.8% was also recorded in our local sales business. Given the tough conditions we faced in 2014 mainly on high cost pressures, gross profit increased by 7.2% to GH¢92.8m compared to prior year.

Unfortunately the difficult economic environment, resulting from accelerated cedi depreciating, impact of high inflation on goods and services, power and energy crisis, had a negative impact on our operating profit. Cost of sales increased by 34.1% to GH¢317.6m. Brand and Marketing investment increased by 35.6% over prior year to GH¢28.9m. Administrative overheads was GH¢49.1m, an increase of 29.3% over 2013. Operating profit therefore dropped by 79.3% from GH¢19.9m in previous year to GH¢4.1m.

Financing cost was high at GH¢4.8m, with an increase of 169.3% from 2013 position. Increased borrowings to support working capital and higher interest rates in 2014 accounted mainly for the higher financing costs. Faced with the challenges enumerated above, our profit after tax declined from 2013 position of GH¢14.1m to a negative GH¢0.71m, close to breakeven.

Cash Flow

On the Cash flow statement, the cash and cash equivalent improved from negative GH¢7.7m to negative GH¢1.6m. The key driver accounting for this is improvement in cash generated from operations.

Capital Investment

Doubling the size of the business is highly dependent on investing in effective and efficient manufacturing equipment. During the period, an amount of GH¢13.5m was spent on factory expansion. The Personal Care factory benefited from 37.8% of the investment, amounting to GH¢5.1m and the Foods factory 26.7%, amounting to GH¢3.6m. We also invested GH¢4.8m in upgrading our safety and electrical facilities to enable the business meet its high safety standards and ensure a safe and hygienic working environment for all its employees.

Contribution to Society

In pursuit of our commitment to enhance the lives of Ghanaians through the Unilever Sustainable Living Plan (USLP), we invested in the areas of Health, Hygiene, Nutrition and Women Empowerment programmes.

- Through Grow Fm, our brand-led health, nutrition and hygiene campaign, we reached about 1.4 million Ghanaians to teach and promote good behavioural practices.
- In collaboration with UNICEF, we promoted proper sanitation and hygiene practices and empowered communities to develop sanitation

solutions that met local needs and built toilet facilities for the communities. As a result, 135,000 individuals are currently living in open defecation free communities and 416 communities have been declared open defecation free.

- Two hygiene stations were commissioned at Tema Community 5 No.3 School and Padmore Primary School in Community 1. 1,025 children benefited from this project.

In support of the USLP goal to empower 5 million women across the globe by 2020, the Unilever Ghana Foundation trained 144 micro women entrepreneurs in good entrepreneurial behaviour in Sekondi and Wa. In addition, eight female students from public universities and polytechnics were awarded for being the best graduates during the 2013/2014 academic year to drive gender diversity in national development.

2015 Outlook

2014 showed a fair performance in the midst of a very turbulent economic environment. 2015 will clearly bring more challenges. Nonetheless, we are confident that 2015 will be a better year for your company. We have taken learnings from 2014, and have entered the year 2015 with the right people and the right portfolio, stronger brands and a more profitable profile than that of 2014.

We have invested in an information technology (IT) tool, LeverEdge, that will transform the effectiveness of our sales team and significantly enhance our sales to the trade. LeverEdge is an intelligent selling IT tool which aids salesmen replenish stocks based on shopper demand at store level. This will increase penetration and ensure fast moving products do not run out at store level. It also helps to increase the assortment that stores carry.

The intelligent system is able to make proposals for the salesman based on historical data for every single outlet the salesman visits. GPS co-ordinates ensure data credibility per outlet and the geo-map enables the Key Distributor to track the salesman on his sales route at any particular point in time. Lastly, the financial model within the system enables Ke Distributors to better manage their credit exposure.

An enhanced Joint Business Planning (JBP) progran with our Key Distributors and improved liquidity wi ensure even stronger commitment and ability t drive the sales agenda for the year. We will continu to invest in our factories whilst driving costs dow through better management of our supply chai controllable costs and indirects. We will also continu to drive incremental turnover through innovation an market development and delight our consumers wit attractive promotions. By landing the said investment and plans, we believe we will deliver better value t you in 2015.

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 stakeholders, the Company strives to meet expectations of the community in which it operates.

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

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

Legal Structure of Unilever

Board of Directors

The responsibility of good corporate governance is placed on the Board of Directors and the Management Team. The Board of Directors are highly qualified and experienced in their professional areas of expertise. The Board is currently comprised of five (5) full time executive and four (4) non-executive directors one of whom is the Chairman of the Board. The non-executive directors are the principal external presence in the governance of Unilever Ghana Limited and provide a strong independent element. The Board meets at least four (4) times a year to deliberate on, Corporate strategy and implementation, approval of Annual Report and Accounts and recommendation of dividends, amongst other things.

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

The Audit Committee

The Audit Committee is made up of three directors of whom two 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 and monitors the implementations of their recommendations.

The Executive Committee

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

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

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

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

Internal Controls

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

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

Code of Business Principles

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

Report of the Audit Committee

MEMBERSHIP OF AUDIT COMMITTEE OF THE BOARD

The Unilever Ghana Audit committee is comprised of two non executive Directors and the Finance Director for Unilever Ghana Limited. The Committee is chaired by Mr. J. N. A. Hyde, a chartered accountant, non executive Director with an extensive background in general management, accounting, finance and audit. The Unilever Audit & Risk Manager is always in attendance at the meetings and from time to time the external auditors, KPMG, 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 2014

In 2014, the Unilever Ghana Limited Audit Committee met four times on 20th February, 2014, 17 April 2014, 17 July 2014 and 16 October 2014.

REVIEW OF THE FINANCIAL PERFORMANCE OF THE COMPANY

At the 20 February 2014 meeting, the committee reviewed the financial performance of the company for the financial year ended 31st December 2013 and the audited accounts for the 2013 financial year.

The Committee was updated on the company's performance in 2014 during the 17 April 2014, 17 July 2014 and 16th October 2014 meetings.

INTERNAL AUDIT

The Internal Risk and Audit team updated the Committee on the Financial Control Assessment (FCA) and the migration from legacy controls to zero based controls which emphasizes automation of controls. It was reported that the Financial Control Assessment has been successfully completed and continuous follow up is ongoing to ensure full remediation of exceptions as mandated.

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

EXTERNAL AUDIT

At the 16 October 2014 meeting, the new Auditor, KPMG made a presentation on the 2014 audit strategy and plan for the audit of the Company's financial statements.

Subsequent to completing the audit, they presented and discussed their audit findings with the Board of Directors. The Board has confidence in the independence and intergrity of the external auditor.

Report of Directors

The Directors have the pleasure in submitting to the Members, the Company's statement of financial positio 31 December 2014 and its performance for the year then ended.

The net loss attributable to Members of the Company for the year is GH¢710,000 as against net profi GH¢14,073,000 for 2013.

The Directors do not recommend payment of dividend.

The Directors wish to inform Members that since the last Annual General Meeting, Mrs Victoria Kayaga Kiggu has resigned from the Board with effect from 16 May 2014. Mr Miguel A. Marquez has been appointed a Director by the Board with effect from 24 July 2014. He succeeded Mrs Victoria Kayaga Kiggundu as the Fina Director of the Company.

The Directors to retire by rotation in accordance with the Regulations of the Company are Mr Charles Alexan Cofie and Prof. Franklyn Achampong Manu both of whom offer themselves for re-election.

The principal activities of the Company are manufacturing of fast moving consumer goods.There was no cha in the principal activities of the Company during the year.

In accordance with the Companies Act 1963, (Act 179), the Directors report that on 31 December 2014:

(a) Swanzy Real Estate Limited was a subsidiary of the Company. Swanzy Real Estate Limited did not tr during the 2014 financial year.

(b) The Company was beneficially entitled to equity shares conferring the right to exercise more than 25% the votes exercisable at General Meetings of United Africa Trust Limited, a company incorporated in Gha United Africa Trust Limited did not operate during the 2014 financial year.

The parent company is Unilever PLC, a company incorporated in England. Other related parties are Unile Overseas Holdings Limited and UAC International Limited, companies wholly owned by Unilever PLC.

In accordance with Section 134(8) of the Companies Act 1963 (Act 179), KPMG will continue in office as Audit of the Company for the next financial year.

BY ORDER OF THE BOARD

Chairman	Managing Director

24th day of February 2015

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 statements of comprehensive income and cash flows for that period.

In preparing these financial statements, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards, (IFRS) and complied with relevant requirements of the Companies Act 1963 (Act 179).

The Directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial statements of the company are prepared. 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	Managing Director	Finance Director
Mr. Ishmael E Yamson	**Maidie E. Arkutu**	**Miguel. A. Marquez**

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

Report on the Financial Statements

We have audited the financial statements of Unilever Ghana Limited, which comprise the statement of financ position at 31 December 2014, the statements of comprehensive income, changes in equity and cash flows f the year then ended and notes to the financial statements, which include a summary of significant accounti policies and other explanatory information as set out on pages 18 to 54

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation and fair presentation of these financial statemen in accordance with International Financial Reporting Standards and in the manner required by the Compani Act, 1963 (Act 179) and for such internal control as the Directors determine is necessary to enable t 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 these financial statements based on our audit. We conducted o audit in accordance with International Standards on Auditing. Those standards require that we comply wi ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financi statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in t financial statements. The procedures selected depend on the auditor's judgment, including the assessment the risks of material misstatement of the financial statements, whether due to fraud or error. In making tho risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentati of the financial statements in order to design audit procedures that are appropriate in the circumstances, b not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit al includes evaluating the appropriateness of accounting policies used and the reasonableness of accounti estimates made by 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 au opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Unilever Gha Limited at 31 December 2014 and of its financial performance and cash flows for the year then ended accordance with International Financial Reporting Standards and in the manner required by the Compani Act, 1963 (Act 179).

Other Matter

The financial statements of Unilever Ghana Limited for the year ended 31 December 2013 were audited another auditor who expressed an unmodified opinion on those financial statements on 2 April 2014.

KPMG

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179)
We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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

KPMG

SIGNED BY: ANTHONY KWASI SARPONG (ICAG/P/1369)
FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2015/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

24 February 2015

Statement of financial position as at 31 December, 2014

(All amounts are expressed in thousands of Ghana cedis)

Assets	Note	2014	2013
Property, plant and equipment	15a&b	63,172	55,169
Intangible assets	16	6,205	8,617
Investment in subsidiaries	18	10	10
Employee benefits	17a	7,410	6,881
Total non-current assets		76,797	70,677
Inventories	19	45,100	48,929
Trade and other receivables	24	28,042	26,628
Prepayments		4,123	2,123
Related party receivables	31c	52,922	34,696
Current tax	14a	1,536	1,340
Cash and bank	27	13,014	7,730
Total current assets		144,737	121,446
Total assets		221,534	192,123
Equity			
Share capital	21a	1,200	1,200
Capital surplus account	22	204	204
Retained earnings	21b	30,108	31,144
Share deals account	23	81	81
Total equity		31,593	32,629
Liabilities			
Employee benefits obligation	17a	2,284	2,247
Deferred tax	14a	5,788	6,327
Total non-current liabilities		8,072	8,574
Bank overdrafts	27	14,655	15,399
Trade and other payables	25	43,365	40,974
Related party payables	31d	118,728	89,669
Dividend payable	20	3,068	3,131
Provisions	28a	2,053	1,747
Total current liabilities		181,869	150,920
Total liabilities		189,941	159,494
Total equity and liabilities		221,534	192,123

Managing Director
(Maidie E. Arkutu)

Finance Director
(Miguel A.Marquez)

Statement of Comprehensive Income for the year ended 31 December

(All amounts are expressed in thousands of Ghana cedis)

	Notes	2014	2013
Revenue	6	410,450	323,407
Cost of sales	7	(317,610)	(236,803)
Gross profit		92,840	86,604
Distribution expenses	8	(9,400)	(7,401)
Brand & marketing investment	9	(28,882)	(21,304)
Administrative expenses	10	(49,128)	(37,999)
Restructuring costs	28a	(1,803)	-
Other income	11	497	-
Operating profit		4,124	19,900
Finance income	12	41	685
Finance costs	12	(4,799)	(1,782)
(Loss)/profit before taxation		(634)	18,803
Taxation	14c	(76)	(4,730)
(Loss)/ profit after tax for the year		(710)	14,073
Other comprehensive income :			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss)	17b	2,443	(8,510)
Return on planned assets	17b	(2,926)	12,228
Net (loss)/gain		(483)	3,718
Related tax	14a	157	(930)
Other comprehensive income net of tax		(326)	2,788
Total comprehensive income		(1,036)	16,861

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

		2014	2013
Basic earnings per share		(0.0114)	0.2252
Diluted earnings per share		(0.0114)	0.2252

Statement of Cash flows for the year ended 31 December

(All amounts are expressed in thousands of Ghana cedis)

	Notes	2014	2013
Cash flows from operating activities			
Cash generated from operations	26	25,241	17,534
Interest paid	12	(4,799)	(1,782)
Interest received	12	41	685
Tax paid	14a	(654)	(1,503)
Net cash generated from operating activities		19,829	14,934
Cash flows from investing activities			
Purchases of property, plant and equipment	15a&b	(13,513)	(18,244)
Purchases of Intangible assets	16	(2)	(60)
Net cash used in investing activities		(13,515)	(18,304)
Cash flows from financing activities			
Dividend paid	20	(63)	(15,633)
Net cash used in financing activities		(63)	(15,633)
Decrease in cash and cash equivalents		6,251	(19,003)
Cash and cash equivalents at beginning of year		(7,669)	11,579
Effect of movement in exchange rate on cash and bank		(223)	(245)
Cash and cash equivalents at end of year	27	(1,641)	(7,669)

Statement of Changes in equity as at 31 December

(All amounts are expressed in thousands of Ghana cedis)

	Notes	Share capital	Capital surplus account	Retained earnings	Share deals account	Total equity
Balance at 1 January 2014		1,200	204	31,144	81	**32,629**
Total comprehensive income						
Loss for the year		-	-	(710)	-	**(710)**
Other comprehensive income	14a &17b	-	-	(326)	-	**(326)**
Total comprehensive income				(1,036)		**(1,036)**
Balance at 31 December 2014		**1,200**	**204**	**30,108**	**81**	**31,593**
Balance at 1 January 2013		1,200	204	30,283	81	31,768
Total comprehensive income						
Profit for the year		-	-	14,073	-	14,073
Other comprehensive income	14a &17b	-	-	2,788	-	2,788
Total comprehensive income				16,861		16,861
Transactions with owners of the company						
Distributions						
Final dividend to equity holders	20	-	-	(16,000)	-	(16,000)
Balance at 31 December 2013		1,200	204	31,144	81	32,629

Financial Statements
Notes

1. REPORTING ENTITY
Unilever Ghana Limited is registered and domiciled in Ghana. The Company's registered office address is Factory, P.O. Box 721, Tema, Ghana. The Company manufactures and sells consumer products. The Con is listed on the Ghana Stock Exchange. For Companies Act, 1963 (Act 179) reporting purposes, the ba sheet is represented by the statement of financial position and the profit and loss account by the statem comprehensive income, in these financial statements. The financial statements at and for the year end December 2014 comprise the separate financial statements of the Company.

2. BASIS OF ACCOUNTING
a. Statement of compliance

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

b. Basis of measurement

The financial statements have been prepared under the historical cost convention.

c. Functional and presentation currency

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

d. Use of estimates and judgments

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

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

In particular, information about significant areas of estimation, uncertainty and critical judgements in ap accounting policies that have the most significant effect on amounts recognised in the financial state are described in notes 4 (Determination of fair values) and 33 (Financial instruments – fair values an management).

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

a. Property, plant and equipment

(i) Recognition and measurement

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

(ii) Subsequent costs
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss, as incurred. Spare parts, stand-by and servicing equipment held by the Company generally are classified as inventories.
However, if major spare parts and stand-by equipment are expected to be used for more than one period or can be used only in connection with an item of property, plant and equipment, then they are classified as property, plant and equipment.

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

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

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

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

b. Intangible assets

Software
Software acquired is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.
Amortisation is recognised in profit or loss on a straight line basis over the estimated useful life of the software from the date it is available for use. The estimated useful life for software is five years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

c. 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 profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

d. Inventories

Inventories are measured at lower of cost and net realisable value using the weighted average cost prin
The cost of inventories includes expenditure incurred in acquiring inventories and bringing them to
existing location and condition. Net realisable value is the estimated selling price in the ordinary cou
business, less estimated selling expenses. Inventories are stated less allowance for obsolescence and
moving items.

e. Financial instruments

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

(i) Non-derivative financial instrument

Recognition and derecognition

The Company initially recognises loans and receivables on the date when they are originated. Other fin
assets and financial liabilities are initially recognised on the trade date. Short-duration receivable
payables with no stated interest rate are measured at their original invoice amount unless the eff
imputing interest would be significant. Where the effect of imputing interest is significant they are mea
at amortised cost.

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

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

Non-derivative financial assets-measurement

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

Cash and cash equivalents

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

Non-derivative financial liabilities-measurement

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

(ii) Share capital (Stated capital)
Ordinary shares
Proceeds from issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

f. Impairment of non-derivative financial assets

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

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

g. Taxation

Income tax expense for the period comprises current and deferred tax. Income tax is recognised in the profit or loss account, 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.

(i) Current tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in Ghana. 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.

(ii) Deferred taxes

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred 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 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 tax 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.

h. Provisions

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

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

i. Employee benefits

The Company operates various pension schemes. Some of the schemes are generally funded throug to trustee- administered funds, determined by periodic actuarial calculations. The Company has b benefit and defined contribution plans.

(i) Short term benefits

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

(ii) Defined contribution plan

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

a. Social security contribution

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

b. Provident fund

The Company has a provident fund scheme for staff under which the Company contributes 7.5% salary of work level 1 and below and an offset salary of GH¢187 at the reporting date to work level 2 Obligations under the plan are limited to the relevant contributions and these are settled on due fund manager.

(iii) Defined benefit plan

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

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

Remeasurement of the net defined benefit liability which comprise actuarial gains and losses, the re assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (Income on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contribution and benefit payment. Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to the past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognised cost for restructuring . In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

j. Revenue recognition

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

(i) Sale of goods to key distributors

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

(ii) Sale of goods to modern trade

The Company sells fast moving consumer goods to modern trade customers. Sale of goods are recognised when the Company sells a product to the customer.

(iii) Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

k. Finance income and finance costs

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

(All amounts are expressed in thousands of Ghana cedis)

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

l. Foreign currency translation

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

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

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

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

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

	2014	2013
(Loss) / profit attributable to equity holders	(710)	14,073
Weighted average number of ordinary shares in issue (Note 21)	62,500	62,500
Basic earnings per share	(0.0114)	0.2252
Diluted earnings per share	(0.0114)	0.2252

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

p. Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment allowance.

4. DETERMINATION OF FAIR VALUES

Some of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments. When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

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

Further information about the assumptions made in determining fair values is included in Note 33 financial instrument - fair values and risk management.

5. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective. These include the following Standards and Interpretations that may have an impact on future financial statements:

Standard/Interpretation		Effective date
IFRS 9	*Financial Instruments*	Annual periods beginning on or after 1 January 2018
IFRS 15	*Revenue from contracts with customers*	Annual periods beginning on or after 1 January 2017
IAS 19	*Defined Benefit Plans: Employee Contributions*	Annual periods beginning on or after 1 January 2015
IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*	Annual periods beginning on or after 1 January 2016
IAS 1	*Disclosure Initiative (Amendments to IAS 1)*	1 January 2016

IFRS 9 Financial Instruments

IFRS 9 published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 9. Given the nature of the Company's operations, this standard is expected to have a pervasive impact on the Company's financial statements. In particular, calculation of impairment of financial instruments on an expected credit loss basis is expected to result in an increase in the overall level of impairment allowances.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 15, therefore the impact is currently unknown.

The following new or amended standards are not expected to have a significant impact on the Company's financial statements.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
The amendments introduce relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. Such contributions are eligible for practical expedient if they are:

- set out in the formal terms of the plan;
- linked to service; and
- independent of the number of years of service.

When contributions are eligible for the practical expedient, a Company is permitted (but not required) to recognise them as a reduction of the service cost in the period in which the related service is rendered. The Company has a defined benefit plan that requires employees to contribute to the plan, if the Company chooses to apply this amendment the Company will recognise the contributions as reduction of the service costs in the period in which the related service is rendered. The amendments apply retrospectively for annual periods beginning on or after 1 January 2015 with early adoption permitted.

- The Company will adopt the amendment for the year ending 31 December 2015. The standard will not have a significant impact on the Company's financial statement.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

The amendments to IAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment.

(All amounts are expressed in thousands of Ghana cedis)

The amendments to IAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.

The Company currently uses the straight-line method to calculate amortisation and depreciation on its intangible assets and property, plants and equipment. The rebuttable presumption being introduced by the amendments will thus not have any material consequences on the way in which the Company charges amortisation and depreciation.

Disclosure Initiative (Amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted.

6. 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 and rebates.

	2014	2013
Gross sales value	522,999	402,852
Value added tax/NHIL	(73,819)	(50,908)
Discounts & rebates	(38,730)	(28,537)
Revenue	410,450	323,407

	2014	2013
By customer:		
Third parties	373,298	299,189
Related parties (Note 31b)	37,152	24,218
	410,450	323,407

(All amounts are expressed in thousands of Ghana cedis)

7. Cost of sales

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

	2014	2013
Raw materials & conversion costs	286,811	213,187
Foreign exchange losses	4,721	3,255
Trade mark & knowhow fees	7,862	5,551
Depreciation (Note 15a&b)	3,915	3,273
Amortisation of intangible assets (Note 16)	1,690	1,685
Material sourcing expenses	258	968
Staff costs (Note 13a)	12,157	8,884
Operating lease expense	196	-
	317,610	236,803

Included in raw materials & conversion costs are damaged and obsolete inventories amounting to GH¢2,355,776 (2013:GH¢1,118,000)

8. Distribution expenses

	2014	2013
Inbound distribution expenses	1,481	217
Warehouse, storage & handling expenses	2,008	2,392
Outbound distribution expenses	5,911	4,792
	9,400	7,401

9. Brand & marketing investment expenses

	2014	2013
Advertising expenses	17,677	15,269
Promotion expenses	9,660	6,035
Merchandising expenses	1,545	-
	28,882	21,304

(All amounts are expressed in thousands of Ghana cedis)

10. Administrative expenses

	2014	2013
Business group fees	8,409	6,800
Market research cost	3,307	2,087
Exchange loss	3,567	905
Information technology costs	3,172	1,857
Other third party service providers	3,245	2,424
Capability building	2,984	1,975
Non-executive directors remuneration	175	107
Professional and legal costs	489	1,128
Bank charges	453	347
Utilities	245	231
Repairs and maintenance	911	419
Merchandising and field activation	-	931
Insurance	385	348
Central Africa charges	444	1,517
Relocation expenses	733	109
Other primary expenses	5,167	2,372
Depreciation (Note 15a &b)	978	480
Amortisation of intangible asset (Note 16)	724	722
Staff costs (Note 13b)	12,148	11,924
Auditors' remuneration	165	212
Donation	483	149
Operating lease expense	944	955
	49,128	37,999

11. Other income

	2014	2013
Other income	497	-
	497	-

12. Finance income and cost

	2014	2013
Interest on deposits and call	41	685
Interest on bank overdrafts	(4,799)	(1,782)

ancial Statements

amounts are expressed in thousands of Ghana cedis)

es (Continued)

Other income

Staff costs

f costs are charged to cost of sales and administrative expenses as below. The average number of loyees at the end of the year was 404 (2013: 405).

Cost of sales	**2014**	2013
jes & salaries to employees	**11,150**	7,962
ned contribution scheme	**357**	341
al security	**650**	581
	--------	--------
	12,157	8,884
	======	======

Administrative expenses

	2014	2013
es & salaries to employees	**11,051**	9,232
ned contribution scheme	**287**	343
ned benefit scheme (Note 17b)	**(474)**	893
al security	**539**	741
rest on staff loans	**745**	715
	--------	--------
	12,148	11,924
	======	======

Tax

come tax	**Balance at 1 January**	**Charge / (credit) for the year**	**Payments during the year**	**Charge to othercom-prehensive income**	**Balance at 31 December**
ior to 2013	(3,336)	-	-	-	**(3,336)**
13	1,996	458	-	-	**2,454**
14	-	-	(654)	-	**(654)**
	-------	-------	-------	-------	-------
rrent tax	**(1,340)**	**458**	**(654)**	-	**(1,536)**
	======	======	======	======	======

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

ferred tax					
celerated depreciation	4,884	280	-	-	**5,164**
ovisions including restructuring	(830)	(398)	-	-	**(1,228)**
valuation of assets	60	-	-	-	**60**
nployee benefits-2013	-	(458)			**(458)**
nployee benefits	2,213	194	-	(157)	**2,250**
	-------	-------	-------	-------	-------
ferred tax	**6,327**	**(382)**	-	**(157)**	**5,788**
	======	======	======	======	======

(All amounts are expressed in thousands of Ghana cedis)

The GH¢458 included in charge for the year represents deferred tax for 2013 that was originally recognised under income tax payable in 2013. The amount has been reclassified to reflect the final position with the Tax Authorities.

14b. 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:

	2014	2013
(Loss)/Profit before income tax	(634)	18,803
Tax calculated at the statutory income tax rate of 25%	(159)	4,701
Tax effect of:		
Disallowable expenses	235	162
Profit on exports taxed at a lower rate	-	(286)
Exempt income	-	97
Assets written off	-	56
Income tax expense	76	4,730
Effective tax rate	-12%	25%

14c. Income Tax Expense

	2014	2013
Current Income tax	458	3,499
Deferred Income tax	(382)	1,231
	76	4,730

(All amounts are expressed in thousands of Ghana cedis)

Notes (Continued)

15a. Property, plant and equipment

2014

	Leasehold land & buildings	Plant & Machinery	Computer equipment	Furniture & fittings	Office equipment & others	Moulds & dies	Capital work in progress	Total
Cost								
Balance at 1 January	8,685	34,585	1,358	2,110	3,103	3,720	16,202	**69,763**
Additions in the year	-	-	118	64	1,149	-	12,182	**13,513**
Capitalisation/(Transfers)	3,264	3,843	-	-	-	-	(7,107)	**-**
Write-offs during the year	(31)	(1,585)	(115)	(25)	(83)	-	-	**(1,839)**
Balance at 31 December	11,918	36,843	1,361	2,149	4,169	3,720	21,277	**81,437**
Accumulated depreciation								
Balance at 1 January	1,128	9,900	585	997	1,135	849	-	**14,594**
Charge for the year	238	2,405	247	445	826	732	-	**4,893**
Write-offs during the year	(12)	(1,029)	(115)	(23)	(43)	-	-	**(1,222)**
Balance at 31 December	**1,354**	**11,276**	**717**	**1,419**	**1,918**	**1,581**	**-**	**18,265**
Carrying Amount at 31 December	**10,564**	**25,567**	**644**	**730**	**2,251**	**2,139**	**21,277**	**63,172**

15b. Property, plant and equipment

2013

	Leasehold land & buildings	Plant & Machinery	Computer equipment	Furniture & fittings	Office equipment & others	Moulds & dies	Capital work in progress	Total
Cost								
Balance at 1 January	4,837	24,091	1,214	1,256	2,197	1,266	17,407	52,268
Additions in the year	-	-	264	854	1,016	2,454	13,656	18,244
Capitalisation/(Transfers)	3,848	11,013	-	-	-	-	(14,861)	-
Reclassification	-	-	(14)	-	14	-	-	-
Write-offs during the year	-	(519)	(106)	-	(124)	-	-	(749)
Balance at 31 December	8,685	34,585	1,358	2,110	3,103	3,720	16,202	69,763
Accumulated depreciation								
Balance at 1 January	979	8,374	439	651	574	278	-	11,295
Charge for the year	149	1,828	231	346	628	571	-	3,753
Reclassification	-	-	(0.03)	-	0.03	-	-	-
Write-offs during the year	-	(302)	(85)	-	(67)	-	-	(454)
Balance at 31 December	1,128	9,900	585	997	1,135	849	-	14,594
Carrying Amount at 31 December	7,557	24,685	773	1,113	1,968	2,871	16,202	55,169

(All amounts are expressed in thousands of Ghana cedis)

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

	2014	2013
Cost of sales (Note 7)	3,915	3,273
Administrative expenses (Note 10)	978	480
	4,893	3,753

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

15c. Assets written off

2014

	Leasehold land and buildings	Plant and machinery	Computer equipment	Furniture & Fittings	Office equipment & others	Total
Gross book value	31	1,585	115	25	83	1,839
Accumulated depreciation	(12)	(1,029)	(115)	(23)	(43)	(1,222)
Carrying amount	19	556	-	2	40	617

15d. Assets written off

2013

	Leasehold land and buildings	Plant and machinery	Computer equipment	Furniture & Fittings	Office equipment & others	Total
Gross book value	-	519	106	-	124	749
Accumulated depreciation	-	(302)	(85)	-	(67)	(454)
Carrying amount	-	217	21	-	57	295
Release of provision	-	(40)	(10)	-	(17)	(67)
Net carrying amount	-	177	11	-	40	228

16. Intangible assets

	2014	2013
Cost		
Balance at 1 January	12,136	12,076
Additions during the year	2	60
Balance at 31 December	12,138	12,136
Accumulated amortisation		
Balance at 1 January	3,519	1,112
Charge for the year	2,414	2,407
Balance at 31 December	5,933	3,519
Carrying Amount at 31 December	6,205	8,617

(All amounts are expressed in thousands of Ghana cedis)

Intangible assets represent softwares that are used in managing employee information and processing of the Company's business transactions.
The remaining unamortised period is two years and six months

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

	2014	2013
Cost of sales (Note 7)	1,690	1,685
Administrative expenses (Note 10)	724	722
	-------	-------
	2,414	2,407
	======	======

17. Post employment benefits
The Company has a defined benefit scheme comprising the following post-employment benefit plans:

(i) Managers Pension Scheme which is a funded scheme. It is a defined benefit pension scheme to provide Managers in Work Level 2A and above with regular monthly pension on retirement from service with the Company. Membership is compulsory for eligible employees who are required to sign an undertaking to be bound by the conditions and regulations contained in the scheme's rules. Employees are required to contribute to the scheme.

(ii) Ex-gratia pensions which is an unfunded scheme to retired employees of UAC (Africa) Ghana Ltd. These unfunded pensions were granted to bring the total pension (including Social Security) received by retired members from UAC (Africa) Pension Fund to a percentage of final salary for each year of service. For current members of the Managers' Pension Scheme, this practice is no longer applicable.

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 revised.

17a. Assumptions
The major assumptions used by the actuaries for the two major schemes as at 31 December 2014 were:

	2014	2013
Discount rate	15.00%	12.50%
Expected return on plan assets	15.00%	12.50%
Salary inflation	15.00%	10.00%
Pension inflation	10.00%	20.00%

(All amounts are expressed in thousands of Ghana cedis)

Notes (Continued)

	2014 Funded	2014 Unfunded	2014 Total	2013 Funded	2013 Unfunded	2013 Total
Changes in liability:						
Balance at 1 January	(25,508)	(2,247)	(27,755)	(14,709)	(2,448)	(17,157)
Service cost	(287)	-	(287)	(1,045)	-	(1,045)
Interest cost	(3,261)	(299)	(3,560)	(1,918)	(285)	(2,203)
Actuarial gain/(loss)	2,682	(239)	2,443	(8,654)	144	(8,510)
Benefits paid	8,118	501	8,619	818	342	1,160
Balance at 31 December	(18,256)	(2,284)	(20,540)	(25,508)	(2,247)	(27,755)
Changes in plan assets:						
Balance at 1 January	32,389	-	32,389	18,624	-	18,624
Return on plan asset	1,328	-	1,328	14,509	-	14,509
Employee contribution	67	-	67	74	-	74
Benefits paid	(8,118)	-	(8,118)	(818)	-	(818)
Balance at 31 December	25,666	-	25,666	32,389	-	32,389
Net defined benefit asset/(liability)	7,410	(2,284)	5,126	6,881	(2,247)	4,634

17b. Post employment benefits

	2014 Funded	2014 Unfunded	2014 Total	2013 Funded	2013 Unfunded	2013 Total
Included in profit or loss						
Interest cost	(3,261)	(299)	(3,560)	(1,918)	(285)	(2,203)
Interest income on plan assets	4,255	-	4,255	2,281	-	2,281
Current service cost less employee contribution	(221)	-	(221)	(971)	-	(971)
	773	(299)	474	(608)	(285)	(893)
Included in other comprehensive income						
Actuarial gain/(loss) arising from:						
Financial assumptions	1,788	274	2,062	-	-	-
Experience adjustment	894	(513)	381	(8,654)	144	(8,510)
Return on plan asset excluding interest income on plan asset	(2,926)	-	(2,926)	12,228	-	12,228
	(244)	(239)	(483)	3,574	144	3,718
Reconciliation of statement of financial position						
Opening value	6,881	(2,247)	4,634	3,915	(2,449)	1,466
Employer contribution	-	501	501	-	343	343
Net Income/(expenses) charge to profit or loss	773	(299)	474	(608)	(285)	(893)
Net (loss)/gain to other comprehensive income	(244)	(239)	(483)	3,574	144	3,718
Net defined benefit asset/(liability)	7,410	(2,284)	5,126	6,881	(2,247)	4,634

At 31 December 2014, the pension scheme held 200,004 (2013: 200,004) shares of Unilever Ghana Limited.

Financial Statements

(All amounts are expressed in thousands of Ghana cedis)

Notes (Continued)

17c. Sensitivity Analysis

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

Effects in thousands of Ghana cedis	31-Dec-14 Increase	31-Dec-14 Decrease	31-Dec-13 Increase	31-Dec-13 Decrease
Discount rate (2.5% movement)	198	(490)	1,347	(3,455)
Salary inflation (2.5% movement)	(129)	48	(1,387)	829
Future pension growth (2.5% movement)	(252)	173	(1,035)	679

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

18. Investment in subsidiaries.

	2014	2013
Unilever Ghana Investments Limited	10	10
	----	-----
	10	10
	====	====

Name of subsidiary	Nature of business	% held in 2014 & 2013"	Country of incorporation
United Africa Trust Limited	Investment Management	100.00	Ghana
Swanzy Real Estate	Real Estate Development	100.00	Ghana
Unilever Ghana Investments Limited	Holding Company	100.00	Ghana

Investment in subsidiaries

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

19. Inventories

	2014	2013
Raw and packing material	10,647	13,468
Work in process	4,100	2,016
Finished goods	27,535	29,140
Non-trade stock	2,818	4,305
	--------	-------
	45,100	48,929
	======	======

Movement in impairment allowance for inventories were as follows:

	2014	2013
At 1 January	1,719	1,705
Charge for the year	18	14
	------	------
Total impairment allowance	1,737	1,719
	=====	=====

(All amounts are expressed in thousands of Ghana cedis)

Inventories are stated at the lower of cost and net realisable value and as at 31 December 2014, there were no inventories pledged as security.
Raw materials and consumables and changes in work in progress and finished goods included in cost of sales amounted to GH¢286,811 (2013: GH¢213,187)

20. Dividend payable

	2014	2013
Balance at 1 January	3,131	2,764
Dividend declared during the year	-	16,000
Payments during the year	(63)	(15,633)
Balance at 31 December	3,068	3,131

Payment of dividend is subject to a withholding tax at the rates of 8% (2013: 8%).

21 (a). Share capital (Stated capital)

	2014 No. of shares of no par value	2014 Proceeds	2013 No. of shares of no par value	2013 Proceeds
Authorised shares	100,000,000		100,000,000	
Issued shares				
Issued and fully paid	62,500,000	931	62,500,000	931
Transferred from surplus	-	269	-	269
	62,500,000	1,200	62,500,000	1,200

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

21 (b) Retained earnings (Income surplus)

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

22. Capital surplus account

	2014	2013
Balance at 1 January	204	204
	204	204

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

(All amounts are expressed in thousands of Ghana cedis)

23. Share deals account

	2014	2013
Balance at 1 January	81	81
	======	======

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

24. Trade and other receivables

	2014	2013
Trade receivables	13,793	18,199
Provision for impairment	(347)	(193)
	-------	--------
Net trade receivables	13,446	18,006
Amounts due from officers	505	492
Other receivables	14,091	8,130
	-------	--------
	28,042	26,628
	======	======

The maximum indebtedness from officers of the Company amounted to GH¢505,000 (2013: GH¢ 492,000).

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

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

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

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

(All amounts are expressed in thousands of Ghana cedis)

25. Trade and other payables

	2014	2013
Trade payables	25,803	31,374
Accrued liabilities	12,280	7,751
Other payables	5,282	1,849
	43,365	40,974

26. Cash generated from operations

	2014	2013
(Loss)/profit before income tax	(634)	18,803
Depreciation (Note 15a &b)	4,893	3,753
Amortisation of intangible asset (Note 16)	2,414	2,407
Release of provision on plant, property & equipment written off	-	(74)
Unrealised exchange difference	(486)	245
Impairment allowance inventories & trade receivables (Note 19 & 33)	172	-
Net book values of assets write off (Note 15c & 15d)	617	228
Employment benefit and retirement plan expense (Note 17b)	(474)	692
Decrease in inventories	3,829	(16,353)
Increase in trade and other receivables	(3,414)	(3,069)
Increase in related party receivables	(18,226)	(18,106)
Decrease in trade and other payables	2,391	(11,371)
Increase in related party payables	29,059	38,134
Increase in provisions	305	1,148
Decrease in employee benefits obligation	37	-
Interest charge (Note 12)	4,799	1,782
Interest income (Note 12)	(41)	(685)
Cash generated from operations	25,241	17,534

27. Cash and cash equivalents

Cash and cash equivalents comprise:

	2014	2013
Cash and bank	13,014	7,730
Bank overdrafts	(14,655)	(15,399)
	(1,641)	(7,669)

Bank overdrafts facilities

At the reporting date, the Company had approved unsecured overdraft facilities with certain local banks not exceeding GH¢21.5 million (2013: 37.5 million) to support working capital needs. Interest is payable at the banks base rates minus a spread. The facilities are scheduled for renewal in 2015.

(All amounts are expressed in thousands of Ghana cedis)

28a. Provisions

2014

	Restructuring	Legal	Other	Total
Balance at 1 January	-	1,205	542	1,747
Charge during the year	1,803	138	480	2,421
Payments during the year	(1,722)	-	(393)	(2,115)
Balance at 31 December	81	1,343	629	2,053

28b. Provisions

2013

	Restructuring	Legal	Other	Total
Balance at 1 January	-	-	598	598
Charge during the year	-	1,256	461	1,717
Payments during the year	-	(51)	(517)	(568)
Balance at 31 December	-	1,205	542	1,747

29. Contingencies

(i) The Company has certain legal cases pending before the courts with a potential liability of GH¢1,342,100. In the opinion of the Directors no loss is anticipated beyond the provision already made in the financial statements.

30. Commitments

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

	2014	2013
Property, plant & equipment contracted	6,557	483

31. 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.

a. Purchases of goods & services	2014	2013
Unilever Market Development - South Africa	703	792
Unilever Indonesia	-	2,171
Unilever Philippines	779	-
Unilever Nigeria PLC	23,558	10,466
Unilever Côte d'Ivoire	10,000	13,042
Unilever Gulf	5,288	7,469
Unilever Vietnam	27,171	30,175
Unilever Mashreq	4,633	-
Other related parties	360	2,376
	72,492	66,491

(All amounts are expressed in thousands of Ghana cedis)

31. Related party transactions - (Cont'd)

b. Sales of goods & services

	2014	2013
Unilever Nigeria PLC	32,995	20,730
Unilever Cote D'Ivoire	4,157	3,488
	37,152	24,218

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

c. Related party receivables

	2014	2013
Unilever Nigeria PLC	37,765	24,270
Unilever Cote D'Ivoire	14,753	9,722
Unilever Kenya	131	108
Unilever Market Development	-	13
Unilever South Africa	160	446
Others	113	137
	52,922	34,696

d. Related party payables

	2014	2013
Unilever UK	45,277	32,996
Unilever Market Development - South Africa	3	-
Unilever Nigeria PLC	27,207	17,360
Unilever N. V	885	430
Unilever Côte d'Ivoire	20,422	14,188
Unilever Gulf	4,703	4,055
Unilever Asia Private Limited	367	262
Unilever Vietnam	14,214	15,958
Unilever Mashreq	900	2,345
Unilever Philippines	1,468	-
Other related parties	3,282	2,075
	118,728	89,669

(All amounts are expressed in thousands of Ghana cedis)

32. Key management personnel compensation

	2014	2013
Short term employee benefits		
Executive Directors	3,080	2,848
Non-Executive Directors	175	107
	3,255	2,955
Other long term employee benefits		
Executive Directors	514	428
Non-Executive Directors	2,131	1,846
	2,645	2,274

33. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT

a. Accounting classification and fair values

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

2014	Carrying amount			
	Loans & receivables	Other financial liabilities	Total	Fair value Level 3
Financial assets not measured at fair				
Trade and other receivables	28,042	-	28,042	-
Amounts due from related parties	52,922	-	52,922	-
Cash and bank balances	13,014	-	13,014	-
	93,978	-	93,978	-

Financial liabilities not measured at fair value

	Loans & receivables	Other financial liabilities	Total	Fair value Level 3
Trade and other payable	-	43,365	43,365	42,447
Related party payable	-	118,728	118,728	114,505
Bank overdraft	-	14,655	14,655	-
	-	176,748	176,748	156,952

(All amounts are expressed in thousands of Ghana cedis)

2013

Financial assets not measured at fair	Loans & receivables	Other financial liabilities	Total	Fair value Level 3
Trade and other receivables	26,628	-	26,628	-
Amounts due from related parties	34,696	-	34,696	-
Cash and bank balances	7,730	-	7,730	-
	69,054	-	69,054	-
Financial liabilities not measured at fair value				
Trade and other payables	-	40,974	40,974	40,120
Related party payable		89,669	89,669	87,229
Bank overdraft	-	15,399	15,399	-
	-	146,042	146,042	127,349

b. Risk management

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

(i) Market risk

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

(ii) Foreign exchange risk

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

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

(All amounts are expressed in thousands of Ghana cedis)

Notes (Continued)

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

	2014			
	USD	EURO	GBP	ZAR
Bank balances	603	532	145	1,406
Related party receivable	12,441	3,310	-	-
Trade payables	(251)	(161)	(74)	-
Related party payable	(7,756)	(4,200)	-	(240)
Bank overdarft	(88)	-	(13)	-
Net exposure	4,949	(519)	58	1,166

	2013		
	USD	EURO	GBP
Bank balances	1,024	31	6
Related party receivable	12,900	1,410	-
Trade payables	(2,028)	(1,034)	-
Related party payable	(13,543)	(1,331)	-
Bank overdarft	-	-	-
Net exposure	(1,647)	(924)	6

The following significant exchange rates applied during the year

	Average rate		Reporting rate	
Cedis	2014	2013	2014	2013
USD 1	3.08	2.07	3.19	2.31
EUR 1	4.05	2.75	3.88	3.19
GBP 1	5.06	3.24	4.96	3.82
ZAR 1	0.28	-	0.28	-

Sensitivity analysis on currency risks

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

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

(All amounts are expressed in thousands of Ghana cedis)

As of 31 December	2014			2013		
Currency	% Change	Profit or loss impact: Strengthening GH¢	Profit or loss impact: Weakening GH¢	% Change	Profit or loss impact: Strengthening GH¢	Profit or loss impact: Weakening GH¢
US$	± 23%	3,631	(3,631)	± 12%	3,654	(3,654)
Euro	± 23%	463	(463)	± 16%	472	(472)
GBP	± 24%	69	(69)	± 18%	4	(4)
ZAR	± 6.4%	80	(80)	-	-	-

(iii) Interest rate risk

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

	Carrying amount	
	2014	2013
Fixed rate instrument		
Bank overdraft	12,396	15,399
	-------	-------
	12,396	15,399
	======	======

	2014	2013
Variable rate instrument		
Bank overdraft	2,259	-
	-------	-------
	2,259	-
	======	======

	2014	
Variable rate instrument	200bp Increase	200bp Decrease
Bank overdraft	71	(71)
	-------	-------
	71	(71)
	======	======

	2013	
Variable rate instrument	200bp Increase	200bp Decrease
Bank overdraft	-	-
	-------	-------
	-	-
	======	======

[All amounts are expressed in thousands of Ghana cedis]

33. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT

c. Credit risk

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

(i)Trade and other receivables

The Company does not have any significant concentrations of credit risk. The credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

The Company's maximum exposure to credit risk at 31 December 2014 and 2013 is the same as the trade and other receivables in the statement of financial position. There is no off - balance sheet credit risk exposure.

No collateral is held for any of the above assets. The Company does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated. The following amounts represent the schedule of trade and other receivables which are due within 30 days at the end of the month in which they are invoiced:

	2014	2013
Trade and other receivables	28,042	26,628
Amount due from related companies	52,922	34,696
Cash and cash equivalent	13,014	7,730
	93,978	69,054

	2014	2013
Key Distributors	12,182	16,737
Modern trade	1,264	1,269
Institutions and companies	14,091	8,130
Amount due from officers	505	492
	28,042	26,628

Impairment losses

	2014	2013
Past due but not impaired:		
- by up to 30 days	360	2,065
- by 31 to 60 days	930	466
Past due and impaired	346	193

(All amounts are expressed in thousands of Ghana cedis)

	2014	2013
Neither past due nor impaired	26,752	24,097
Past due but not impaired	1,290	2,531
Past due and impaired	346	193
Total	28,388	26,821
Impairment allowance	(346)	(193)
Net carrying amount	28,042	26,628

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

	2014	2013
At 1 January	193	59
Charge	153	134
At 31 December	346	193

(ii) Related party receivables

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

Cash and bank balances

The Company held cash and bank balances of GH¢13 million at 31 December 2014 (2013: GH¢7.7 million) which represents its maximum exposure. The cash and bank balalnces are held with the Company's bankers.

d. 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 2014 and 2013 were as follows:

	2014	2013
Total liabilities	189,941	144,095
Less: cash and cash equivalents	(13,014)	(7,730)
Net debt	176,927	136,365
Total equity	31,593	32,629
Net debt to adjusted equity ratio	5.6%	4.2%

(All amounts are expressed in thousands of Ghana cedis)

34. 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.

The segment information provided to the Executive committee for the reportable segments for the year ended 31 December 2014 and 2013 are as follows:"

Analysis by product divisions

Company

	Foods		Home Care		Personal Care		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Revenues from external customers	**93,506**	74,707	**151,850**	115,133	**165,094**	133,567	**410,450**	323,407
Depreciation and amortisation	**(875)**	(1,522)	**(3,646)**	(2,458)	**(2,787)**	(2,180)	**(7,307)**	(6,160)
Operating cost	**(47,509)**	(73,268)	**(198,082)**	(118,356)	**(151,377)**	(105,008)	**(396,968)**	(296,632)
Restructuring costs	**-**	-	**-**	-		-	**(1,803)**	-
Other income	**-**	-	**-**	-	**-**	-	**497**	-
Operating profit	**45,122**	(83)	**(49,878)**	(5,681)	**10,930**	26,379	**4,869**	20,615
Finance income							**41**	685
Finance costs	**-**	-	**-**	-	**-**	-	**(4,799)**	(1,782)
(Loss)/profit before tax	**-**	-					**(634)**	18,803
Taxation	**-**	-	**-**	-	**-**	-	**(76)**	(4,730)
Net (loss)/profit from operations	**-**	-	**-**	-	**-**	-	**(710)**	14,073
	======	======	=======	=======	=======	======	=======	======

	Foods		Home Care		Personal Care		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Property, plant & equipment and Intangible asset	**28,342**	27,223	**21,346**	19,110	**19,689**	17,453	**69,377**	63,786

Other information - Analysis of Shareholding

Unilever

NUMBER OF SHAREHOLDERS

The Company had 11,727 ordinary shareholders at 31 December 2014 with equal voting rights distributed as follows:

Holding	Number of holders	Holders %	No. of shares	% of Holdings
1 - 1,000	10,584	4.74	2,963,366	5
1,001 - 5000	970	3.32	2,076,493	3
5,001 - 10,000	96	1.16	722,417	1
10,001 - and over	77	90.78	56,737,724	91
	11,727	**100.00**	**62,500,000**	**100**

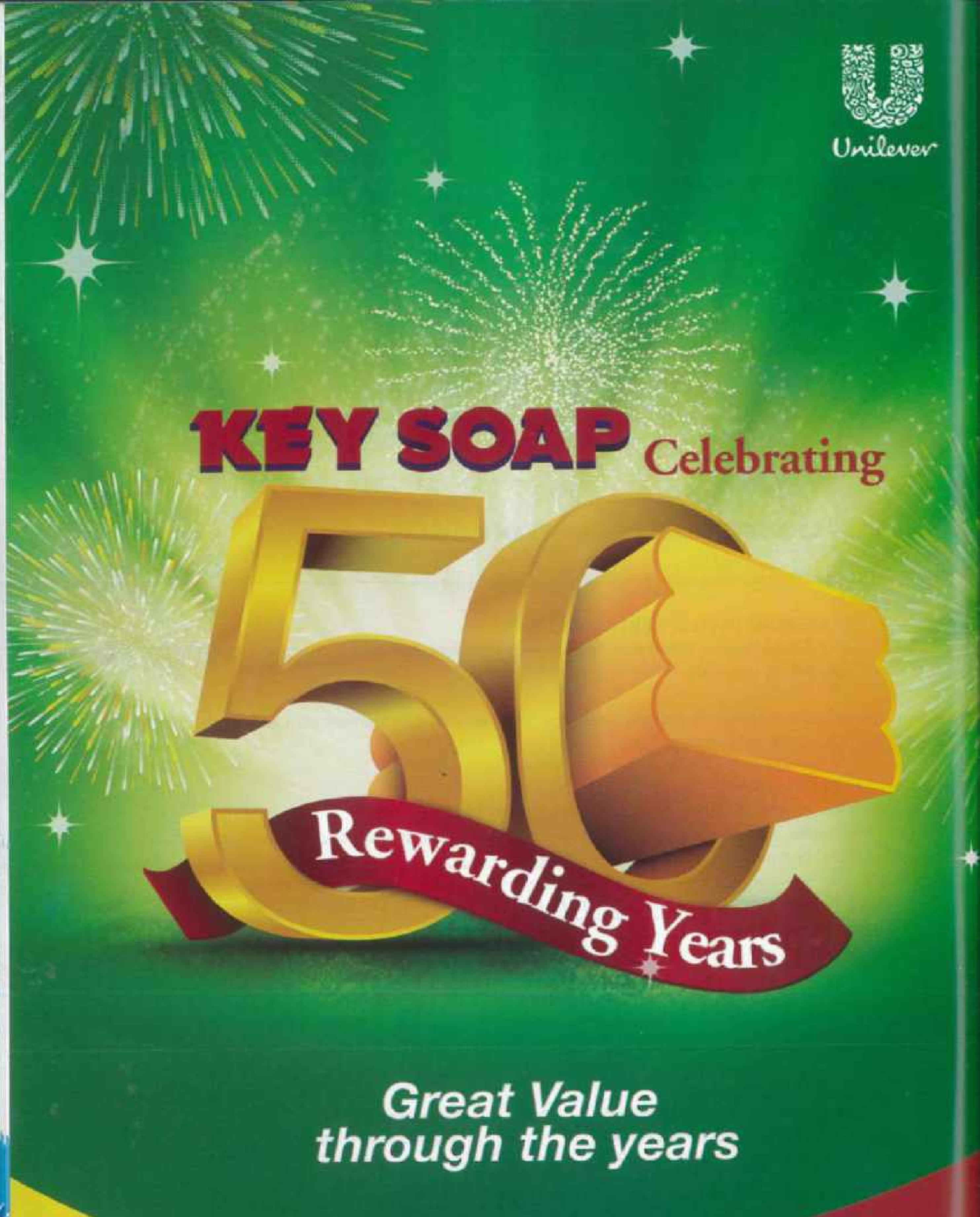
DIRECTORS' SHAREHOLDING

The Directors named below held the following number of shares in the Company at 31 December 2014.

Mr. Charles Alexander Cofie	-	2,000
Mr. Joseph Nee-Amahtey Hyde	-	1,500
Ishmael Evan Yamson & Co	-	4,554

20 LARGEST SHAREHOLDERS AT 31ST DECEMBER 2014

	SHAREHOLDERS	NUMBER OF SHARES	% HOLDING
1.	UNILEVER OVERSEAS HOLDINGS LTD	26,600,045	42.56
2.	UAC INTERNATIONAL LIMITED	14,999,955	24.00
3.	SCGN/HONKONG SHANGHAI ARISAG A.C.F	7,844,831	12.55
4.	SOCIAL SECURITY & NATIONAL INS.TRUST	3,300,332	5.28
5.	SCGN/SSB & TRUST AS CUSTODIAN FOR WASATCH FRONTIER	1,038,096	1.66
6.	SCBN/SSB EATON VANCE TAX MANAGED	249,000	0.4
7.	SCBN/UNLEVER GHANA MANAGERS' PENSION FUND	200,004	0.32
8.	STD NOMS TVL PTY/BNYM/FLORIDA	189,444	0.3
9.	SCBN/ELAC POLICY HOLDERS FUND	180,000	0.29
10.	SCGN/JP MORGAN CHASE DUET VICTORIE	145,710	0.23
11.	SCGN/CITIBANK NEWYORK RE WASATCH	128,061	0.2
12.	SCBN/STATE STREET LOND C/O SSB BOST RE RUSSEL INST.	83,000	0.13
13.	SCGN/SS LOND C/O SSB BOST RUSSELL	78,300	0.13
14.	SCBN/SSB & T RUSSELL T.C.C. EMP BENEFIT FD FRONTIER MKTS	78,100	0.12
15.	SCBN/ UNILEVER GHANA PROVIDENT FUND	76,000	0.12
16.	THE ESTATE OF LATE REXFORD KWASI OBENG	75,000	0.12
17.	SCBN/ CITIBANK LONDON OP-AFRICA FUND	73,400	0.12
18.	RAINBOW FUND L.P	72,600	0.12
19.	STD NOMS TVL PTY/BNYM/COMMONWEALTH	71,992	0.12
20.	SCGN/SSM C/O SSB & T CPY FOR UNI-INV GESELLS	64,530	0.1
		55,548,400	88.87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