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# Unilever Ghana PLC

# Report and financial Statements
# 31 December 2023

CLASSIFICATION: CONFIDENTIAL

# UNILEVER GHANA PLC
# ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

## INDEX

# UNILEVER GHANA PLC
## CORPORATE INFORMATION

| | |
|---|---|
| **Board of Directors:** | Edward Effah *(Chairman)*<br>George Owusu-Ansah *(Managing Director)*<br>Philip Odotei Sowah<br>Nana Yaa Owusu-Ansah<br>Angela Peasah<br>Edith Dankwa<br>Micheal O. Ubeh (*Resigned, 30 June 2023)*<br>Carl Cruz (*Resigned, 4 May 2023)*<br>Priyadharshana Ekanayake (*Resigned, 31 October 2023*)<br>Michael Otchere Duah<br>Shweta Dwivedi (*Appointed, 1 November 2023)* |
| **Secretary:** | Ama Adadzewa Agyemang |
| **Auditor:** | Deloitte & Touche<br>Chartered Accountants<br>The Deloitte Place<br>Plot No. 71, North Dzorwulu<br>P O Box GP 453<br>Accra |
| **Solicitors:** | Sam Okudzeto & Associates<br>Kimathi & Partners, Corporate Attorneys<br>Kulendi@Law<br>ENS Africa<br>Sesi Legal |
| **Registered Office:** | Unilever Ghana PLC<br>Tema Factory, Plot No. Ind/A/2/3A-4<br>P O Box 721<br>Tema |
| **Bankers:** | ABSA Bank Ghana Limited<br>Access Bank (Ghana) Plc<br>Ecobank Ghana Plc<br>First Atlantic Bank Limited<br>Guaranty Trust Bank (Ghana) Limited<br>Sociéte Generale Ghana Plc<br>Standard Chartered Bank Ghana Plc<br>Stanbic Bank Ghana Limited<br>United Bank for Africa (Ghana) Limited<br>Universal Merchant Bank Limited |

# UNILEVER GHANA PLC
# FINANCIAL HIGHLIGHTS

(All amount is expressed in thousands of Ghana Cedi)

| | Group | | |
|---|---|---|---|
| | 2023 | 2022 | % Change |
| Revenue | 908,647 | 631,477 | 44 |
| Profit for the year | 141,443 | 15,080 | 838 |
| Cash generated from/(used in) operating activities | 225,589 | (43,515) | 618 |
| Shareholders' funds | 193,807 | 52,818 | 267 |
| Capital expenditure | 22,949 | 16,035 | 43 |
| Basic earnings per share (GH¢) | 2.2631 | 0.2413 | 838 |
| Diluted earnings per share (GH¢) | 2.2631 | 0.2413 | 838 |
| Net assets per share (GH¢) | 3.1009 | 0.8451 | 267 |
| Net Profit margin (%) | 16% | 2% | 700 |

# REPORT OF THE DIRECTORS
# TO THE MEMBERS OF
# UNILEVER GHANA PLC

## Report of The Directors

The Directors present their report and the consolidated and separate financial statements of the Group and Company for the year ended 31 December 2023.

## Directors' Responsibility Statement

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view of Unilever Ghana PLC, comprising the statements of financial position at 31 December 2023, statements of profit or loss and other comprehensive income, statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policy information and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the report of the Directors.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Group to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

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

## Nature of Business/Principal Activities

The Group is registered to carry on the business of manufacturing and marketing of fast-moving consumer goods primarily in home care, personal care and foods categories.

## Objective of the Group

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

## Holding Company

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

# REPORT OF THE DIRECTORS
# TO THE MEMBERS OF
# UNILEVER GHANA PLC

**Subsidiaries of the Group**

The Company currently has 100% direct interest in the below dormant entities as at 31 December 2023:

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

**Liquidation of dormant subsidiaries**

The Directors of the group passed a resolution to dissolve the above listed subsidiaries in view of their dormancy. The liquidation process has since commenced and is in the final stages of completion.

**Associates**

The Group does not have direct or indirect equity share in any associates at 31 December 2023 (2022: Nil).

**Five-Year Financial Highlights**

Details of the five-year financial highlights are shown in the other information on page 76.

**Financial Statements / Business Review**

The state of affairs of the Group and Company are as follows:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Profit for the year | **141,443** | 15,080 | **141,352** | 14,836 |
| Total assets | **412,527** | 411,754 | **410,207** | 409,547 |
| Total liabilities | **218,720** | 358,936 | **218,339** | 358,577 |
| Total equity | **193,807** | 52,818 | **191,868** | 50,970 |

The Directors propose a dividend of GH¢ 0.40 per share amounting to GH¢25,000,000 (2022: Nil).

**Royalties write-off by Unilever PLC**

In 2023, Unilever PLC, the ultimate parent of Unilever Ghana PLC, agreed to write off GHS 75 million royalties due to them for the period from 2019 – 2021. Refer to note 38 of the financial statements for the impact of the write off.

# REPORT OF THE DIRECTORS
# TO THE MEMBERS OF
# UNILEVER GHANA PLC (CONT'D)

**Particulars of Entities in the Interest Register During the Financial Year**

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

**Related Party Transactions**

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

**Corporate Social Responsibility**

Unilever Ghana PLC initiated several sustainability programmes in 2023, in line with its strategy of bringing to life the objectives embedded in the company's sustainability blueprint, the Unilever Compass. The focus was more on care for the environment (Plastics and tree planting), Health and Hygiene, Women Empowerment (Shakti/Songtaa) and Donations to various communities, Institutions and Organizations.

On plastics, Unilever Ghana PLC maintained its membership of the Ghana Recycling Initiative by Private Enterprises (GRIPE). GRIPE organized plastic waste collection drives during the year and Unilever Ghana PLC joined some of these collection activities, notable amongst which was the Laboma Beach activity. Unilever Ghana PLC also organized one such collection campaign at the Tema MPS Port beach front in the month of August. Over 60 employees volunteered their time to join the campaign. GRIPE, the Coastal Conservancy Organization, and Zoomlion were the other stakeholders who collaborated with Unilever Ghana PLC on that collection campaign.

Unilever Ghana PLC also collaborated with the Tema Municipal Authority (TMA) and the Twedase Basic School in Tema to plant 200 trees to mark World Environment Day.
Unilever Ghana PLC observed both the World Oral Health and Global Handwashing Days successfully, drumming home the benefits of brushing one's teeth twice daily, and washing ones hands the right way. The sustainability team worked collaboratively with the Pepsodent and Lifebuoy teams to host these events.
Work commenced in both the Upper West and Greater Accra regions to recruit 300 additional women into the company's Women Empowerment project, Shakti/Songtaa. Funding for the project was secured from Bopinc, a partner organization on sustainability projects.

The Company donated an assortment of its products to several Basic and Senior High Schools, Non-Governmental Organizations, Hospitals, Orphanages, and Prisons to help improve the basic hygiene needs of the beneficiaries. The company also donated an assortment of its products, premiums (branded T-Shirts, Cups, Exercise books etc), water dispensers and tanks, to the people of Mepe and other communities in the Tongu Districts affected by the floods induced because of the spillage of the Akosombo Dam the country during the yuletide as a gesture of goodwill for the faith its consumers kept in its operations.

# REPORT OF THE DIRECTORS
# TO THE MEMBERS OF
# UNILEVER GHANA PLC (CONT'D)

## BOARD OF DIRECTORS

### Profile

| Executive Directors | Qualification | Outside board and management position |
|---|---|---|
| George Owusu-Ansah | o Bachelor of Science in Computer Science and Statistics - University of Ghana | o Advisory Board Member Mentoring Women Ghana (MWG)<br>o Executive Council Member UKGCC<br>o Advisory Board to the Kwame Nkrumah University, College of Health Sciences Endowment Fund Committee |
| Nana Yaa Owusu-Ansah | o Master of Arts –Marketing & Innovation from London School of Marketing<br>o Post graduate Diploma – Business & Marketing Strategy Eduqual Extended Programme<br>o Bachelor of Education – Psychology from University of Cape Coast | None |
| Shweta Dwivedi | o Chartered Accountant | o The Cascades (Hartfield Crescent) Management Limited, England – Director<br>o Cascades Court Limited, England - Director |
| **Non-Executive Directors** | | |
| Edward Effah | o Chartered Accountant<br>o Member of the Institute of Chartered Accountants in England & Wales.<br>o Member of the Institute of Directors (UK) | o Africa Capital LLC – Director<br>o Fidelity Securities Limited - Director |

## REPORT OF THE DIRECTORS TO THE MEMBERS OF UNILEVER GHANA PLC (CONT'D)

**Profile (Cont'd)**

| **Non-Executive** | **Qualification** | **Outside board and management position** |
|---|---|---|
| Edith Dankwa | o Doctor of Business Administration (DBA) – Walden University, USA<br>o Master of Business Administration (MBA), Ghana Institute of Management & Public Administration<br>o Post Graduate Certificate – Newspaper Management International Institute of Journalism (Germany)<br>o Post Graduate Diploma – Marketing, Chartered Institute of Marketing, Ghana<br>o B A Management Studies, University of Cape Coast | o Business & Financial Times Limited<br>o Conbiz Construction & Investment Limited<br>o Executive Women Network |
| Angela Peasah | o Chartered Accountant of the Institute of Chartered Accounts, Ghana<br>o Executive MBA from the University of Ghana Business School, University of Ghana, Legon<br>o Institute of Professional Studies (IPS) | o None |
| Philip Odotei Sowah | o BSc Mechanical Engineering, Washington University, Missouri, USA<br>o BA Physics, Grinnell College, Iowa, USA<br>o Airtel Leadership in Action Program – INSEAD Business School, Singapore campus | o Absa Bank Ghana Plc<br>o mPharma Limited - Director<br>o Rhema Energy Limited – Director |
| Michael Otchere Duah | o BA Degree (University of Ghana)<br>o MBA – University of Wales, UK<br>o Chartered member - CIPD | o Board Member- Unilever Kenya Limited |

# REPORT OF THE DIRECTORS
# TO THE MEMBERS OF
# UNILEVER GHANA PLC (CONT'D)

## Role of the Board

The Directors are responsible for the long-term success of the Group and Company, to determine the strategic direction of the Group and Company and review operating, financial and risk performance. There is a formal schedule of matters reserved for the Board of Directors, including approval of the Company's annual business plan, the Company's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Group's dividend policy, transactions involving the issue or purchase of company shares, borrowing powers, appointments to the Board, alterations to the Constitution of the Company, legal actions brought by or against the Group and Company, and the scope of delegations to Board committees, subsidiary boards and the management committee. Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and a management committee, which as at the date of this report includes the Executive Directors and (5) senior managers who constitute the Leadership Team.

## Internal Control Systems

The Directors have overall responsibility for the Company's internal control systems and annually review their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the Executive Directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by Group and the Company at the reporting date, and no significant failings or weaknesses were identified during this review.

## Directors' Performance Evaluation

Every year the performance and effectiveness of the Board of Directors ("the Board"), its committees and individual Directors is evaluated. The evaluation is conducted by the completion of detailed and comprehensive written survey questionnaires via Survey Monkey & Microsoft Forms. The result of the evaluation is shared with all members of the Board. Overall, it was noted that the Board of Directors and its committees were operating in an effective manner and performing satisfactorily, with no major issues identified.

## Professional Development and Training

On appointment to the Board, Directors are provided with a full, formal and tailored programme of induction, to familiarise them with the Group's business, the risks and strategic challenges the Group faces, and the economic, competitive, legal and regulatory environment in which the Group operates. A programme of strategic and other reviews, together with the other training provided during the year, ensures that Directors continually update their skills, their knowledge and familiarity with the Group's businesses and their awareness of sector, risk, regulatory, legal, financial and other developments to enable them to fulfil effectively their role on the Board and committees of the Board.

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
UNILEVER GHANA PLC (CONT'D)**

**Conflicts of Interest**

The Group has established appropriate conflict authorisation procedures; whereby actual or potential conflicts are regularly reviewed, and authorisations sought as appropriate if any. This has been achieved by maintaining a conflict-of-Interest Register for recording disclosure of interests made by directors. During the year, no such conflicts arose, and no such authorisations were sought.

**Board Balance and Independence**

The composition of the Board of Directors and its Committees is regularly reviewed to ensure that there is a balance and mix of skills, independence, knowledge and experience. The Board considers that the Chairman is independent on appointment and majority of the Non-Executive Directors are independent as it pertains to the management of the Company. The continuing independence and objective judgement of the Non-Executive Directors have been confirmed by the Board of Directors.

**Auditor**

The Audit Committee has responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal, and remuneration of the external auditor.

**Audit Fees**

The audit fee for the year is GH¢520,000 (2022: GH¢478,309).

**Approval of The Report of The Directors**

The report of the Directors of Unilever Ghana PLC was approved by the Board of Directors on 27 March 2024 and signed on their behalf by

Edward Effah
..........................................
**Edward Effah (Chairman)**

**Date**..27/03/2024..........

Ansah
..........................................
**George Owusu – Ansah (Managing Director)**

**Date**..27/03/2024..........

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

## Report on the Audit of the Consolidated and Separate Financial Statements

### Opinion

We have audited the consolidated and separate financial statements of Unilever Ghana PLC, (the Group and Company), set out on pages 16 to 74 which comprise the consolidated and separate statement of financial position as at 31 December, 2023, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flow for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory disclosures.

In our opinion, the financial statements give a true and fair view of consolidated and separate financial position of Unilever Ghana PLC as at 31 December, 2023, and its consolidated and separate financial performance and consolidated and separate cash flow for the year then ended in accordance with International Financial Reporting Standards, with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG) and the requirements of the Companies Act, 2019 (Act 992).

### Basis for Opinion

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

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

### Emphasis of matter

We draw attention to Note 38 of the financial statements, which describes the accounting policy and treatment of royalties' write-off by Unilever PLC, the ultimate parent. The total earnings and earnings per share would be impacted if the debt forgiveness was extinguished directly through equity.

Our opinion is not modified in respect of this matter.

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter<br>Valuation of inventory | How the matter was addressed in the audit |
|---|---|
| As described in Note 19a, at 31 December 2023, the Groups total inventory was GHS 101.3 million which represents 25% of the total assets.<br><br>These inventories include raw materials purchased, finished goods purchased, work-in-progress and locally manufactured finished goods.<br><br>Inventory is measured at lower of cost and net realisable value. Valuation at cost includes different components including allocation of direct and indirect overheads.<br><br>We consider the valuation of inventory as a key audit matter based on the assumptions and complexity of the supply chain, which are relevant when determining the amount recorded in combination with the share of inventory as part of total assets. | Our audit procedures consisted of the following, among others:<br><br>• Obtained an understanding of the supply chain and assessed the appropriateness of management's processes around inventory valuation, including an understanding of management's policies and procedures around the reliability of information and the calibration of the inventory valuation module within the financial reporting system.<br>• Evaluated the design and implementation of the relevant financial reporting controls, the General Information Technology Controls (GITCs) and application controls relating to the valuation of inventory.<br>• Attended the physical inventory count procedures and reconciled the count with the accounting records.<br>• Tested the accuracy and completeness of inventory information; quantities, cost of purchases and other indirect costs incurred on selected inventory use for the valuation.<br>• For locally manufactured products, we tested on a sample basis, the accuracy of cost for inventory by verifying the actual production costs, appropriateness of direct labour costs and other direct overheads.<br>• Recomputed the values of selected inventory based on the audited purchase information.<br><br>Based on the procedures performed, we found the valuation of inventory as reasonable and assess the related disclosures as appropriate. |

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

**Other Information**

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

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992) and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

**Report on Other Legal and Regulatory Requirements**

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

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.

2. In our opinion:
   - proper books of accounts have been kept by the Group and Company, so far as appears from our examination of those books.

   - the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:

     a. statement of financial position of the Group and Company at the end of the financial year, and
     b. statement of profit or loss and other comprehensive income for the financial year.

   - The group accounts have been properly prepared in accordance with the Companies Act, 2019 (Act 992), to give a true and fair view of the state of affairs, and the profit or loss of the company and its subsidiaries.

3. The Group and Company's statements of financial position and statement of profit or loss and other comprehensive income are in agreement with the accounting records and returns.

4. We are independent of the Group, pursuant to Section 143 of the Companies Act, 2019 (Act 992).

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

Deloitte & Touche.

**For and on behalf of Deloitte & Touche (ICAG/F/2024/129)**
**Chartered Accountants**
**The Deloitte Place, Plot No.71**
**Off George Walker Bush Highway**
**North Dzorwulu**
**Accra Ghana.**

28th March, **2024**

# UNILEVER GHANA PLC
## CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2023

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2023** | 2022 | **2023** | 2022 |
| | **Note** | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Revenue | 5 | 908,647 | 631,477 | 908,647 | 631,477 |
| Cost of sales | 6 | (569,972) | (475,876) | (569,972) | (475,876) |
| **Gross profit** | | **338,675** | **155,601** | **338,675** | **155,601** |
| Distribution expenses | 8 | (19,599) | (14,730) | (19,599) | (14,730) |
| Brand and marketing investment expenses | 9 | (79,627) | (40,116) | (79,627) | (40,116) |
| Administrative expenses | 10 | (25,290) | (70,752) | (25,237) | (70,732) |
| Restructuring costs | 11 | (3,354) | (11,627) | (3,354) | (11,627) |
| Impairment release on trade receivables | 36b(i) | 957 | 1,612 | 957 | 1,612 |
| Other income | 12 | 11,017 | 12,457 | 10,873 | 12,457 |
| **Operating profit** | | **222,779** | **32,445** | **222,688** | 32,465 |
| Finance income | 13 | 1,547 | 1,088 | 1,547 | 824 |
| Finance costs | 13 | (9,999) | (18,453) | (9,999) | (18,453) |
| **Profit before taxation** | | **214,327** | **15,080** | **214,236** | **14,836** |
| Income tax expense | 15a | (72,884) | - | (72,884) | - |
| **Profit for the year** | | **141,443** | **15,080** | **141,352** | **14,836** |
| **Other comprehensive income** | | | | | |
| **Items that will not be reclassified to profit or loss** | | | | | |
| Actuarial (loss)/gain | 26b | **(606)** | 1,286 | **(606)** | 1,286 |
| Related tax | 15c | **152** | (322) | 152 | (322) |
| Other comprehensive income, net of tax | | **(454)** | 964 | **(454)** | 964 |
| **Total comprehensive income** | | **140,989** | 16,044 | **140,898** | 15,800 |
| **Earnings per share** | | | | | |
| Basic earnings per share | 35 | **2.2631** | 0.2413 | **2.2616** | 0.2374 |
| Diluted earnings per share | 35 | **2.2631** | 0.2413 | **2.2616** | 0.2374 |

The notes on pages 20 to 74 form an integral part of these financial statements.

# UNILEVER GHANA PLC
## CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2023

| | Note | Group 2023 GH¢'000 | Group 2022 GH¢'000 | Company 2023 GH¢'000 | Company 2022 GH¢'000 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Property, plant and equipment | 16a | **122,103** | 133,750 | **122,103** | 133,750 |
| Right-of-Use assets | 17a(i) | **27,692** | 22,761 | **27,692** | 22,761 |
| Deferred tax asset | 15c | **-** | 24,159 | **-** | 24,159 |
| Investment in subsidiaries | 18a | **-** | - | **10** | 10 |
| Other investment | 18b | **11** | 11 | **-** | - |
| **Non-current assets** | | **149,806** | 180,681 | **149,805** | 180,680 |
| Inventories | 19a | **101,301** | 128,212 | **101,301** | 128,212 |
| Trade and other receivables | 20 | **41,799** | 33,747 | **41,758** | 33,707 |
| Prepayments | 21 | **2,362** | 1,368 | **2,362** | 1,368 |
| Related party receivables | 28c(i) | **8,542** | 9,901 | **8,532** | 9,891 |
| Current tax asset | 15b | **-** | 15,341 | **-** | 15,363 |
| Cash and bank balances | 22 | **108,717** | 42,504 | **106,449** | 40,326 |
| **Current assets** | | **262,721** | **231,073** | **260,402** | **228,867** |
| **Total assets** | | **412,527** | **411,754** | **410,207** | **409,547** |
| **Equity** | | | | | |
| Share capital | 23a | **1,200** | 1,200 | **1,200** | 1,200 |
| Capital surplus account | 24 | **204** | 204 | **204** | 204 |
| Retained earnings | 23b | **192,322** | 51,333 | **190,383** | 49,485 |
| Share deals account | 25 | **81** | 81 | **81** | 81 |
| **Total equity** | | **193,807** | 52,818 | **191,868** | **50,970** |
| **Non-current liabilities** | | | | | |
| Employee benefit obligations | 26 | **6,942** | 6,193 | **6,942** | 6,193 |
| Lease liability | 17a(iv) | **11,241** | 6,978 | **11,241** | 6,978 |
| Deferred tax liability | 15c | **1,391** | - | **1,391** | - |
| **Non-current liabilities** | | **19,574** | **13,171** | **19,574** | **13,171** |
| **Current liabilities** | | | | | |
| Bank overdraft | 22 | **-** | 99,646 | **-** | 99,646 |
| Trade and other payables | 27 | **113,372** | 84,594 | **113,140** | 84,362 |
| Related party payables | 28c(ii) | **47,757** | 127,578 | **47,763** | 127,584 |
| Dividend payables | 29 | **3,177** | 22,417 | **3,044** | 22,284 |
| Provisions | 31 | **7,948** | 7,980 | **7,948** | 7,980 |
| Lease liability | 17a(iv) | **10,005** | 3,550 | **10,005** | 3,550 |
| Current tax liability | 15b | **16,887** | - | **16,865** | - |
| **Current liabilities** | | **199,146** | **345,765** | **198,765** | **345,406** |
| **Total liabilities** | | **218,720** | **358,936** | **218,339** | **358,577** |
| **Total liabilities and equity** | | **412,527** | **411,754** | **410,207** | **409,547** |

The financial statements were approved by the Board of Directors on 27 March 2024 and signed on their behalf by:

Edward Effah

**Edward Effah (Chairman)**

**Date:** 27/03/2024

Ansah

**George Owusu–Ansah (Managing Director)**

**Date:** 27/03/2024

The notes on pages 20 to 74 form an integral part of these financial statements.

# UNILEVER GHANA PLC
## CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2023

**GROUP**

| **2023** | **Share capital GH¢'000** | **Capital surplus GH¢'000** | **Retained earnings GH¢'000** | **Share deals GH¢'000** | **Total equity GH¢'000** |
|---|---|---|---|---|---|
| Balance at 1 January 2023 | **1,200** | **204** | **51,333** | **81** | **52,818** |
| Profit for the year | - | - | 141,443 | - | **141,443** |
| Other comprehensive income | - | - | (454) | - | **(454)** |
| **Balance at 31 December 2023** | **1,200** | **204** | **192,322** | **81** | **193,807** |
| 2022 | | | | | |
| Balance at 1 January 2022 | 1,200 | 204 | 35,289 | 81 | 36,774 |
| Profit for the year | - | - | 15,080 | - | 15,080 |
| Other comprehensive income | - | - | 964 | - | 964 |
| Balance at 31 December 2022 | **1,200** | **204** | **51,333** | **81** | **52,818** |

**COMPANY**

| **2023** | **Share capital GH¢'000** | **Capital surplus GH¢'000** | **Retained earnings GH¢'000** | **Share deals GH¢'000** | **Total equity GH¢'000** |
|---|---|---|---|---|---|
| Balance at 1 January 2023 | 1,200 | 204 | 49,485 | 81 | 50,970 |
| Profit for the year | - | - | 141,352 | - | 141,352 |
| Other comprehensive income | - | - | (454) | - | (454) |
| **Balance at 31 December 2023** | **1,200** | **204** | **190,383** | **81** | **191,868** |
| 2022 | | | | | |
| Balance at 1 January 2022 | 1,200 | 204 | 33,685 | 81 | 35,170 |
| Profit for the year | - | - | 14,836 | - | 14,836 |
| Other comprehensive income | - | - | 964 | - | 964 |
| Balance at 31 December 2022 | **1,200** | **204** | **49,485** | **81** | **50,970** |

The notes on pages 20 to 74 form an integral part of these financial statements.

# UNILEVER GHANA PLC
## CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2023

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | Note | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| **Cash flows from operating activities** | | | | | |
| Cash generated from/ (used in) operating activities | 34 | **225,589** | (43,515) | **225,499** | (43,478) |
| Interest paid | 13 | **(9,999)** | (18,453) | **(9,999)** | (18,453) |
| Interest received | 13 | **1,547** | 1,088 | **1,547** | 824 |
| Tax paid | 15b | **(14,955)** | (1,074) | **(14,955)** | (707) |
| **Net cash generated from/ (used in) operating activities** | | **202,182** | (61,954) | **202,092** | (61,814) |
| **Cash flows from investing activities** | | | | | |
| Purchase of property, plant and equipment | 16a | **(22,949)** | (16,035) | **(22,949)** | (16,035) |
| Proceeds from sale of property, plant and equipment | 16c | **320** | 75 | **320** | 75 |
| Proceeds from sale of Tea Business | | **-** | 39,747 | **-** | 39,747 |
| **Net cash (used in)/generated from investing activities** | | **(22,629)** | 23,787 | **(22,629)** | 23,787 |
| **Cash flows from financing activities** | | | | | |
| Dividend paid | 29 | **(19,240)** | - | **(19,240)** | - |
| Payment of principal portion of lease liability | 17a(iii) | **(235)** | (3,735) | **(235)** | (3,735) |
| **Net cash used in financing activities** | | **(19,475)** | (3,735) | **(19,475)** | (3,735) |
| **Increase/(Decrease) in cash and cash equivalents** | | **160,078** | (41,902) | **159,988** | (41,762) |
| Cash and cash equivalents at 1 January | | **(57,142)** | (25,692) | **(59,320)** | (28,010) |
| Effect of movement in exchange rate on cash and bank | | **5,781** | 10,452 | **5,781** | 10,452 |
| Cash and cash equivalents at 31 December | 22 | **108,717** | (57,142) | **106,449** | (59,320) |

The notes on pages 20 to 74 form an integral part of these financial statements.

**UNILEVER GHANA PLC**
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2023**

## 1. Reporting Entity

Unilever Ghana PLC is registered and domiciled in Ghana. The Group and Company's registered office is at Plot No. Ind/A/2/3A-4 Tema. These consolidated financial statements as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries. The Company is listed on the Ghana Stock Exchange.

## 2. Basis of Accounting

### a. Statement of compliance

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

**Directive to Accountants in Business and accountants in practice on application of IAS 29 in Ghana**

The Institute of Chartered Accountants, Ghana ("Institute") is mandated by the Institute of Chartered Accountants, Ghana Act, 2020 (Act 1058) to regulate the accounting profession in Ghana. As part of its regulatory functions, it issued a directive on whether Ghana is a hyperinflationary economy for the year ended 31 December 2023. The Institute, concluded, Ghana is not operating in a hyperinflationary economy. The requirements of IAS 29 are therefore deemed not applicable in the recognition, measurement, presentation, and disclosures in the financial statements for the financial year ended 31 December 2023.

Paragraph 4 of IAS 29 provides at least 5 indicators on which professional judgment of hyperinflation can be reached:

1. The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
2. The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
3. Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
4. Interest rates, wages, and prices are linked to a price index; and
5. The cumulative inflation rate over three years is approaching, or exceeds, 100%.

The assessments of these factors by Institute of Chartered Accountants, Ghana led to the issuance of a directive that the economy of Ghana was not hyperinflationary and therefore the requirements of IAS 29 are not applicable for financial reporting for the year ended 31 December 2023.

### b. Basis of measurement

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

### c. Functional and presentation currency

These consolidated financial statements are presented in Ghana cedis (GH¢) which is the Group's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated

### d. Basis of consolidation

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

**UNILEVER GHANA PLC**
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

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

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

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

d (i). In the current year, there was interest income received by one of the dormant subsidiaries on treasury bills that had been held since July 2015. The parent and subsidiaries have the same reporting date, and where the most recent financial statements of the subsidiary are used, management has adjusted for the effects of significant transactions or events between the reporting dates of the subsidiary and consolidated financial statements. All the subsidiaries are dormant entities.

e. **Business combinations**

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

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

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

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

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

**UNILEVER GHANA PLC**
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

f. **Use of estimates and judgment**

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

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

g. **Assumptions and estimated uncertainties**

(i) Information about assumptions and estimation uncertainties as at 31 December 2023 that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:
- Note 26: Measurement of defined benefit obligation: Key actuarial assumptions.
- Note 36(b)(i): Measurement of ECL allowance for trade receivables: Key assumptions in determining the weighted – average loss rate
- Note 19b: Estimate of expected returns: Key assumptions in determining refund asset and liability
- Note 15c: Recognition of deferred tax assets: availability of future taxable profit underpinned by revenue growth assumptions against which deductible temporary difference and tax losses carried forward can be utilised;
- Note 12: Discount rate used in the determining the value of the Tea Business.

**3. Significant Accounting Policies**

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

**a. Investment in subsidiaries**

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

**b. Property, plant and equipment**

*(i) Recognition and measurement*

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

*(ii) Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised at the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss, as incurred.

*(iii) Depreciation*

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

| | | |
|---|---|---|
| Buildings | - | 40 years |
| Plant and machinery | - | 14 years |
| Computer equipment | - | 5 years |
| Furniture and fittings | - | 4 years |
| Office equipment and others | - | 5 years |
| Moulds & dies | - | 5 years |
| Motor vehicles | | 4 years |

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

*(iv) Derecognition*

Gains and losses on derecognition of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts of property, plant and equipment and are recognised in profit or loss.

*(v) Capital work in-progress*

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

*(vi) Spare parts*

Spare parts, stand by and servicing equipment held by the Group generally are classified as inventories. However, if major spare parts and stand by equipment are expected to be used for more than one period or can be used only in connection with an item of property, plant and equipment, then they are classified as property, plant and equipment.

# UNILEVER GHANA PLC
## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2023

### c. Leases

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

#### i. As a lessee

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

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

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

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

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

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

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

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

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

*Short-term leases and leases of low-value assets*

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

**ii. As a lessor**

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

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

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

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

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

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

**d. Inventories**

Inventories are measured at the lower of cost and net realisable value using the weighted average cost principle. The cost of inventories includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services.

**e. Financial instruments**

*(i) Recognition and initial measurement*

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

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

*(ii) Classification and subsequent measurement*

***(a) Financial assets***

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

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

***(b) Financial assets - Business model assessment***

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

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

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

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

**UNILEVER GHANA PLC**
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

***(c) Financial assets - assessment whether contractual cash flows are solely payments of principal and interest***

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs {e.g. liquidity risk and administrative costs), as well as a profit margin.

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

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

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

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

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

*Financial assets at amortised cost*

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

***(e) Financial liabilities - Classification, subsequent measurement and gains and losses***

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

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

(i) Measurements of fair values

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

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

The Group recognised transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in determining fair values is included in note 36, financial instrument - fair values and risk management.

*(ii) Derecognition*

***(a) Financial assets***

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

***(b) Financial liabilities***

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

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

***(c) Impairment***

*(i) Non-derivative financial assets*

*Financial instruments*

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

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

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

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

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

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

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

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

12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

**Measurement of ECLs**

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

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

*Credit-impaired financial assets*

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

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Evidence that a financial asset is credit-impaired includes the following observable data:

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

*Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Write-off*

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

*(ii) Non financial assets*

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

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

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

**f. Offsetting**

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

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

**g. Share capital**

*Ordinary Shares*

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

**h. Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

*(i) Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividend.

***Current tax assets and liabilities***

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

a. has a legally enforceable right to set off the recognised amounts; and
b. intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

*(ii) Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that future taxable profits will be available against which they can be used.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences, differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities

Deferred tax assets and liabilities are offset only if:

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

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

 - the same taxable entity; or

 - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**i. Provision**

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise employee termination payments. A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in the profit or loss.

**j. Employee benefits**

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

*(i) Short term benefits*

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

*(ii) Defined contribution plan*

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

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a. Social security contribution

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

b. Tier 3 Pension fund and saving scheme

The Group and the Company have a Tier 3 Pension fund and Saving Scheme for staff and management under which the Group and the Company contribute 5% and 2.5% respectively to the scheme.

*(iii) Defined benefit plan*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

Re-measurement of the net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (Income on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contribution and benefit payment.

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

*(iv) Termination*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises 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.

*(v) Other long term benefit*

Long Service Awards accrue to employees based on graduated periods of uninterrupted and dedicated service to the Company. Staff who serve for ten years and above are awarded with cash donations, bundles of aluminium roofing sheets and testimonial. The plan is not funded, and the awards accrue over the service life of employees. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

**(k) Revenue from contracts with customers**

*(i) Sale of goods*

The Company generates revenue primarily from the sale of its products from nutrition, home care and personal care. Refer to note 37 - segment information.

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

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

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

**(l) Finance income and finance costs**

Finance income comprises interest income on funds invested or held in bank accounts. Interest income is recognised in profit or loss using the effective interest method. Finance costs comprise interest expense on borrowings and interest expense on lease liability which is presented in profit or loss.

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

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

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### (m) Foreign currency translation

*Transactions and balances*

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

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

### (n) Dividends

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

### (o) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Executive Directors.

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

### (p) Earnings per share

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

### (q) Operating profit

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

## 4. New Standards and Interpretations Issued But Not Effective

A number of new standards are effective for annual periods beginning after 1 January 2024 and have not been applied in preparing these consolidated and separate financial statements. Those which may be relevant to the Group and Company are set out below. The Group and Company do not plan to early adopt these standards.

**A. Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. After reconsidering certain aspects of the 2020 amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

**B. Other Standards**

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

- Lease liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

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## 5. Revenue

The Group generates revenue primarily from manufacturing and sale of fast-moving consumer goods in home care, personal care, and nutrition categories. Revenue comprises the value of goods and services invoiced less discounts and rebates.

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Gross sales value | 1,010,164 | 698,962 | 1,010,164 | 698,962 |
| Discounts and rebates | (101,517) | (67,485) | (101,517) | (67,485) |
| Net revenue | **908,647** | 631,477 | **908,647** | 631,477 |
| **By customer:** | | | | |
| Third parties | 907,604 | 630,652 | 907,604 | 630,652 |
| Related parties (Notes 28b) | 1,043 | 825 | 1,043 | 825 |
| | **908,647** | 631,477 | **908,647** | 631,477 |

## 6. Cost of Sales

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Raw materials & conversion costs | **467,390** | 368,576 | **467,390** | 368,576 |
| Supply support | **19,687** | 13,305 | **19,687** | 13,305 |
| Trademark & knowhow fees (Note 38) | **(15,311)** | 526 | **(15,311)** | 526 |
| Depreciation (Note 16a) | **13,098** | 11,288 | **13,098** | 11,288 |
| Staff costs (Note 14a) | **53,355** | 33,901 | **53,355** | 33,901 |
| Depreciation on ROU Assets | **3,563** | 1,459 | **3,563** | 1,459 |
| Impairment loss | - | 597 | - | 597 |
| Net exchange losses | **7,606** | 46,224 | **7,606** | 46,224 |
| Write-off of PPE (Note 16b) | **20,584** | - | **20,584** | - |
| | **569,972** | 475,876 | **569,972** | 475,876 |

## 7. Profit before tax is stated after charging:

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Staff cost (Note 14) | **78,822** | 60,077 | **78,822** | 60,077 |
| Depreciation of PPE (Note 16a) | **14,012** | 12,854 | **14,012** | 12,854 |
| Impairment loss | - | 597 | - | 597 |
| Depreciation of ROU Assets (Note 17ai) | **5,072** | 1,741 | **5,072** | 1,741 |
| Auditor's remuneration (Note 10) | **571** | 478 | **520** | 478 |
| Directors' remuneration (Note 30) | **14,840** | 10,105 | **14,840** | 10,105 |

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## 8. Distribution Expenses

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Warehouse, storage & handling expenses | **8,864** | 7,387 | **8,864** | 7,387 |
| Outbound distribution expenses | **10,735** | 7,343 | **10,735** | 7,343 |
| | **19,599** | 14,730 | **19,599** | 14,730 |

## 9. Brand & Marketing Investment Expenses

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Advertising expenses | **45,149** | 17,806 | **45,149** | **17,806** |
| Promotion expenses | **32,040** | 20,733 | **32,040** | **20,733** |
| Merchandising expenses | **2,438** | 1,577 | **2,438** | **1,577** |
| | **79,627** | 40,116 | **79,627** | **40,116** |

## 10. Administrative Expenses

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Business group fees (Note 38) | **(45,934)** | 1,579 | **(45,934)** | 1,579 |
| Market research cost | **3,672** | 6,933 | **3,672** | 6,933 |
| Information technology costs | **4,133** | 2,597 | **4,133** | 2,597 |
| Third party service | **14,123** | 12,664 | **14,123** | 12,664 |
| Directors' remuneration (Note 30) | **14,840** | 10,105 | **14,840** | 10,105 |
| Professional and legal costs | **587** | 740 | **587** | 740 |
| Bank charges | **317** | 466 | **315** | 446 |
| Utilities | **2,339** | 1,973 | **2,339** | 1,973 |
| Repairs and maintenance | **1,118** | 994 | **1,118** | 994 |
| Insurance | **716** | 521 | **716** | 521 |
| Depreciation | **914** | 1,566 | **914** | 1,566 |
| Staff Costs (Note 14b) | **25,467** | 26,176 | **25,467** | 26,176 |
| Auditor's remuneration | **571** | 478 | **520** | 478 |
| Depreciation on ROU Assets | **1,509** | 281 | **1,509** | 281 |
| Net exchange loss | **6** | 2,580 | **6** | 2,580 |
| Other expenses | **912** | 1,099 | **912** | 1,099 |
| | **25,290** | 70,752 | **25,237** | 70,732 |

## 11. Restructuring Costs

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Restructuring costs | **3,354** | 11,627 | **3,354** | 11,627 |

Restructuring costs relate to redundancy costs following implementation of Project Fit, a project to simplify business processes and eliminate inefficiencies in ways of working.

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## 12. Other Income

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Management fees - TOPP | **4,459** | 2,658 | **4,459** | 2,658 |
| Income from Ekaterra | **232** | 5,577 | **232** | 5,577 |
| Income from tank farm rental | **-** | 2,015 | - | 2,015 |
| Income from sale of scrap | **937** | 895 | **937** | 895 |
| Income from disposal of PPE (Note 16c) | **320** | 75 | **320** | 75 |
| Other sundry income | **5,069** | 1,237 | **4,925** | 1,237 |
| | **11,017** | 12,457 | **10,873** | 12,457 |

## 13. Finance Income and Cost

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| **Finance income** | | | | |
| Interest on deposits and call deposits | **1,547** | 1,088 | **1,547** | **824** |
| **Finance Cost** | | | | |
| Interest on lease liability (Note 17a(ii)) | **(2,536)** | (637) | **(2,536)** | **(637)** |
| Interest on bank overdrafts | **(7,463)** | (17,816) | **(7,463)** | **(17,816)** |
| | **(9,999)** | (18,453) | **(9,999)** | **(18,453)** |

## 14. Staff Costs

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| **a. Cost of sales** | | | | |
| Wages, salaries & other employee benefits | **51,088** | 31,630 | **51,088** | 31,630 |
| Defined contribution scheme | **2,267** | 2,271 | **2,267** | 2,271 |
| | **53,355** | 33,901 | **53,355** | 33,901 |
| **b. Administrative expenses** | | | | |
| Wages, salaries & other employee benefits | **21,385** | 23,928 | **21,385** | 23,928 |
| Defined contribution scheme | **2,133** | 1,621 | **2,133** | 1,621 |
| Employee benefits obligation | **1,949** | 627 | **1,949** | 627 |
| | **25,467** | 26,176 | **25,467** | 26,176 |
| **Total staff costs** | **78,822** | 60,077 | **78,822** | 60,077 |

The average number of employees at the end of the year was 231 (2022: 240).

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## 15. Taxation

### (a) Income Tax Expense

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Corporate Income Tax | 40,042 | - | 40,042 | - |
| Growth sustainability levy | 7,141 | - | 7,141 | - |
| Deferred Tax | 25,701 | - | 25,701 | - |
| | **72,884** | - | **72,844** | - |

### (b) Current Tax (Asset)/Liabilities

**Group**

| Corporate Income Tax | Balance at 1/1 | Payment / WHT credit during the year | Charge for the year | Balance at 31/12 |
|---|---|---|---|---|
| **2023** | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** |
| Prior to 2020** | (12,216) | (7,815) | 7,815 | **(12,216)** |
| 2021 | (2,051) | - | - | **(2,051)** |
| 2022 | (1,074) | - | - | **(1,074)** |
| 2023 | - | (5,822) | 32,227 | **26,405** |
| | **(15,341)** | **(13,637)** | **40,042** | **11,064** |
| **Growth Sustainability Levy** | | | | |
| **2023** | - | (1,318) | 7,141 | 5,823 |
| **Total** | **(15,341)** | **(14,955)** | **47,183** | **16,887** |
| **2022** | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** |
| Prior to 2016 | (1,536) | - | - | **(1,536)** |
| 2016-2019 | (8,395) | - | - | **(8,395)** |
| 2020 | (2,285) | - | - | **(2,285)** |
| 2021 | (2,051) | - | - | **(2,051)** |
| 2022 | - | (1,074) | - | **(1,074)** |
| | **(14,267)** | **(1,074)** | - | **(15,341)** |

**2018 – 2020 tax audit conducted by the Ghana Revenue Authority in 2023 resulted in a tax liability of GH¢ 18.5Million. C
GH¢ 7.8Million of the tax liability has been settled with the remaining balance in dispute.

UNILEVER GHANA PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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**(b) Current Tax (Asset)/Liabilities (cont'd)**

**Company**

| **Corporate Income Tax** | **Balance at 1/1** | **Payment / WHT credit during the year** | **Charge for the year** | **Balance at 31/12** |
|---|---|---|---|---|
| **2023** | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** |
| Prior to 2020 | (12,554) | (7,815) | 7,815 | **(12,554)** |
| 2021 | (2,102) | - | - | **(2,102)** |
| 2022 | (707) | - | - | **(707)** |
| 2023 | - | (5,822) | 32,227 | **26,405** |
| | **(15,363)** | **(13,637)** | **40,042** | **11,042** |
| **Growth Sustainability Levy** | | | | |
| **2023** | - | (1,318) | 7,141 | 5,823 |
| **Total** | **(15,363)** | **(14,955)** | **47,183** | **16,865** |
| | | | | |
| **2022** | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** |
| Prior to 2016 | (1,536) | - | - | **(1,536)** |
| 2016-2019 | (8,695) | - | - | **(8,695)** |
| 2020 | (2,323) | - | - | **(2,323)** |
| 2021 | (2,102) | - | - | **(2,102)** |
| 2022 | - | (707) | - | **(707)** |
| | **(14,656)** | **(707)** | **-** | **(15,363)** |

# UNILEVER GHANA PLC
## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

**15 (c) Recognised Deferred Tax Asset/Liability**
**Group/Company**

| | Net balance at 1/1 GH¢'000 | Recognised in profit GH¢'000 | Recognised in OCI GH¢'000 | Net Balance at 31/12 GH¢'000 | Deferred tax asset GH¢'000 | Deferred tax liability GH¢'000 |
|---|---|---|---|---|---|---|
| **2023** | | | | | | |
| Property, plant and equipment | 16,803 | (5,696) | - | 11,107 | - | 11,107 |
| Right-of-use asset | 3,056 | (1,446) | - | 1,610 | - | 1,610 |
| Provisions | (9,409) | (183) | - | (9,592) | (9,592) | - |
| Loss carried forward | (26,501) | 26,501 | - | - | - | - |
| Finance cost carried forward | (6,752) | 6,752 | - | - | - | - |
| Employee benefits | (1,356) | (226) | (152) | (1,734) | (1,734) | - |
| Deferred tax (asset)/liability | **(24,159)** | **25,702** | **(152)** | **1,391** | **(11,326)** | **12,717** |
| **2022** | | | | | | |
| Property, plant and equipment | 19,927 | (3,124) | - | 16,803 | - | 16,803 |
| Right of-use-asset | 2,794 | 262 | - | 3,056 | - | 3,056 |
| Provisions | (6,506) | (2,903) | - | (9,409) | (9,409) | - |
| Loss carried forward | (34,187) | 7,686 | - | (26,501) | (26,501) | - |
| Finance cost carried forward | (4,863) | (1,889) | - | (6,752) | (6,752) | - |
| Employee benefits | (1,646) | (32) | 322 | (1,356) | (1,356) | - |
| Deferred tax (asset)/liability | **(24,481)** | **-** | **322** | **(24,159)** | **(44,018)** | **19,859** |

# UNILEVER GHANA PLC
## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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### (e) Tax Reconciliation

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

| | **2023** | 2022 |
|---|---|---|
| | **GH¢'000** | GH¢'000 |
| Profit before taxation | 214,236 | 14,836 |
| Tax calculated at the statutory income tax rate of 25% | 53,559 | 3,709 |
| ***Tax effect of:*** | | |
| Non-deductible expenses | 4,396 | 6,936 |
| Tax incentive on income from exports | (27) | - |
| Changes in tax estimate relating to prior year | 7,815 | - |
| Tax losses utilized for which no deferred tax is recognised | - | (10,645) |
| Growth sustainability levy | 7,141 | - |
| Income tax expense | 72,884 | - |
| Effective tax rate | 34% | Nil |

# UNILEVER GHANA PLC
## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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### 16 (a) Property, Plant and Equipment

| 2023 | Buildings GH¢'000 | Plant & machinery GH¢'000 | Computer equipment GH¢'000 | Furniture & fittings GH¢'000 | Office equipment & others GH¢'000 | Moulds &die GH¢'000 | Motor Vehicles GH¢'000 | Capital work in-progress GH¢'000 | Total GH¢'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| **At 1/1/23** | 36,724 | 125,174 | 3,395 | 2,445 | 13,396 | 1,211 | 2,708 | 13,836 | 198,889 |
| **Additions** | - | - | - | - | - | - | - | 22,949 | 22,949 |
| **Capitalisation or transfers** | 4,284 | 8,205 | 647 | 2,940 | 4,019 | - | - | (20,095) | - |
| **Assets written off** | (311) | (33,908) | (508) | - | (1,008) | (95) | - | - | (35,830) |
| **Disposals** | - | (1,395) | - | - | - | - | - | - | (1,395) |
| **At 31/12/23** | **40,697** | **98,076** | **3,534** | **5,385** | **16,407** | **1,116** | **2,708** | **16,690** | **184,613** |
| **Accumulated Depreciation** | | | | | | | | | |
| **At 1/1/23** | 5,861 | 45,432 | 2,042 | 818 | 7,844 | 434 | 2,708 | - | 65,139 |
| **Charge for the year** | 1,073 | 9,115 | 510 | 776 | 2,351 | 187 | - | - | 14,012 |
| **Assets written off** | (43) | (14,128) | (248) | - | (732) | (95) | - | - | (15,246) |
| **Released on disposal** | - | (1,395) | - | - | - | - | - | - | (1,395) |
| **At 31/12/23** | **6,891** | **39,024** | **2,304** | **1,594** | **9,463** | **526** | **2,708** | **-** | **62,510** |
| **Carrying amount 31/12/23** | **33,806** | **59,052** | **1,230** | **3,791** | **6,944** | **590** | **-** | **16,690** | **122,103** |

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

| 2022 | Buildings GH¢'000 | Plant & machinery GH¢'000 | Computer equipment GH¢'000 | Furniture & fittings GH¢'000 | Office equipment & others GH¢'000 | Moulds &die GH¢'000 | Motor Vehicles GH¢'000 | Capital work in-progress GH¢'000 | Total GH¢'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| At 1/1/22 | 33,432 | 119,574 | 3,395 | 882 | 9,804 | 278 | 2,708 | 12,902 | 182,975 |
| Additions | - | - | - | - | - | - | - | 16,035 | 16,035 |
| Capitalisation or transfers | 3,292 | 5,602 | - | 1,682 | 3,592 | 933 | - | (15,101) | - |
| Disposals | - | (2) | - | (119) | - | - | - | - | (121) |
| At 31/12/22 | 36,724 | 125,174 | 3,395 | 2,445 | 13,396 | 1,211 | 2,708 | 13,836 | 198,889 |
| **Accumulated Depreciation & Impairment losses** | | | | | | | | | |
| At 1/1/22 | 4,949 | 35,630 | 1,485 | 623 | 6,813 | 278 | 2,031 | - | 51,809 |
| Charge for the year | 906 | 9,213 | 557 | 314 | 1,031 | 156 | 677 | - | 12,854 |
| Impairment loss | 6 | 591 | - | - | - | - | - | - | 597 |
| Released on disposal | - | (2) | - | (119) | - | - | - | - | (121) |
| At 31/12/22 | 5,861 | 45,432 | 2,042 | 818 | 7,844 | 434 | 2,708 | - | 65,139 |
| Carrying amount 31/12/22 | 30,863 | 79,742 | 1,353 | 1,627 | 5,552 | 777 | - | 13,836 | 133,750 |

UNILEVER GHANA PLC
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## 16 (a) Property, Plant and Equipment (Cont'd)

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Cost of sales (Note 6) | **13,098** | 11,288 | **13,098** | 11,288 |
| Administrative expenses (Note 10) | **914** | 1,566 | **914** | 1,566 |
| | **14,012** | 12,854 | **14,012** | 12,854 |

At the year ended 31 December 2023, there was no restriction on title to the Group's property, plant and equipment (2022: Nil). Additionally, the Group did not pledge any of its assets as security for liabilities (2022: Nil).

## 16 (b) Assets written off

In 2023, property, plant & equipment with Net Book Value of GH¢ 20Million which were no longer in use following management decision to optimize the Tema Factory were written down to zero.

## 16 (c) Other disposals in the ordinary course of business

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Gross book value | 1,395 | 121 | 1,395 | 121 |
| Accumulated depreciation | (1,395) | (121) | (1,395) | (121) |
| Carrying amount | - | - | - | - |
| Consideration received | (320) | (75) | (320) | (75) |
| Gain on disposal of PPE | (320) | (75) | (320) | (75) |

## 17. Right of Use Assets

### a. As a lessee

The Company leases land, vehicles and warehouse spaces. The lease period for land is 50 years and that of vehicles typically runs between four and five years. Included in the right-of-use asset is a 3-year lease of warehouse space.

**UNILEVER GHANA PLC**
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### (i) Right-of-use assets – Group/Company

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

| **2023** | **Land GH¢'000** | **Vehicles GH¢'000** | **Warehouse GH¢'000** | **Total GH¢'000** |
|---|---|---|---|---|
| Balance at 1 January | 9,807 | 4,098 | **8,856** | **22,761** |
| Additional right-of-use asset recognised | - | 10,003 | - | **10,003** |
| Depreciation on right-of-use assets | (242) | (1,509) | (3,321) | **(5,072)** |
| **Balance at 31 December** | **9,565** | **12,592** | **5,535** | **27,692** |

| 2022 | **Land GH¢'000** | **Vehicles GH¢'000** | **Warehouse GH¢'000** | **Total GH¢'000** |
|---|---|---|---|---|
| Balance at 1 January | 10,064 | 191 | - | 10,255 |
| Additional right-of-use asset recognized | - | 4,284 | 9,963 | 14,247 |
| Depreciation on right-of-use assets | (257) | (377) | (1,107) | (1,741) |
| **Balance at 31 December** | **9,807** | **4,098** | **8,856** | **22,761** |

### (ii) Amounts recognised in profit or loss

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023 GH¢'000** | 2022 GH¢'000 | **2023 GH¢'000** | 2022 GH¢'000 |
| Interest on lease liability (Note 13) | **2,536** | **637** | **2,536** | **637** |

### (iii) Amounts recognised in statement of cashflows

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023 GH¢'000** | 2022 GH¢'000 | **2023 GH¢'000** | 2022 GH¢'000 |
| Payment of principal portion of lease liabilities | **235** | 3,735 | **235** | 3,735 |
| Interest payment (Note 13) | **2,536** | 637 | **2,536** | 637 |
| | **2,771** | 4,372 | **2,771** | 4,372 |

### (iv) Lease liabilities

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023 GH¢'000** | 2022 GH¢'000 | **2023 GH¢'000** | 2022 GH¢'000 |
| Balance at 1 January | **10,528** | 176 | **10,528** | 176 |
| Additional lease liability recognised in the year | **10,003** | 14,247 | **10,003** | 14,247 |
| Interest on lease liabilities | **2,536** | 637 | **2,536** | 637 |
| Payments made | **(2,771)** | (4,372) | **(2,771)** | (4,372) |
| Exchange loss/(gain) from currency translation | **950** | (160) | **950** | (160) |
| Balance at 31 December | **21,246** | 10,528 | **21,246** | 10,528 |

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Less than one year | **10,005** | 3,550 | **10,005** | 3,550 |
| More than one year | **11,241** | 6,978 | **11,241** | 6,978 |
| | **21,246** | 10,528 | **21,246** | 10,528 |

**Maturity analysis – contractual undiscounted cash flows**

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Less than one year | **13,282** | 5,270 | **13,282** | 5,270 |
| One to two years | **4,994** | 5,270 | **4,994** | 5,270 |
| Two to five years | **11,427** | 4,319 | **11,427** | 4,319 |
| Total undiscounted lease liabilities | **29,703** | 14,859 | **29,703** | 14,859 |

**17 b. As a lessor**

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

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Less than one year | **14** | 14 | **14** | 14 |
| One to two years | **14** | 14 | **14** | 14 |
| Two to three years | **14** | 14 | **14** | 14 |
| Three to four years | **14** | 14 | **14** | 14 |
| Four to five years | **14** | 14 | **14** | 14 |
| More than five years | **557** | 571 | **557** | 571 |
| Total undiscounted lease receivable | **627** | 641 | **627** | 641 |
| Unearned finance income | **534** | (548) | **534** | (548) |
| Net investment in the lease | **93** | 93 | **93** | 93 |

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**18. Investments**

**a. Investment in Subsidiaries**

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Unilever Ghana Investments Limited | - | - | 10 | 10 |

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

| **Name of subsidiary** | **Nature of business** | **% held in 2023 & 2022** | **Country of incorporation** |
|---|---|---|---|
| United Africa Trust Limited | Investment management | 100 | Ghana |
| Swanzy Real Estate | Real Estate Development | 100 | Ghana |
| Unilever Ghana Investments Limited | Holding Company | 100 | Ghana |
| Miller Swanzy (Ghana) Limited | Manufacturing, importing & exporting goods, wares & merchandise of all kinds | 100 | Ghana |

**Liquidation of Dormant Subsidiaries**

The Directors of the group passed a resolution to dissolve the above listed subsidiaries in view of their dormancy. The liquidation process has since commenced and is in the final stages of completion.

**18b. Other investments**

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Equity Investment – Ghana Union Assurance Company Limited | 11 | 11 | - | - |

Miller Swanzy (Ghana) Limited, a subsidiary of Unilever Ghana Limited, holds equity investments in Ghana Union Assurance Company Limited.

**19a. Inventories**

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'00 | **GH¢'000** | GH¢'000 |
| Raw and packing material | **31,330** | 27,632 | **31,330** | 27,632 |
| Work in progress | **254** | 3,297 | **254** | 3,297 |
| Finished goods | **35,734** | 48,718 | **35,734** | 48,718 |
| Consumable spares | **13,582** | 11,671 | **13,582** | 11,671 |
| Goods in transit | **20,335** | 36,438 | **20,335** | 36,438 |
| Right to recover returned goods | **66** | 456 | **66** | 456 |
| | **101,301** | 128,212 | **101,301** | 128,212 |

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At 31 December 2023, there were no inventories pledged as security (2022: Nil). The amount of inventory recognised in cost of sales amounted to GH¢428.6Million (2022: GH¢334.4Million). The written down values of raw materials, consumables, and changes in work in process and finished goods included in cost of sales amounted to GH¢ 7.9Million (2022: GH¢13.7Million). Inventory items are written down when they are expired or damaged. Inventory provision as at 31 December 2023 amounted to GH¢ 17.2Million (2022:GH¢14.72Million)

## 19b. Refund Asset and Liability

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| **Right to recover returned goods (Note 19a)** | | | | |
| Balance at 1 January | **456** | 194 | **456** | 194 |
| Amount recognised in raw material and conversion cost | **(390)** | 262 | **(390)** | 262 |
| Balance at 31 December | **66** | 456 | **66** | 456 |
| **Refund Liability (Note 27)** | | | | |
| Balance at 1 January | **604** | 240 | **604** | 240 |
| Amount recognised in revenue | **(500)** | 364 | **(500)** | 364 |
| Balance at 31 December | **104** | 604 | **104** | 604 |

## 20. Trade and Other Receivables

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Trade receivables | **31,902** | 20,943 | **31,902** | 20,943 |
| Other receivables | **18,708** | 22,443 | **18,667** | 22,403 |
| *Gross amount* | **50,610** | 43,386 | **50,569** | 43,346 |
| Impairment allowance (Note 36 b(i)) | **(9,217)** | (10,174) | **(9,217)** | (10,174) |
| *Net amount* | **41,393** | 33,212 | **41,352** | 33,172 |
| Amounts due from staff | **313** | 442 | **313** | 442 |
| Lease receivable (Note 17b) | **93** | 93 | **93** | 93 |
| | **41,799** | 33,747 | **41,758** | 33,707 |

The maximum indebtedness from staff amounted to GH¢ 312,694 (2022: 441,876).

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**Investment in Twifo Oil Palm Plantation (TOPP)**

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

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

In 2012, the Supreme Court gave a ruling to set aside the sale of the shares in TOPP to the Company. Following the Supreme Court ruling, TOPP ceased to be a subsidiary and the cost of the investment in TOPP in the books of the Company was reclassified to receivables from the Government of Ghana. Subsequent to the Supreme Court ruling, the case has been taken to Alternative Dispute Resolution (ADR). The Company has entered into negotiations with the Government of Ghana for the resolution of this matter.

## 21. Prepayments

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Prepaid Insurance | **228** | 685 | **228** | 685 |
| Other prepaid items | **2,134** | 683 | **2,134** | 683 |
| At 31 December | **2,362** | 1,368 | **2,362** | 1,368 |

## 22. Cash and Cash Equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Cash at bank | **108,717** | 42,504 | **106,449** | **40,326** |
| Bank overdrafts repayable on demand and used for cash management purpose | - | (99,646) | - | **(99,646)** |
| Cash and cash equivalents in the statement of cashflows | **108,717** | (57,142) | **106,449** | **(59,320)** |

The Group had no restriction on cash and bank balances at 31 December 2023 (2022: Nil).

**Bank overdraft facilities**

At the reporting date, the Group had unsecured overdraft facilities with Ecobank, Stanbic Bank, Standard Chartered Bank and Sociéte General Bank to support its working capital needs. The total limit on the facilities with these banks amount to GH¢ 219 million. At the end of the reporting period, the overdraft facilities with these banks had not been utilized.

## 23. Capital and Reserves

### a. Share capital

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | **No of Shares '000** | **Proceeds** GH¢ '000 | **No of Shares '000** | **Proceeds** GH¢'000 |
| *Authorised* | | | | |
| Ordinary shares of no par value | **100,000** | - | **100,000** | - |
| *Issued and fully paid* | **62,500** | 931 | **62,500** | 931 |
| Transferred from surplus | - | 269 | - | 269 |
| | **62,500** | 1,200 | **62,500** | 1,200 |

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

### b. Retained earnings

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

## 24. Capital Surplus Account

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Balance at 31 December | **204** | 204 | **204** | 204 |

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

## 25. Share Deals Account

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Balance at 1 December | **81** | 81 | **81** | 81 |

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

## 26. Employee Benefits Obligations

### (i) Ex-gratia pensions

Ex-gratia pensions is an unfunded scheme for retired employees of UAC (Africa) Ghana Limited. These unfunded pensions were granted to bring the total pension (including Social Security) received by retired members from UAC (Africa) Pension Fund to an agreed percentage. For current members of the Managers' Pension Scheme, this practice is not applicable.

### (ii) Long Service Award

Long Service award is an unfunded scheme to reward staff for their continuous and dedicated service to the Company. Staff who serve for ten years and above are awarded with cash donations, bundles of aluminium roofing sheets and testimonials. The plan is not funded. The awards vary depending on the number of years served by employees who meet the criteria.

### (iii) End of service benefit plan

End of service benefit is an unfunded scheme for non-management staff of Unilever Ghana PLC. The scheme is applicable to non-management employees upon retirement, early retirement or death.

For the above schemes, a full and independent actuarial valuation was carried out at the end of the year using the Projected Unit Credit Method in accordance with IAS 19 revised.

### a. Assumptions

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

| | 2023<br>% | 2022<br>% |
|---|---|---|
| Discount rate | 29 | 27 |
| Salary inflation | 15 | 15 |
| Pension inflation | 15 | 15 |

UNILEVER GHANA PLC
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**26 b. Movement in employee benefit obligations**
**Group/Company**

| | 2023 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Ex-gratia Pensions GH¢'000 | Long Service award GH¢'000 | End of Service benefit GH¢'000 | Total GH¢'000 | Ex-gratia Pensions GH¢'000 | Long Service award GH¢'000 | End of Service benefit GH¢'000 | Total GH¢'000 |
| **Changes in liability** | | | | | | | | |
| Balance at 1 January | 1,815 | 2,932 | 1,446 | 6,193 | 1,891 | 2,345 | 2,019 | 6,255 |
| Service cost | - | 367 | 86 | 453 | - | 276 | 97 | 373 |
| Interest cost | 411 | 736 | 368 | 1,515 | 359 | 488 | 420 | 1,267 |
| Actuarial loss/(gain) arising from financial assumptions | (10) | (209) | (1,970) | (2,189) | (293) | (810) | - | (1,103) |
| Actuarial (gain)/loss arising from other sources | 17 | 521 | 2,257 | 2,795 | 97 | 1,076 | (1,090) | 83 |
| Benefits paid/settlement | (238) | (891) | (696) | (1,825) | (239) | (443) | - | (682) |
| **Balance at 31 December** | **1,995** | **3,456** | **1,491** | **6,942** | 1,815 | **2,932** | **1,446** | **6,193** |
| **Financial position** | | | | | | | | |
| Employee benefit obligation | 1,995 | 3,456 | 1,491 | 6,942 | 1,815 | 2,932 | 1,446 | 6,193 |
| Net liability | **1,995** | **3,456** | **1,491** | **6,942** | 1,815 | **2,932** | **1,446** | **6,193** |
| **Included in profit or loss** | | | | | | | | |
| Service cost | - | 367 | 86 | 453 | - | 276 | 97 | 373 |
| Interest cost | 411 | 736 | 368 | 1,515 | 359 | 488 | 420 | 1,267 |
| **Net interest and service cost** | **411** | **1,103** | **454** | **1,968** | **359** | **764** | **517** | **1,640** |
| Actuarial loss | - | - | - | - | - | 266 | - | 266 |
| **Amount recognised in profit or loss** | **411** | **1,103** | **454** | **2,421** | 359 | **1,030** | **517** | **1,906** |
| **Other Comprehensive income** | | | | | | | | |
| **Actuarial gain/(loss)** | 7 | 312 | 287 | 606 | (196) | - | (1,090) | (1,286) |

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**b.**
**Group/Company**

| | 2023 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Ex-gratia Pensions | Long Service award | End of Service benefit | Total | Ex-gratia Pensions | Long Service award | End of service benefit | Total |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| **Reconciliation of statement of financial position** | | | | | | | | |
| Opening value | 1,815 | 2,932 | 1,446 | 6,193 | 1,891 | 2,345 | 2,019 | 6,255 |
| Benefits paid | (238) | (891) | (696) | (1,825) | (239) | (443) | - | (682) |
| Amount recognised in profit or loss | 411 | 1,103 | 454 | 1,968 | 359 | 1,030 | 517 | 1,906 |
| Amount recognised in OCI | 7 | 312 | 287 | 606 | (196) | - | (1,090) | (1,286) |
| **Net defined obligation** | **1,995** | **3,456** | **1,491** | **6,942** | **1,815** | **2,932** | **1,446** | **6,193** |

**c. Sensitivity Analysis**

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

**Group/Company**

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Increase GH¢'000 | Decrease GH¢'000 | Increase GH¢'000 | Decrease GH¢'000 |
| Discount rate (1% movement) | 308 | (332) | 229 | (247) |
| Salary inflation (1% movement) | 331 | (311) | (254) | 237 |

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.

## 27. Trade and Other Payables

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Trade payables | **51,180** | 39,658 | **51,180** | 39,658 |
| Accrued liabilities | **43,690** | 23,677 | **43,690** | 23,677 |
| Trade Terms Structure accrual | **8,263** | 4,381 | **8,263** | 4,381 |
| Other payables | **10,135** | 16,274 | **9,903** | 16,042 |
| Refund Liability | **104** | 604 | **104** | 604 |
| | **113,372** | 84,594 | **113,140** | 84,362 |

## 28. Related Party Transactions

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

### a. Purchase of goods and services

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| **Ultimate parent** | | | | |
| Unilever PLC | **1,794** | 2,757 | **1,794** | 2,757 |
| **Other affiliates** | | | | |
| Unilever Nigeria PLC | **3,201** | 9,889 | **3,201** | 9,889 |
| Unilever Cote D'Ivoire | **438** | 4,676 | **438** | 4,676 |
| Unilever Gulf Freezone Establishment | **-** | 2,157 | **-** | 2,157 |
| Unilever Vietnam Joint Venture Company | **76,749** | 79,896 | **76,749** | 79,896 |
| Unilever Asia Private Limited | **1,074** | 7,111 | **1,074** | 7,111 |
| Unilever UK Central Resources Limited | **461** | 195 | **461** | 195 |
| Unilever South Africa (Pty) Limited | **5,313** | 2,733 | **5,313** | 2,733 |
| Unilever Indonesia | **16,813** | 23,840 | **16,813** | 23,840 |
| Unilever (Sichuan) Co. Ltd | **-** | 2,432 | **-** | 2,432 |
| Unilever Industries Private Limited | **1,126** | 667 | **1,126** | 667 |
| Unilever Kenya Limited | **240** | 355 | **240** | 355 |
| Unilever Europe IT Services | **2,002** | 443 | **2,002** | 443 |
| Unilever Europe Business Center BV | **11,928** | 2,935 | **11,928** | 2,935 |
| Unilever IP Holdings BV | **232** | - | **232** | - |
| Unilever Tea Distribution | **-** | 8,610 | **-** | 8,610 |
| Unilever Global IP Limited | **5,640** | - | **5,640** | - |
| | **125,217** | 145,939 | **125,217** | 145,939 |

# UNILEVER GHANA PLC
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### 28. Related Party Transactions (cont'd)

### b. Sale of goods

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Unilever Cote d'Ivoire | 1,013 | 825 | 1,013 | 825 |
| Other related parties | 30 | - | 30 | - |
| | 1,043 | 825 | 1,043 | 825 |

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

The following are related party balances at year end. These outstanding balances are not subject to any commitment, conditionalities and other considerations to be provided in respect of settlement and in addition to any guarantee given or to be received. In addition, no provision for doubtful debt or bad debt expense has been recorded in relation to these balances during the year (2022: Nil) because the credit risk is assessed to be negligible. All outstanding balances with these related parties are to be settled in cash.

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| **(i) Related party receivables** | | | | |
| **Other affiliates** | | | | |
| Unilever Nigeria Plc | 440 | 4,709 | 440 | 4,709 |
| Unilever Cote D'Ivoire | 1,056 | 202 | 1,056 | 202 |
| Unilever UK Central Resources Limited | 3,307 | 2,251 | 3,307 | 2,251 |
| Other related parties | 3,739 | 2,739 | 3,729 | 2,729 |
| | 8,542 | 9,901 | 8,532 | 9,891 |
| **(ii) Related party payables** | | | | |
| **Ultimate parent** | | | | |
| Unilever PLC | 878 | 69,725 | 878 | 69,725 |
| Unilever South Africa (Pty) Limited | 4,287 | 1,212 | 4,287 | 1,212 |
| Unilever Nigeria Plc | 2,342 | 27,839 | 2,342 | 27,839 |
| Unilever Cote d' Ivoire | 1,734 | 1,686 | 1,734 | 1,686 |
| Unilever Vietnam | 15,696 | 21,613 | 15,696 | 21,613 |
| Unilever Indonesia | 6,081 | 3,945 | 6,081 | 3,945 |
| Unilever Industries Private Limited | 1,152 | 692 | 1,152 | 692 |
| Unilever Global IP Limited | 5,640 | - | 5,640 | - |
| Unilever Europe Business Center | 9,151 | 503 | 9,151 | 503 |
| Unilever IP Holdings B.V | 232 | - | 232 | - |
| Other Related Parties | 564 | 363 | 570 | 369 |
| | 47,757 | 127,578 | 47,763 | 127,584 |

## 29. Dividend Payable

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Balance at 1 January | **22,417** | 22,417 | **22,284** | 22,284 |
| Payments during the year | **(19,240)** | - | **(19,240)** | - |
| Balance at 31 December | **3,177** | 22,417 | **3,044** | 22,284 |

## 30. Key Management Personnel Compensation

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

Key management personnel compensation includes the following:

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** |
| **Short-term employee benefits** | | | | |
| Executive Directors | **8,446** | 8,630 | **8,446** | 8,630 |
| Non-executive Directors | **1,191** | 981 | **1,191** | 981 |
| Other key management personnel | **4,727** | 2,988 | **4,727** | 2,988 |
| Total short-term employee benefits | **14,364** | 12,599 | **14,364** | 12,599 |
| **Post-employment benefit** | | | | |
| Executive Directors | **413** | 494 | **413** | 494 |
| Other key management personnel | **63** | 143 | **63** | 143 |
| Total post-employee benefits | **476** | 637 | **476** | 637 |
| **Amount relating to:** | | | | |
| Directors | **10,050** | 10,105 | **10,050** | 10,105 |
| Other key management personnel | **4,790** | 3,131 | **4,790** | 3,131 |
| **Total employee benefit** | **14,840** | 13,236 | **14,840** | 13,236 |

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## 31. Provisions

**Group/Company**

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Balance at 1 January | **7,980** | 7,939 | **7,980** | 7,939 |
| Provisions made during the year | **531** | 41 | **531** | 41 |
| Provisions released during the year | **(563)** | - | **(563)** | - |
| Balance at 31 December | **7,948** | 7,980 | **7,948** | 7,980 |

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

## 32. Contingent Liabilities

In 2019, Ghana Revenue Authority (GRA) submitted a report on the Company's transfer pricing audit for 2012-2016 years of assessment. The audit resulted in a tax liability of GH¢ 6,236,200. In the opinion of the Directors, the Company has enough evidence to justify the expenses which gave rise to the liability. The Company has objected to the report and paid GH¢1,559,500 as part of 30% of the disputed tax liability to sustain the objection in line with section 42(5) of the Revenue Administration Act, 2016 (Act 915). The Company has appealed against GRA's decision in court.

In July 2023, the Judge dismissed the appeal on the grounds that Unilever had not invoked its appellate jurisdiction within the required timelines and was therefore out of time to file the appeal. Additionally, the court noted that the order of the High Court differently constituted which granted Unilever's application for an extension of time within which to appeal, was a nullity since the time limit for filing such application had also elapsed. The Company has appealed at the court of appeal following the dismissal by the high court.

## 33. Commitments

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

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** |
| Property, plant & equipment contracted | **4,808** | 2,671 | **4,808** | 2,671 |

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## 34. Cash Generated from Operations

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Profit for the year | **141,443** | 15,080 | 141,352 | 14,836 |
| *Adjustments for:* | | | | |
| Depreciation on PPE (Note 16a) | **14,012** | 12,854 | **14,012** | 12,854 |
| Impairment loss (Note 16a) | - | 597 | - | 597 |
| Profit on disposal of PPE in the ordinary course of business (Note 16c) | **(320)** | (75) | **(320)** | (75) |
| Write-off of PPE (Note 16 | **20,584** | - | **20,584** | - |
| Depreciation on ROU asset (Note 17a(i)) | **5,072** | 1,741 | **5,072** | 1,741 |
| Unrealized exchange gain on lease liability | **951** | (160) | **951** | (160) |
| Unrealized exchange difference | **(5,781)** | (10,452) | **(5,781)** | (10,452) |
| Employment benefit and retirement plan expense (Note 26b) | **1,968** | 1,640 | **1,968** | 1,640 |
| Actuarial loss/(gain) on employee benefits (Note 26b) | - | 266 | - | 266 |
| Benefits paid (Note 26b) | **(1,825)** | (682) | **(1,825)** | (682) |
| (Increase)/Decrease in inventories | **26,911** | (36,585) | **26,911** | (36,585) |
| (Increase)/Decrease in trade & other receivables | **(8,052)** | (9,208) | **(8,051)** | (9,191) |
| Decrease/(Increase) in prepayment | **(995)** | 2,265 | **(995)** | 2,265 |
| Decrease in related party receivables | **1,359** | 6,551 | **1,359** | 6,551 |
| (Decrease)/Increase in trade and other payables | **28,778** | (5,527) | **28,778** | (5,527) |
| (Decrease)/Increase in related party payables | **(79,821)** | (39,226) | **(79,821)** | (39,226) |
| Increase in provisions | **(32)** | 41 | **(32)** | 41 |
| Tax charge (Note 15a) | **72,884** | - | **72,884** | - |
| Interest on bank overdraft (Note 13) | **7,464** | 17,816 | **7,464** | 17,816 |
| Interest on lease liability (Note 13) | **2,536** | 637 | **2,536** | 637 |
| Interest income (Note 13) | **(1,547)** | (1,088) | **(1,547)** | (824) |
| Cash generated from/(used in) operations | **225,589** | (43,515) | **225,499** | (43,478) |

## 35. Basic Earnings / (Loss) Per Share

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

| | Group | | Company | |
|---|---|---|---|---|
| **Earnings per share from continuing and discontinued operations** | **2023** | 2022 | **2023** | 2022 |
| Profit/(loss) attributable to equity holders (GH¢'000) | **141,443** | 15,080 | **141,352** | 14,836 |
| Weighted average number of ordinary shares in issue (Note 23) | **62,500** | 62,500 | **62,500** | 62,500 |
| Basic earnings per share (Note 38) | **2.2631** | 0.2413 | **2.2616** | 0.2374 |
| Diluted earnings per share (Note 38) | **2.2631** | 0.2413 | **2.2616** | 0.2374 |

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## 36. Financial Instruments – 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.

| Group | Other financial assets at amortised cost GH¢'000 | Financial liabilities GH¢'000 | Total GH¢'000 |
|---|---|---|---|
| **31-Dec-23** | | | |
| **Financial assets not measured at fair value** | | | |
| Trade and other receivables (Note 20) | 41,799 | - | **41,799** |
| Related party receivables (Note 28c(i)) | 8,542 | - | **8,542** |
| Cash and bank balances (Note 22) | 108,717 | - | **108,717** |
| | **159,058** | - | **159,058** |
| **Financial liabilities not measured at fair value** | | | |
| Trade and other payables (Note 27) | - | 113,372 | **113,372** |
| Related party payables (Note 28c(ii)) | - | 47,757 | **47,757** |
| Dividend payable (Note 29) | - | 3,177 | **3,177** |
| Lease liabilities (Note 17aiv) | - | 21,246 | **21,246** |
| | - | **185,552** | **185,552** |
| **31-Dec-22** | | | |
| **Financial assets not measured at fair value** | | | |
| Trade and other receivables (Note 20) | 33,747 | - | **33,747** |
| Related party receivables (Note 28c(i)) | 9,901 | - | **9,901** |
| Cash and bank balances (Note 22) | 42,504 | - | **42,504** |
| | **86,152** | - | **86,152** |
| **Financial liabilities not measured at fair value** | | | |
| Trade and other payables (Note 27) | - | 84,594 | **84,594** |
| Related party payables (Note 28c(ii)) | - | 127,578 | **127,578** |
| Dividend payable (Note 29) | - | 22,417 | **22,417** |
| Bank overdraft (Note 22) | - | 99,646 | **99,646** |
| Lease liabilities (Note 17aiv) | - | 10,528 | **10,528** |
| | - | **344,763** | **344,763** |

# UNILEVER GHANA PLC
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### *36. Financial Instruments – Fair Values and Risk Management (cont'd)*

| Company<br>31-Dec-23 | Other financial assets at amortised cost<br>GH¢'000 | Financial liabilities<br>GH¢'000 | Total<br>GH¢'000 |
|---|---|---|---|
| **Financial assets not measured at fair value** | | | |
| Trade and other receivables (Note 20) | 41,758 | - | **41,758** |
| Related party receivables (Note 28c(i)) | 8,532 | - | **8,532** |
| Cash and bank balances (Note 22) | 106,449 | - | **106,449** |
| | 156,739 | - | **156,739** |
| **Financial liabilities not measured at fair value** | | | |
| Trade and other payables (Note 27) | - | 113,140 | **113,140** |
| Related party payables (Note 28c(ii)) | - | 47,763 | **47,763** |
| Dividend payable (Note 29) | - | 3,044 | **3,044** |
| Lease liabilities (Note 17aiv) | - | 21,246 | **21,246** |
| | - | 185,193 | **185,193** |
| **31-Dec-22** | | | |
| **Financial assets not measured at fair value** | | | |
| Trade and other receivables (Note 20) | 33,707 | - | 33,707 |
| Related party receivables (Note 28c(i)) | 9,891 | - | 9,891 |
| Cash and bank balances (Note 22) | 40,326 | - | 40,326 |
| | 83,924 | - | 83,924 |
| **Financial liabilities not measured at fair value** | | | |
| Trade and other payables (Note 27) | - | 84,362 | 84,362 |
| Related party payables (Note 28c(ii)) | - | 127,584 | 127,584 |
| Dividend payable (Note 29) | - | 22,284 | 22,284 |
| Bank overdraft (Note 22) | - | 99,646 | 99,646 |
| Lease liabilities (Note 17aiv) | - | 10,528 | 10,528 |
| | - | 344,404 | 344,404 |

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

**(b) Financial risk management**

**(i) Overview**

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

- Market risk
- Credit risk
- Liquidity risks

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

**Risk management framework**

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

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

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

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

**(a) Market risk**

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

**(i) Foreign currency risk**

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

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

| 2023 | USD | EURO | GBP | ZAR |
|---|---|---|---|---|
| Bank balances | 2,853 | 588 | 120 | 454 |
| Related party receivables | 83 | 424 | 5 | - |
| Trade payables | (2,220) | (627) | - | - |
| Related party payables | (1,598) | (238) | (6) | (2,156) |
| **Net exposure** | **(882)** | **147** | **119** | **(1,702)** |

| 2022 | USD | EURO | GBP | ZAR |
|---|---|---|---|---|
| Bank balances | 2,596 | 357 | 5 | 11 |
| Related party receivables | 336 | 412 | 3 | - |
| Trade payables | (398) | (58) | (8) | - |
| Related party payables | (4,563) | (290) | (64) | (1,755) |
| **Net exposure** | **(2,029)** | **421** | **(64)** | **(1,744)** |

The following significant exchange rates applied during the year.

| Cedis | Average Rate 2023 | Average Rate 2022 | Reporting Rate 2023 | Reporting Rate 2022 |
|---|---|---|---|---|
| USD 1 | 11.64 | 8.41 | 11.97 | 10.20 |
| EUR 1 | 12.58 | 8.84 | 13.24 | 10.87 |
| GBP 1 | 14.46 | 10.39 | 15.27 | 12.30 |
| ZAR 1 | 0.63 | 0.52 | 0.65 | 0.60 |

**Sensitivity analysis on currency risks**

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

A strengthening/weakening of the GH¢, by the rates shown in the table, against the following currencies at 31 December would have increased/decreased equity and profit or loss by the amounts shown below.

# UNILEVER GHANA PLC
## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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**Sensitivity analysis on currency risks (cont'd)**

This analysis assumes that all other variables, in particular interest rates, remain constant.

Impact before tax for Group/Company

| **As of 31 December,** | **2023** | | | 2022 | | |
|---|---|---|---|---|---|---|
| Currency | % Change | Profit or loss/equity impact: Strengthening GH¢'000 | Profit or loss/equity impact: Weakening GH¢'000 | % Change | Profit or loss/equity impact: Strengthening GH¢'000 | Profit or loss/equity impact: Weakening GH¢'000 |
| USD | ±2.8 | 297 | (297) | ±21.2 | 4,388 | (4,388) |
| EUR | ±5.3 | (103) | 103 | ±13.9 | (636) | 636 |
| GBP | ±5.6 | (103) | 103 | ±18.4 | 145 | (145) |
| ZAR | ±2.2 | 24 | (24) | ±16.4 | 172 | (172) |

| **As of 31 December,** | **2023** | | | 2022 | | |
|---|---|---|---|---|---|---|
| Currency | % Change | Equity, net of tax impact: Strengthening GH¢'000 | Equity, net of tax impact: Weakening GH¢'000 | % Change | Equity, net of tax impact: Strengthening GH¢'000 | Equity, net of tax impact: Weakening GH¢'000 |
| USD | ±2.8 | 223 | (223) | ±21.2 | 3,291 | (3,291) |
| EUR | ±5.3 | (78) | 78 | ±13.9 | (477) | 477 |
| GBP | ±5.6 | (78) | 78 | ±18.4 | 109 | (109) |
| ZAR | ±2.2 | 18 | (18) | ±16.4 | 129 | (129) |

**(ii) Interest rate risk**

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

| | **Carrying amounts** | |
|---|---|---|
| | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 |
| **Fixed rate instruments** | | |
| Lease liabilities (Note 17aiv) | 21,246 | 10,528 |
| **Variable rate instruments** | | |
| Bank overdraft (Note 22) | - | 99,646 |

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**Sensitivity analysis for variable rate instrument on Group/Company**

A 200 basis points increase in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular foreign currency rates remain constant. The analysis is performed on the same basis for 2023.

| **As of 31 December** | **2023** | | | **2022** | | |
|---|---|---|---|---|---|---|
| | % Change | Income statement impact GH¢'000 | Equity GH¢'000 | % Change | Income statement impact GH¢'000 | Equity GH¢'000 |
| Bank overdraft | ±2 | (625) | 625 | ±2 | (1,597) | 1,597 |

**Fair value sensitivity analysis for fixed rate instrument**

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

**b) Credit risk**

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

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

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Trade and other receivables (Note 20) | **41,799** | 33,747 | **41,758** | 33,707 |
| Related party receivables (Note 28ci) | **8,542** | 9,901 | **8,532** | 9,891 |
| Bank balances (Note 22) | **108,717** | 42,504 | **106,449** | 40,326 |
| | **159,058** | 86,152 | **156,739** | 83,924 |

**(i) Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The account receivable specialist assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set by the Board and the utilisation of credit limits is regularly monitored. The Group's maximum exposure to credit risk at 31 December 2023 and 2022 is the same as the trade and other receivables in the statement of financial position.

There is no off-balance sheet credit risk exposure.
No collateral is held for any of the assets below. The Group does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved credit limits.

**UNILEVER GHANA PLC**
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**Expected credit loss assessment**

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

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables from individual customers as at 31 December 2023.

The movement in the allowance for impairment was as follows:

| | 2023 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Weighted average** | **Gross** | **Loss allowance** | **Net** | Weighted average | Gross | Loss allowance | Net |
| | **GH'000** | **GH¢'000** | **GH¢'000** | **GH¢ '000** | GH¢'000 | GH¢ '000 | GH¢'000 | GH¢ '000 |
| Neither past due nor impaired | **0 -5%** | **24,832** | **(124)** | **24,708** | 0 - 5% | 11,273 | (56) | 11,217 |
| 1 to 3 months past due | **6 - 15%** | **(170)** | **-** | **(170)** | 6 - 15% | 133 | (14) | 119 |
| 3-6 months past due | **16 - 50%** | **-** | **-** | **-** | 16 - 50% | - | - | - |
| 6-12 months past due | **51 - 65%** | **-** | **-** | **-** | 51 - 65% | 30 | (11) | 19 |
| Past due above 1 year | **75% 100%** | **9,093** | **(9,093)** | **-** | 75% -100% | 10,093 | (10,093) | - |
| | | **33,755** | **(9,217)** | **24,538** | | 21,529 | (10,174) | 11,355 |

UNILEVER GHANA PLC
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| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Balance at 1 January | **10,174** | 11,786 | **10,174** | 11,786 |
| Charge to income statement | **(957)** | (1,612) | **(957)** | (1,612) |
| Balance at 31 December | **9,217** | 10,174 | **9,217** | 10,174 |

In 2023, no customer balances were written off (2022: Nil).

**(ii) Cash and cash equivalents**

The bank balances are held with credit worthy banks regulated by the Bank of Ghana.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures. The Group considers that its cash and cash equivalents do not have a significant credit risk in 2023 (2022: Nil).

**(iii) Related party receivables**

The Group's exposure to credit risk in respect of the amounts due from related parties is minimised. The Group has transacted business with related parties over the years and there has been no defaults in payment of outstanding debts. No impairment has been recognised with respect to amounts due from related parties in the current year (2022: Nil).

**c. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages liquidity risk by maintaining adequate cash reserves and falling on short term borrowing. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

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

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

## UNILEVER GHANA PLC
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The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

| | | Contractual cashflows | | | |
|---|---|---|---|---|---|
| **Group** | **Carrying Amount** | **Total** | **6mths or less** | **6-12mths** | **Above 12mnths** |
| **2023** | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** |
| Trade and other payables (Note 27) | 113,372 | 113,372 | 113,372 | - | - |
| Related party payables (Note 28cii) | 47,757 | 47,757 | 47,757 | - | - |
| Dividend payable (Note 29) | 3,177 | 3,177 | 3,177 | | |
| Lease liabilities (Note 17 aiv) | 21,246 | 29,703 | 4,615 | 8,667 | 16,421 |
| **Net exposure** | **185,552** | **194,009** | **168,921** | **8,667** | **16,421** |
| 2022 | | | | | |
| Trade and other payables (Note 27) | 84,594 | 84,594 | 84,594 | - | - |
| Related party payables (Note 28cii) | 127,578 | 127,578 | 127,578 | - | - |
| Dividend payable (Note 29) | 22,417 | 22,417 | 22,417 | - | - |
| Bank overdraft (Note 22) | 99,646 | 99,646 | 99,646 | - | - |
| Lease liabilities (Note 17 aiv) | 10,528 | 14,859 | 830 | 4,440 | 9,589 |
| **Net exposure** | **344,763** | **349,094** | **335,065** | **4,440** | **9,589** |

# UNILEVER GHANA PLC
## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

c. *Liquidity risk (cont'd)*

| **Company** | **Carrying Amount** | **Total** | **6mths or less** | **6-12mths** | **Above 12mnths** |
|---|---|---|---|---|---|
| **2023** | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** | **GH¢'000** |
| Trade and other payables (Note 27) | 113,140 | 113,140 | 113,140 | - | - |
| Related party payables (Note 28cii) | 47,763 | 47,763 | 47,763 | - | - |
| Dividend payable (Note 29) | 3,044 | 3,044 | 3,044 | - | - |
| Lease liabilities (Note 17 aiv) | 21,246 | 29,703 | 4,615 | 8,667 | 16,421 |
| **Net exposure** | **185,193** | **193,650** | **168,562** | **8,667** | **16,421** |
| 2022 | | | | | |
| Trade and other payables (Note 27) | 84,362 | 84,362 | 84,362 | - | - |
| Related party payables (Note 28cii) | 127,584 | 127,584 | 127,584 | - | - |
| Dividend payable (Note 29) | 22,284 | 22,284 | 22,284 | - | - |
| Bank overdraft (Note 22) | 99,646 | 99,646 | 99,646 | - | - |
| Lease liabilities (Note 17 iv) | 10,528 | 14,859 | 830 | 4,440 | 9,589 |
| **Net exposure** | **344,404** | **348,735** | **334,706** | **4,440** | **9,589** |

## d. Capital management

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

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **GH¢'000** | GH¢'000 | **GH¢'000** | GH¢'000 |
| Total liabilities | **218,720** | 358,936 | **218,339** | 358,577 |
| Less: cash and bank balances (Note 22) | **(108,717)** | (42,504) | **(106,449)** | (40,326) |
| Net debt | **110,003** | 316,432 | **111,890** | 318,251 |
| Total equity | **193,807** | 52,818 | **191,868** | 50,970 |
| Net debt to adjusted equity ratio | **0.57** | 5.99 | **0.58** | 6.24 |

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

## 37. Segment Information of the Group

Management has determined the operating segments based on the reports reviewed by the Executive Directors that are used to make strategic decisions. The Executive Directors consider the business from a product perspective. The accounting policies of the operating segments are the same. The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices. The Executive Directors assess the performance of the operating segments based on a measure of underlying operating profit (UOP). The Group's reporting segments are based on products, namely Nutrition, Home Care and Personal Care. The Home Care division comprises the Laundry and Household care categories. The Personal Care division has the Skin Cleansing, Skin Care, Oral and Deodorant categories.

Costs relating to segments have been allocated on the following basis: Costs such as capital are directly charged to products whenever this can be done. For instance, finished goods stock information is normally available by product.

A simple allocation rule is used in allocating costs which cannot be directly charged to product categories.

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2023 and 2022 are as follows:

# UNILEVER GHANA PLC
## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

**37. Segment Information of the Group (Cont'd)**

**Analysis by product divisions**

| **Group** | **Beauty & Personal Care** 2023 GH¢'000 | 2022 GH¢'000 | **Home Care** 2023 GH¢'000 | 2022 GH¢'000 | **Nutrition** 2023 GH¢'000 | 2022 GH¢'000 | **Total** 2023 GH¢'000 | 2022 GH¢'000 |
|---|---|---|---|---|---|---|---|---|
| Gross Sales Value (GSV) | 761,273 | 517,596 | 212,525 | 162,284 | 36,366 | 19,082 | 1,010,164 | 698,962 |
| Trade Terms Structure (TTS) | (77,516) | (49,983) | (20,423) | (15,660) | (3,578) | (1,842) | (101,517) | (67,485) |
| **Turnover** | **683,757** | **467,613** | **192,102** | **146,624** | **32,788** | **17,240** | **908,647** | **631,477** |
| Supply chain costs | (444,309) | (363,226) | (124,038) | (113,978) | (21,225) | (13,402) | (589,572) | (490,606) |
| **Gross profit** | 239,448 | **104,387** | **68,064** | **32,646** | **11,563** | **3,838** | **319,075** | **140,871** |
| Brand and marketing investment | (59,998) | (29,712) | (16,761) | (9,309) | (2,868) | (1,095) | (79,627) | (40,116) |
| **Profit before indirect expenses** | **179,450** | **74,675** | **51,303** | **23,337** | **8,695** | **2,743** | **239,448** | **100,755** |
| Overheads | | | | | | | (25,290) | (70,752) |
| Other trading income | | | | | | | 11,017 | 12,457 |
| **Underlying operating profit (UOP)** | **179,450** | **74,675** | **51,303** | **22,337** | **8,695** | **2,743** | **225,175** | **42,460** |
| Restructuring costs | | | | | | | (3,354) | (11,627) |
| Impairment | | | | | | | 957 | 1,612 |
| **Core operating profit (COP)** | | | | | | | 222,778 | 32,445 |
| Finance income | | | | | | | 1,547 | 1,088 |
| Finance costs | | | | | | | (9,999) | (18,453) |
| Profit before tax | | | | | | | **214,326** | **15,080** |
| Income tax expense | | | | | | | (72,884) | - |
| Profit after tax | | | | | | | 141,443 | 15,080 |
| Property, plant and equipment | 92,003 | 99,063 | 25,702 | 31,037 | 4,398 | 3,650 | 122,103 | 133,750 |

**UNILEVER GHANA PLC**
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**37. Segment Information of the Group (Cont'd)**

| Reconciliation of information on reportable segment Asset | 2023 GH¢'000 | 2022 GH¢'000 |
|---|---|---|
| Consolidated property, plant and equipment | 122,103 | 133,750 |
| Unallocated amounts | 290,424 | 278,004 |
| Total assets for reportable entities | 412,527 | 411,754 |

| **Geographical information** | | |
|---|---|---|
| **Revenue** | | |
| Northern Ghana | 70,686 | 37,172 |
| Southeastern Ghana | 151,524 | 106,339 |
| Southwestern Ghana | 132,034 | 93,321 |
| Mid Ghana | 246,721 | 169,572 |
| Accra | 234,743 | 179,070 |
| Modern Trade | 71,896 | 45,178 |
| Outside Ghana | 1,043 | 825 |
| | 908,647 | 631,477 |

**UNILEVER GHANA PLC**
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**
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## 38. Royalties write-off by Unilever PLC

Unilever Ghana PLC pays royalties, service fees and technical fees to Unilever PLC, the ultimate parent of the group, for use of its trademarks, brand-names, and other global services. These charges are contracted under an arms-length agreement approved by the Ghana Investment Promotion Centre (GIPC) with the costs recorded in cost of sales and administrative expenses.

In 2023, Unilever PLC agreed to write off GHS 75 million royalties due to them for the period from 2019 – 2021. The write off has become necessary because the future cash flows of Unilever Ghana PLC are not expected to be sufficient to pay historic and future royalty charges and dividends. Unilever Ghana PLC has therefore derecognised the financial liability accordingly.

The accounting alternatives to account for such transactions (related party debt forgiveness) is either as a capital transaction with extinguishment of the liability directly in equity or extinguishment through the profit or loss considering the economic substance of the transaction.

At the time the original expenses were incurred, the terms of the Technology Transfer Agreement (TTA) was for Unilever Ghana PLC to settle the liability in accordance with payment terms of the TTA. The debt write-off was necessitated by the inability of Unilever Ghana PLC to settle the obligation when it falls due rather than an intent to make capital contribution.

Unilever Ghana PLC has accounted for the write-off through its statement of profit or loss. This is consistent with Unilever Group's accounting policy to reverse such related-party costs, recognised in previous years, in the same manner as the original cost was recorded (in this case through the profit and loss). Unilever PLC and entities within the Unilever group have all applied the selected policy consistently for similar transactions over the years.

The statement of financial position would remain the same for both alternatives. The profit after tax and earnings per share would have been impacted if the alternative treatment was used. Detailed below is an analysis of the impact on the profit and Earnings Per Share (EPS):

| | **Debt extinguished through profit or loss** | **Debt extinguished directly in Equity** |
|---|---|---|
| | GHS'000 | GHS'000 |
| Revenue | 908,647 | 908,647 |
| **Gross profit** | 338,675 | 333,320 |
| **Operating profit** | **222,688** | **147,562** |
| **Profit before income tax** | **214,236** | **139,110** |
| Income tax | (72,884) | (72,884) |
| **Profit for the year** | **141,352** | **66,226** |
| Other comprehensive income, net of tax | (454) | (454) |
| **Total comprehensive income** | **140,898** | **65,772** |
| | | |
| **Basic earnings per share** | **2.2616** | **1.0596** |

## 39. Events After the Reporting Period

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

# OTHER INFORMATION

## ANALYSIS OF SHAREHOLDING

The Company had 11,577 ordinary shareholders at 31 December 2023 with equal voting rights distributed as follows:

| Holding 2023 | No. of holders | Holders % | No. of shares | % of holdings |
|---|---|---|---|---|
| 1 – 1,000 | 10,490 | 90 | 2,867,823 | 5 |
| 1,001 – 5,000 | 930 | 8 | 1,973,570 | 3 |
| 5,001 – 10,000 | 89 | 1 | 648,468 | 1 |
| 10,001 and over | 68 | 1 | 57,010,139 | 91 |
| | 11,577 | 100 | 62,500,000 | 100 |

**Directors' Shareholding**
None of the Directors held shares in the Group at 31 December 2023.

**20 Largest Shareholders at 31 December 2023**

| | No. of shares | % of holdings |
|---|---|---|
| UNILEVER OVERSEAS HOLDINGS LIMITED | 31,562,545 | 50.50 |
| UAC INTERNATIONAL LIMITED | 14,999,955 | 24.00 |
| KROHNE FUND LP | 4,272,686 | 6.84 |
| SOCIAL SECURITY & NATIONAL INS.TRUST | 3,315,872 | 5.31 |
| STAHL CHRISTOPH MICHAEL ROBERT | 625,000 | 1.00 |
| SCGN/ENTERPRISE LIFE ASSO.CO. | 438,330 | 0.70 |
| SCBN/SSB EATON VANCE TAX-MANAGED | 249,000 | 0.40 |
| HFCN/EDC GHANA BALANCED FUND LIMITED | 112,695 | 0.18 |
| SCGB/SSB &T AS CUS FOR BMO LLOYD | 90,900 | 0.15 |
| CM FUND LIMITED | 50,000 | 0.08 |
| JAY KAY INDUSTRIES AND INVESTMENTS | 50,000 | 0.08 |
| STD BANK NOMS (TVL) PTY | 50,000 | 0.08 |
| CAM/GUSS FUND | 49,358 | 0.08 |
| SCBN/UNILEVER GHANA MANAGERS' | 46,200 | 0.07 |
| MR. AMOAKOH DIAMOND CASTRO H. | 44,700 | 0.07 |
| SCGN/ELAC SHAREHOLDERS FUND | 41,800 | 0.06 |
| ESTATE OF REXFORD KWASI ADU | 39,175 | 0.06 |
| MIHL/GOLD FUND UNIT TRUST | 38,404 | 0.06 |
| ADDISON EUGENE SAMUE | 37,084 | 0.06 |
| NYAKO JOHN PECIVAL AWUKU | 35,126 | 0.06 |
| Reported totals | 56,148,830 | 89.85 |

# OTHER INFORMATION
# FIVE YEAR FINANCIAL SUMMARY OF THE COMPANY

**Financial Position as at 31 December**

| | 2019<br>GH¢'000 | 2020<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2023<br>GH¢'000 |
|---|---|---|---|---|---|
| **Employment of funds** | | | | | |
| Property, plant and equipment | 138,983 | 135,551 | 131,166 | 133,750 | 122,103 |
| Right-of-use asset | 13,422 | 11,468 | 10,255 | 22,761 | 27,692 |
| Investment in subsidiaries | 10 | 10 | 10 | 10 | 10 |
| Deferred tax asset | 47,447 | 24,539 | 24,481 | 24,159 | - |
| Current assets | 289,317 | 164,154 | 214,665 | 228,867 | 260,402 |
| Total Assets | 489,179 | 335,722 | 380,577 | 409,547 | 410,207 |
| **Employment of Funds** | | | | | |
| Total equity | 84,952 | 34,799 | 35,170 | 50,970 | 191,868 |
| Employee benefit obligation | 3,736 | 3,422 | 4,236 | 6,193 | 6,942 |
| Lease liability | 1,116 | 166 | - | 6,978 | 11,241 |
| Deferred tax liability | - | - | - | - | 1,391 |
| Current liabilities | 399,375 | 297,334 | 341,171 | 345,406 | 198,765 |
| Total liabilities and total equity | 489,179 | 335,721 | 380,577 | 409,547 | 410,207 |
| Capital expenditure | 23,878 | 8,883 | 17,587 | 16,035 | 22,949 |
| Depreciation and amortisation | 8,574 | 11,425 | 12,119 | 12,854 | 14,012 |
| Revenue | 333,290 | 456,279 | 558,794 | 631,477 | 908,647 |
| Profit/(loss) after tax | (160,316) | (50,389) | 196 | 14,836 | 141,352 |
| Profit/(loss) retained in the year | (160,316) | (50,389) | 196 | 14,836 | 141,352 |