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PRESS RELEASE

PR. No. 194/2021

UNILEVER GHANA PLC (UNIL) -
ANNUAL REPORTS AND FINANCIAL STATEMENTS
31 DECEMBER 2020

UNIL has released its Audited Financial Statements for the year ended December 31, 2020 as per the attached.

Issued in Accra, this 11th
Day of May, 2021

- E N D –

att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, UNIL
4. MBG Registrars, (Registrars for UNIL shares)
5. Custodians
6. Central Securities Depository
7. Securities and Exchange Commission
8. GSE Council Members
9. GSE Notice Board

For enquiries, contact:
Head of Listing, GSE on 0302 669908, 669914, 669935
**WA*

Unilever

2020 ANNUAL REPORTS & FINANCIAL STATEMENTS

Rediscovering Our Greatness In A Globally Challenging Environment

Unilever

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BOARD OF DIRECTORS

MR. EDWARD EFFAH
CHAIRMAN

MR GEORGE OWUSU-ANSAH
MANAGING DIRECTOR

MR CARL CRUZ
NON-EXECUTIVE DIRECTOR

MR PRIYADHARSHANA EKANAYAKE
FINANCE DIRECTOR

DR. MRS EDITH DANKWA
NON-EXECUTIVE DIRECTOR

MR PHILIP ODOTEI SOWAH
NON- EXECUTIVE DIRECTOR

MR MICHAEL ODINAKACHI UBEH
CUSTOMER DEVT. DIRECTOR

MRS ANGELA PEASAH
NON-EXECUTIVE DIRECTOR

MRS ADESOLA SOTANDE-PETERS
NON-EXECUTIVE DIRECTOR

MRS NANA YAA OWUSU-ANSAH
PERSONAL CARE DIRECTOR

MRS AMA ADADZEWA AGYEMANG
COMPANY SECRETARY

CORPORATE INFORMATION

BOARD OF DIRECTORS	Edward Effah (Chairman) George Owusu-Ansah (Managing Director) Adesola Sotande-Peters Philip Odotei Sowah Nana Yaa Owusu-Ansah Angela Peasah Edith Dankwa Micheal Odinakachi Ubeh Carl Cruz Priyadharshana Ekanayake (Appointed 1/6/20)
SECRETARY	Ama Adadzewa Agyemang
AUDITOR	KPMG Chartered Accountants 13 Yiyiwa Drive, Abelenkpe P O Box GP 242 Accra
SOLICITORS	Sam Okudzeto & Associates Kimathi Partners, Corporate Attorneys Aryitey & Associates
REGISTERED OFFICE	Unilever Ghana PLC Tema Factory, Plot No. Ind/A/2/3A-4 P O Box 721 Tema
BANKERS	Absa Bank Ghana Limited Access Bank Ghana Limited Ecobank Ghana Limited First Atlantic Bank Limited Guaranty Trust Bank Limited Société Generale Ghana Limited Standard Chartered Bank Limited Stanbic Bank Limited United Bank for Africa Limited Universal Merchant Bank Limited

Financial Highlights

(All amounts are expressed in thousands of Ghana cedis)

	2020	2019	Change %
Revenue	456,279	333,290	36.9
Operating loss	(22,051)	(205,615)	(89.3)
Loss before taxation	(27,559)	(216,647)	(87.3)
Loss for the year	(50,389)	(160,316)	(68.6)
Cash generated from operating activities	70,752	104,131	(32.1)
Shareholders' funds	34,799	84,952	(59.0)
Capital expenditure	8,883	23,878	(62.8)
Basic loss per share (GH¢)	(0.8062)	(2.5651)	(68.6)
Diluted loss per share (GH¢)	(0.8062)	(2.5651)	(68.6)
Dividend per share	-	-	-
Net assets per share (GH¢)	0.5568	1.3592	(59.0)
Loss before taxation margin (%)	(6.0)	(65.0)	(90.8)
Loss after taxation margin (%)	(11.0)	(48.1)	(77.1)

Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Members of Unilever Ghana PLC will be held VIRTUALLY and streamed live on https://www.ulghagm.com from Unilever Ghana PLC, No. Ind/A/3A-4, Heavy Industrial Area, Tema on Thursday, May 27 2021 at 10:00am for the following purposes:

AGENDA

1. To receive the Report of the Directors, the financial position as at 31st December, 2020 together with the Accounts for the year ended on that date and the Report of the Auditors thereon.

2. To re-elect the following Directors:
   a. Mrs Nana Yaa Owusu-Ansah
   b. Dr Mrs Edith Dankwa
   c. Mr Michael Odinakachi Ubeh

3. To approve Directors' fees

4. To Appoint an Auditor

5. To authorize the Directors to fix the remuneration of the Auditors

6. To Consider and if thought fit, pass the following sub-joined resolutions as Special resolutions of the Company:

i. That the proposed separation of the Company's tea business (the "Tea Business") and all assets attached to or deployed in connection with the Tea Business (as will be more particularly described in the relevant transaction documents) to a newly-incorporated dedicated tea company in Ghana in the Unilever group (the "Separation") on such terms and conditions as may be agreed by the Board of Directors of the Company ("the Board"), is hereby approved subject to obtaining relevant regulatory approvals;

ii. That the Board is hereby authorized to execute all relevant documents, appoint such professional advisers, take all necessary steps and to do such other acts or things as may be necessary, supplementary, consequential or incidental to giving effect to or supporting the Separation including obtaining the relevant regulatory approvals and complying with the directives of any regulatory authority; and

iii. That all acts carried out by the Board and management of the Company hitherto in connection with the above, be and are hereby ratified.

Dated this 12 day of March 2021.

By Order of the Board

Ama A. Agyemang (Mrs)
Secretary

Notice of Meeting (Continued)

Notes

1. Attendance and participation at the Annual General Meeting will be by online participation only in view of the Covid-19 pandemic.

2. A Member of the Company entitled to attend and vote may appoint a proxy to attend and vote instead of him. A proxy need not be a Member. The Proxy form can be downloaded from https://www.ulghagm.com and if it is to be valid for the purposes of the meeting, it must be completed and sent via email to registrar.services@myumbbank.com or deposited at the Registered Office of the Registrars of the Company, Universal Merchant Bank Limited, not less than 48 hours before the meeting.

3. The appointment of a proxy will not prevent a member from attending and voting at the Meeting via online participation. Where a member attends the Meeting by online participation, the proxy appointment shall be deemed revoked.

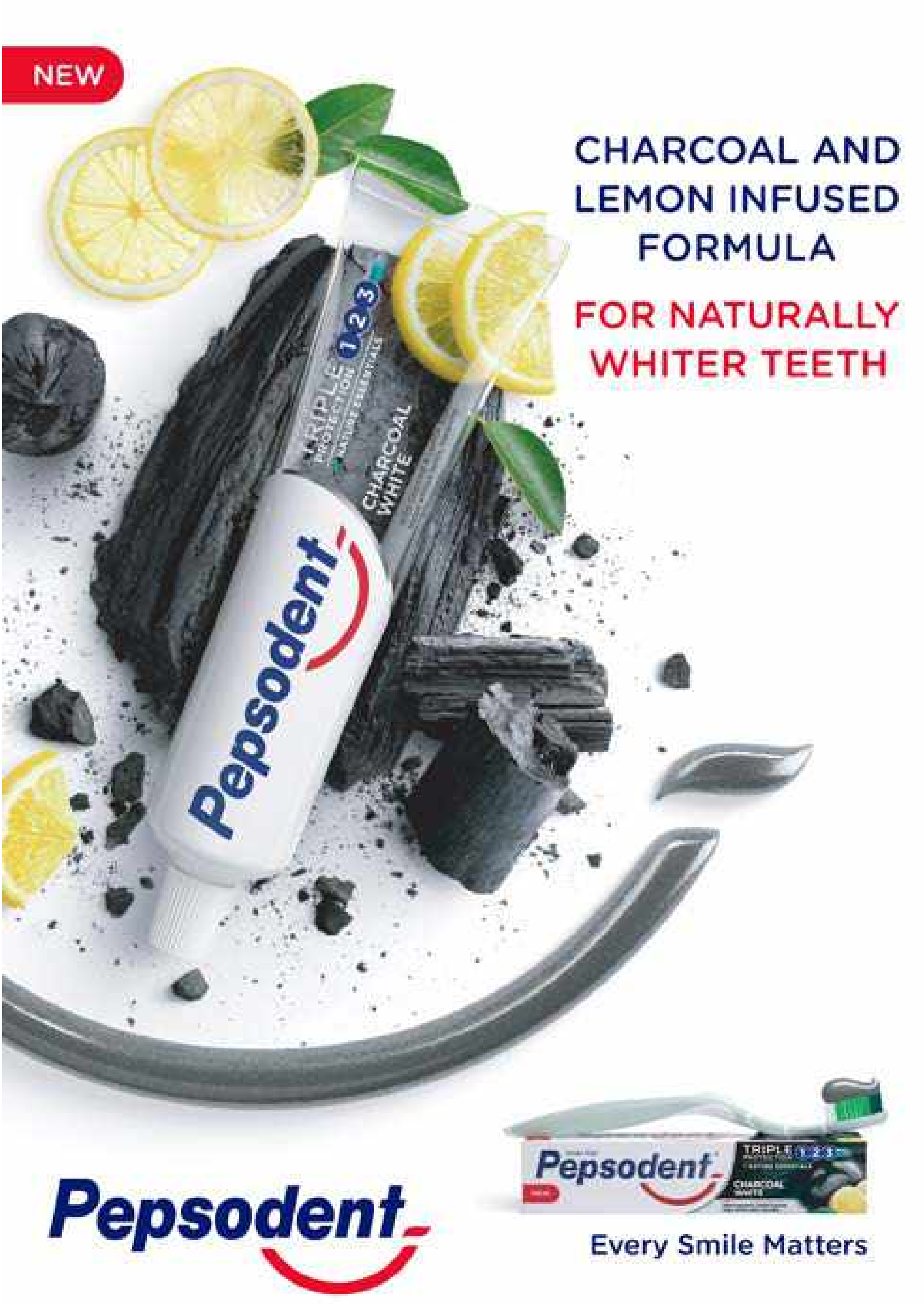
4. Following the resolution passed at the last held Annual General Meeting, the electronic version of the Annual Report and Financial Statements shall be posted on the Business' website as follows https://www.ulghagm.com and Unilever Ghana Limited | Investor Relations | Unilever East & West Africa (unilever-ewa.com) and same forwarded to the e-mail addresses of shareholders before the Annual General Meeting

5. Accessing and Voting at the Virtual AGM
   A unique token number will be sent to shareholders by email and/or SMS from May 6, 2021 to give them access to the Meeting. Shareholders who do not receive this token should contact Universal Merchant Bank Ghana Limited via registrar.services@myumbbank.com or call 0302 226112 anytime from May 6, 2021 but before the date of the meeting to be sent the unique token.

6. To gain access to the meeting, shareholders must visit https://www.ulghagm.com and input their unique token number on Thursday May 27, 2021. Access to the meeting will start from 9am. For shareholders who do not submit proxy forms to the Registrars prior to the meeting, they may vote electronically during the meeting using their unique token number.

Further assistance on accessing the meeting and voting electronically can be found on
https://www.ulghagm.com

For further information please contact
Universal Merchant Bank Limited
Kwame Nkrumah Avenue
Sethi Plaza, Adabraka, Accra
P. O. Box 401, Accra.
Tel: (0302 226112/220952)



NEW
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Every Smile Matters

Chairman's Review

Edward Effah

Distinguished shareholders, ladies and gentlemen, I am delighted to welcome you all to our Virtual Annual General Meeting for this year. It is also my pleasure and privilege to present to you our improved performance for the year ended 2020 despite the challenges posed by the COVID-19 pandemic.

Review of the Global Economy

The Global Economy in 2020 recovered strongly in the third quarter relative to previous quarters in the midst of the global COVID-19 pandemic. This was as a result of the ease in restrictions across many countries. According to the IMF World Economic Outlook forecast issued in January 2021, the global economy is expected to contract by 3.5% in 2020. This is a 0.9% improvement over the October 2020 forecast based on a stronger than expected growth recorded in the second half of 2020.

The global resurgence of a new wave of COVID-19 infections however increased uncertainties with significant risk to the rate at which recovery in the short term will be made. The expected growth prospects remain positive based on successful vaccine roll out across many countries. Economic activity therefore is expected to pick up from mid-year 2021 with a forecasted growth of 5.5% in 2021.

The widespread of Covid-19 continues to pose a threat to the global economic growth due to lockdown measures across several countries. Continued policy and the ongoing vaccines are however forecast to support recovery and growth from mid-year 2020.
Inflation is expected to remain relatively flat which is reflection of the low pressure from spare capacity.

Review of the Economy of Ghana:

The economy of Ghana saw a downward trend in its 2020 GDP growth from the second quarter. This trend was unexpected after prior successive years of experiencing quarter on quarter growth. This deterioration in GDP growth was largely due to the COVID-19 pandemic, and the related measures to contain the spread.

According to the Ghana Statistical Service provisional data, the second quarter of 2020 saw a 3.2% decline in GDP from a 4.9% growth in the previous quarter due to the restrictions imposed in containing the spread of COVID-19 which included a partial lock down. Many companies in various sectors remained shut despite the ease of partial lockdown restrictions in May 2020.

The industrial sector declined by 5.7% compared to 1.5% in the first quarter. The manufacturing sector also declined by 14.3%, mining and quarry also declined by 5.6%. The services industry also declined in the same quarter by 2.6% from 9.5%. This is largely contributed by the hotels and restaurants declining by 79.4%, household goods declined by 20.2%, professional, administrative and support declined by 11.2% with a 9.1% reduction in other personal services. GDP fell by 0.8% quarter on quarter from a 1.2% increase in the previous quarter.

According to the Monetary Policy Report issued in January 2021, growth has picked up since the sharp contraction in the second quarter. Indicators of economic activity have rebounded, consumer and business confidence levels are back at pre-lockdown levels, and there are indications of steady growth in private sector credit. The third quarter of 2020 saw a 1.1% year-on-year drop (3.2% in Q2). The various sectors saw some growth improvement following the ease of restrictions. The industrial sector decreased by 5.1% in Q3 versus the 5.7% in Q2 and the manufacturing sector also rebounded with an increase of 4%. The services sector declined by 1.1% in Q3 versus a 2.6% drop in the previous quarter. Hotels & restaurants saw a 62% decline in Q3 versus a 79.4% decline in the previous quarter. GDP declined by 0.3% on a quarterly basis (0.8% reduction in quarter 2).

The economy is projected to rebound in 2021, after the COVID-induced slowdown in 2020. According to the Monetary Policy Report on Inflation Analysis & Outlook, "The Bank's updated Composite Index of Economic Activity increased significantly by 11.9% in

Chairman's Review Continued

November 2020 compared to 3.4 percent a year ago, indicating improved momentum in economic activity". The provisional data released by the Ministry of Finance as at November 2020, shows an overall broad cash budget deficit of 10.8 percent of GDP against the target of 11.4% of GDP for the year. Additional spending is expected to provide vaccines and testing equipment, thus putting pressure on the fiscal position. The threat from the second wave of the pandemic has however, in a way heightened uncertainty of growth in the short term.

The cedi historically performed better in 2020 both on a month on month and year to year basis. "Pressures from corporate demand, energy-related forex demand and pandemic-induced portfolio outflows were offset by forex inflows from the US$3 billion Eurobond issuance in February, the US$1 billion IMF RCF, inflows from mining, remittances, as well as BOP support", according to the MPR issued in January 2021. The Ghana Cedi depreciated against the US Dollar, the Pound Sterling, and the Euro by 3.9%, 7.1% and 12.1% percent, respectively (2019 :12.9%, 15.7% and 11.2%).

Inflation which was on a steady decline increased to 10.4% in December 2020 due to upsurge in food prices before the partial lockdown in the second quarter of 2020. This increase is expected to be in line with the target by mid-year 2021. The Central Bank at its last MPC decided to maintain the policy rate at 14.5% given the balance of risk to inflation and growth.

Review of the Political Environment:

The country continues to offer a stable and predictable political environment for investment with its strong democratic traditions. Ghana successfully held its eight (8th) smooth, free, and fair election in December 2020 after returning to democratic governance in 1992, demonstrating to the world that its democracy has come of age. With this strength, the country continues to provide a conducive environment to live in and do business and equally attracts investments to accelerate growth.

Business Performance:

Our results for the year ended 2020 shows a 37% increase in revenue from GHS 333 million in 2019 to GHS 456 million in 2020. The growth represents sustained momentum throughout the year despite the challenges imposed by the COVID-19 pandemic.
Our operating loss for the year ended 2020 was GHS (22 million), which is a significant improvement from GHS (206 million) for the same period in 2019. This translated into a loss after tax for the year ended 2020 of GHS (50 million) against a GHS (160 million) loss for the same period in 2019.

Dividends:

No dividends will be recommended for Shareholders.

Board Changes:

There were no Board changes for the period under review. Below are the profiles of the subsisting Directors.

Profile of Subsisting Directors

Mr. Edward Effah

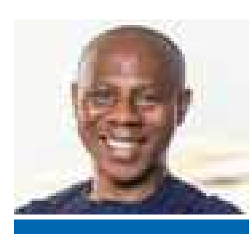
Mr. Edward Effah established the Fidelity Group in October 1998 after a successful career as a senior finance executive. Currently, Mr. Effah is the Chairman of the Fidelity Bank Ghana Limited. Under his leadership, Fidelity has been able to establish itself as a leader in its markets in Ghana in terms of reputation, profitability and assets under management.

Edward is a Chartered Accountant by profession and is a member of the Institute of Chartered Accountants in England and Wales. Edward is also a member of the Africa Advisory Board of Prince's Trust International and a member of the Institute of Directors (UK).

Edward has extensive experience in business strategy formulation, calculated risk taking, strategy execution, team building, mentoring, business innovation, finance, technology strategy, capital raising, investor relations, managing Boards and effective communication with key stakeholders.

Mr George Owusu-Ansah

George joined Unilever as a Management Trainee and has 29 years of work experience with Unilever; 26 years in various Supply Chain and Project roles and 3 years in Customer Development roles. His Supply Chain experiences have covered



Chairman's Review Continued

roles in the PLAN, SOURCE and DELIVER sub-functions in Ghana, Malawi, China, Singapore, Kenya and Nigeria, whilst his 3 years in Customer Development covered roles as Trade Marketing Manager for Foods and later for Home and Personal Care Products at Unilever Ghana PLC.

Under Carl's leadership, the Sri Lanka business is well positioned to become a lean, agile and digitally-enabled organisation. Carl's passion for inclusion, experimentation and empowerment is reflected in his vision of Re Imagine USL - a transformational journey, that he has led from the front.

Mr Priyadharshana Ekanayake

Mr Priyadharshana Ekanayake is a finance professional with 25+ years' experience in Unilever. He has broad and in-depth work experience in strategic, digital, and operational aspects of finance and general management.

In the previous role as the National Finance Director of Unilever Sri Lanka, Priyadharshana partnered the business for competitive and profitable growth under external volatilities.

He transformed the finance organization through digital competencies and talent development. Priyadharshana has worked in Singapore and India working with and leading teams across many geographies. He is a fellow of the Chartered Institute of Management Accountants.

Mr Carl Cruz

Mr. Carl Raymond R. Cruz is a Filipino. He holds a Bachelor of Science degree in Marketing from De La Salle University, Philippines. He comes with an extensive career in Unilever D & E Markets in Asia - Philippines, Thailand, India and Sri Lanka. Since joining Unilever in 1992, Carl has gained over 26 years' experience working in Customer Development and in Marketing roles across Home Care, Beauty & Personal Care and Foods. Most recently, as Chairman of Unilever Sri Lanka, Carl has successfully steered the business to a sustainable and competitive growth trajectory. He has not only established Unilever Sri Lanka as a market leader across key categories but also as the most admired employer, despite some very challenging conditions, including the Horana Fire in 2016 and the Easter Sunday Attacks in 2019.

Mrs. Angela Peasah

Mrs. Angela Peasah is a chartered accountant by profession and was admitted into the membership of the Institute of Chartered Accountants (Ghana) in 1995. She holds an Executive MBA from the University of Ghana Business School, University of Ghana, Legon. She is also a product of the Institute of Professional Studies (IPS). She trained with Coopers & Lybrand from 1991 and has worked with PricewaterhouseCoopers, Saltpond Offshore, and WaterAid, an International NGO, in various capacities.

She is currently the Head of the Payroll Directorate of the Controller and Accountant General's Department. She has managed many audit jobs including World Bank and ADF funded projects, mining, insurance and commercial organizations. Angela is a Past President of the Institute of Chartered Accountants (Ghana) and is currently a member of the Nominating Committee of the International Federation of Accountants (IFAC).

Mr. Philip Sowah

Philip Sowah is a management consultant with 25+ years Senior Management experience in telecommunications, general management, information technology, and management consulting with Big 4 and Fortune 500 companies across the US, Africa and the Middle East. Philip was the Managing Director of Airtel Ghana where he managed the aggressive growth of the company to become the 3rd largest Mobile Network Operator (MNO) in terms of revenue.

Prior to that, at Zain, Philip led the start-up and launch

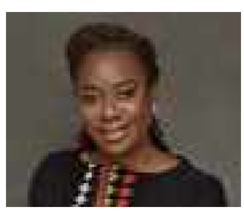
Chairman's Review Continued

of a new mobile operator and brand, Zain, as the first full 3G network in Ghana.

A team player and an empowering leader, under his leadership Airtel won several industry awards. He is also the recipient of three CEO of the Year awards and PWC's Ghana's Most Respected Company and CEO Awards.

Philip is currently a Partner at Nubuke Business Investment Advisory where he provides advisory services to government, public and private companies. He is passionate about sustainable CSR (Corporate Social Responsibility) projects. He has degrees in Physics and Mechanical Engineering from Grinnell College and Washington University- St. Louis respectively both in the USA.

Mrs. Adesola Sotande-Peters



Mrs. Adesola Sotande-Peters is a Finance Executive (FCCA) with a strong Business Finance leaning with over 24 years varied professional experience (spanning various organizations such as the British Broadcasting Corporation (BBC) UK, Informa Group UK, Openwave Telecoms UK, Diageo Plc (Guinness Nigeria Plc, East African Breweries Limited (Kenya), and Guinness Cameroon SA) where she has held various senior finance roles in commercial/strategic finance, financial management consultancy/analysis, with a strong focus on people development/mentoring.

She holds a bachelor's degree in Business Administration and Economics from Richmond College, The American International University in London. She also holds an MBA for finance professionals from Manchester Business School. She is a fellow of the Association of Certified Chartered Accountants (FCCA) and the Institute of Chartered Accountants of Nigeria (ICAN), and a member of the Institute of Directors (IOD) and the Financial Reporting Council of Nigeria (FRN). She is also a fellow of WIMBOARD Institute, IE Business School, Madrid, Spain.

Adesola currently serves as the Chief Finance Officer (CFO) of Unilever Ghana and Nigeria and leads the Controls agenda in Africa. She was appointed to the Board of Unilever Nigeria Plc. in January 2015 as the Chief Financial Officer (CFO) and as a non-executive director of Unilever Ghana in January 2017. She is entrusted with the responsibility of proactively providing strategic finance leadership to ensure optimal allocation of the company's resources in the planning and execution of the business strategy to create and maximise shareholders value across both businesses.

In January 2018, Adesola was promoted to her current role as Vice President Finance for Ghana and Nigeria and to spearhead Unilever Africa Controls and Governance. This came after she played a pivotal role in driving business growth and value creation in Ghana-Nigeria during a period of very challenging conditions and had a significant impact beyond her core functional responsibility.

Adesola serves on the Boards of the following companies in different capacities:

- Non-Executive Director at Lonadek Inc., a company that is committed to developing capacity, capability and competence across various sectors of the country.
- Chairman at WELEAD (Women Empowered for Leadership Advancement and Development), a non-profit organization with a vision to raise performance driven women to Lead, Engage and Impact growth.
- Advisory Board Member at WimBoard, an offshoot of Wimbiz, which is committed to supporting women to achieve their full potential and making significant contribution to national development.
- Advisory Board Member at WiM Africa, an NGO that inspires women to grow, learn, share and inspire each other for the growth of the manufacturing sector and to promote female participation in manufacturing.

Adesola is a recipient of the 2017 CFO Awards as the CFO of the year- FMCG Category. She is very passionate about mentoring young people especially on their choice of career and channelling their energy in the right direction. She is married and has two children.

Chairman's Review Continued

Dr. Mrs. Edith Dankwa

Dr. Mrs. Edith Dankwa has built a solid reputation over the years in rendering consultancy services on marketing communications and has served as a market entry strategist for foreign businesses seeking to extend their operations to Africa. She is also the Group Publisher and CEO of Business Times Africa Magazine (BT), Energy Today Magazine (ET) and Africa's leading source of credible and relevant business information, the Business & Financial Times (B&FT) newspaper and BIA Conferences, and Urban Press.

She holds a Bachelor of Arts degree in Management Studies from the University of Cape Coast, a Post Graduate Diploma in Marketing from the Chartered Institute of Marketing - Ghana, a Post Graduate Certificate in Newspaper Management from Inwent International Institute of Journalism, Germany, an Executive MBA from the GIMPA Business School, and a Doctoral Degree in Business Administration (International Business) from Walden University in the USA.

Over the past decade, Edith Dankwa has effectively developed and transformed Ghana's most successful business media house, Business & Financial Times Limited, into a formidable entity. Under her visionary leadership, B&FT Limited has extended its product and service range to serve both local and international markets through the publishing of her company's flagship product Business & Financial Times Newspaper. As a publisher, Edith also runs the Pan-African business monthly, Business Times Magazine and the quarterly Pan-African energy industry publication, Energy Today Magazine both circulated in South Africa, Zimbabwe, Nigeria, Ghana and other emerging markets in Africa and beyond.

Mrs. Nana Yaa Owusu-Ansah

Mrs. Nana Yaa Owusu-Ansah is a seasoned marketer with over 14 years work experience in cross-functional roles within Unilever.

She has multi-country and category experience in

various positions including Personal Care Category Manager for Unilever Ghana and Skin Cleansing Category Manager for Unilever West Africa. Before being appointed as Brand Building Director for Unilever Ghana in January 2016, she was the Head of Marketing for Africa Emerging Markets, now Central Africa with responsibility for several markets including Angola, Cameroon DRC, Mauritius, Gabon and Southern African markets. In 2017, she was promoted to the position of Personal Care Director, Ghana-Nigeria.

She holds a Post Graduate Diploma in Business and Marketing Strategy from EduQual and a Masters' Degree in Marketing and Innovation from the London School of Marketing.

Mr. Michael Ubeh

Mike has been with Unilever for the last 16 years with experience spanning from Customer Management, Customer Operations and Customer Marketing. Mike is the Customer Development Director for Unilever Ghana PLC.

He had previously worked with the Customer Development Centre of Excellence, Hindustan Unilever India, in the capacity of Customer Development Operations Manager, where his key task, in addition to day to day Customer Operations, was to lead the delivery of leading edge capability in the front end measured by delivery of many projects that deliver efficiency and cost effectiveness in operations and looking at current Sales and Management processes, understanding and taking insights from evolving technology and defining a service and product mix that can ensure a quantum jump in process efficiency.

Mike, prior to his international assignment, held various positions in Unilever Nigeria - The Route to Market (RTM) & Wholesale Transformation Lead Nigeria; General Sales Manager East; Regional Sales Manager South East; Customer Marketing Manager

Chairman's Review Continued

Foods; Trade Category Manager Foods and Field Sales Manager across various regions in Northern and Southern Nigeria.

Mike believes that good people are valuable assets to the organisation and must be developed, inspired and motivated for greater level of achievements. Building talents & teams and a growth mind set are his strongest leadership skills. He loves meeting people, travelling, and has a keen interest in understanding and following trends in wealth creation & Management institutions and projects that involve system, process and institutional changes.

Mike is a Nigerian born in Nkawkaw, Ghana in 1975. He is married with Children.

Managing Director's Review

George Owusu-Ansah

Let me take this opportunity to welcome you all to this Annual General meeting. It is heartwarming that we are able to deploy the power of technology to connect again and review the operations of your company in safety avoiding the risk of COVID-19. Thank you for your support in making this possible I will now present a review of our operations in 2020.

General Business Overview

We had two concurrent priorities in 2020

1) Reset and stabilize the business for growth after the challenges of 2019
2) Respond to, and operate safely in the face of the COVID -19 pandemic

We made the following progress towards resetting the company.

1) Successful onboarding and settling of our new leadership team
2) Reconciliation of customer balances with all major customers and repayment of customer overdue balances
3) Reset of trade terms and credit days for customers to drive on-time payment and improve customer profitability
4) Return to building equity of our brands and re-purposing our product portfolio
5) Renewed focus on serving the 'Mainstream' consumer
6) Strengthening of Governance and Operational Discipline
7) Commencement of action to make the organization 'Future Fit

These improvement amongst others delivered the reported turnover growth, improvements in cash flow and profitability.

Our focus continues to be, to deliver consistent, competitive, profitable and sustainable growth and we shall do this by making purposeful, affordable brands available to Ghanaians.

The emergence of the COVID-19 pandemic in quarter one threw a new challenge at humanity and business. Globally and in Ghana, the pandemic and the attendant lockdowns and restrictions ordered by Governments affected disposable incomes of households as businesses collapsed and individuals lost their jobs.
Global raw material scarcity and congestions at ports negatively impacted Supply Chains and affected reliability and efficiency in manufacturing and service delivery.

At Unilever Ghana PLC, we provided the necessary support to protect our staff and their families from the threat of the pandemic. We instituted COVID-19 preventative protocols at the site to protect those who necessarily had to work from the site. We supported staff who had to work from home and our field teams to improve their internet connectivity to facilitate their work and aided their care with COVID relevant PPEs. Our staff who were unfortunately infected were supported to access and receive medical care.

These interventions to protect our staff and other programs we put in to limit disruptions to our Supply Chain, has enabled us manufacture, distribute, sell and market through the pandemic.

Managing Director's Review Continued

We contributed to the national effort to educate and support in preventing the spread of COVID-19, through collaborations with the media and other like-minded agencies to create awareness. Our Lifebuoy, Guardian Carbolic and Key Soap brands made donations to support hand-washing and general hygiene.

Beauty and Personal Care CBPC)

Despite the challenges of the COVID-19 pandemic, the BPC category delivered a strong 25.2% Underlying Sales Growth. All the major sub-categories in BPC grew. Oral Care grew by 41.8% whilst Skin Cleansing grew by 10.5%.

The COVID-19 preventive habit of handwashing with soap under running water increased usage of our Skin Cleanse brands especially Lifebuoy and Champion Carbolic soap.

In 2020, the BPC category rolled-out new innovations. The innovations included the very well received Pepsodent Charcoal, and Lifebuoy Hand Sanitisers amongst others.

The category focused on media and consumer activities to strengthen the equity of our brand.

Home Care

The Home Care Category achieved an Underlining Sales Growth of 20.5% and remains the market leader in the fabric solutions segment despite intense competition. This growth was fueled by impactful launches across our brands.

The likes of Omo experienced a face lift with the exciting launch of the Omo Extra Fresh variant, that offers Ghanaians an additional benefit of extra fragrance in their washing experience. The introduction of Key Brillant at 140grams strengthened the value offering for our mainstream consumers. We expanded the portfolio for our Vim brand to include a Lavender variant and introduced Vim in pouches.

The category run sampling programmes to increase awareness and in-use experience of our brands.

Purpose continues to be the platform for our brands to connect with our consumers. The Sunlight commenced the 'Shero' campaign to empower women by awarding winners of the campaign, Working Capital to support entrepreneurial pursuits of their choice.

VIM, in line with its purpose run hygiene and sanitation awareness and education programs with 30 senior high schools to inculcate the importance of proper "home" care and hygiene. The activity touched over fifty thousand students.

Foods And Refreshment

The Foods and Refreshment Category maintained its market leadership position across the subcategories, Salt & Tea. The Category achieved an Underlining Sales Growth of 45.2%.

Lipton launched its purpose led campaign "Unlocking Hidden Loneliness" which reached over 2,400 tertiary school students and contributed to the 7%and 5% improvement penetration and markets shares respectively.

Lipton partnered with AnSpoken (an NGO where people call to talk about mental health issues), to offer a Listening clinic service to Ghanaians. This program aimed to offer support to those whose mental health may have been affected by the culmination of their everyday anxieties and the impact of the COVID-19 pandemic. It was 'A time to listen, a time to connect over a cup of tea'.

The Refreshment Category exited the year with a +7% penetration and +5% market share gains.

Managing Director's Review Continued

The Annapurna brand continued to strengthen its Route to Market scheme by partnering identified Stockist in the open markets to drive consistent in-store availability.

Operating and Financial Review:
Unilever Ghana plc's results for the year ended 31 December 2020 shows a 37% increase in revenue from GHs 333m in 2019 to GHs 456m in 2020.

Operating loss for the year was GHs (22m), an improvement from same period last year, 2019, of GHs (206m). Loss after tax for the year was GHs (50m) versus GHs (160m) loss in prior year, 2019.

Cash Flow:
Significant improvement in cash and cash equivalent balance as at end year from a deficit of GHs 53m in 2019 to a deficit of GHs 0.9m in 2020. This performance reflects improved working capital management.

Unilever Ghana Foundation
Unilever Ghana plc has committed to end the operations of its Foundation, the Unilever Ghana Foundation. This is to reflect the Global Unilever position of centralizing all its Foundation activities, the result of which all such country Foundation activities are to close.

The Board of Trustees of the Unilever Ghana Foundation was tasked with the responsibility of initiating the necessary formalities and programmes leading to a successful liquidation of the Ghana Foundation by close of the year 2020. The Board of Trustees approved for the following formalities and programme of activities to be rolled out:

- The rehabilitation of 20 out of the 26 hygiene stations built by the Foundation
- Documentary covering the 20 year existence of the Foundation and its achievements
- Documentary of the women empowerment project (Shakti) which it sponsored in 2018
- Auditing of the Foundation's finances to pave way for the holding of its 2019 AGM
- Seeking advice on the engagement of a liquidator

The Foundation had barely kickstarted the implementation of its drawn out programmes when the country recorded its first case of the coronavirus infection and had to go into a lockdown mode. This affected the delivery of the planned projects and for that matter the 2020 target for the liquidation of the Foundation. The Board is working towards bringing that to fruition in the first quarter of 2021.

Working with the Ghana Recycling Initiative by Private Enterprises (GRIPE)
Unilever's active involvement in the Ghana Recycling Initiative by Private Enterprises (GRIPE) continued in the year 2020. The coalition's activities, though impacted by the pandemic, continued steadily.

The group collected 1800tonnes of plastic waste from the environment with the aim to initiate a second life process for it, away from the public drainage system, streets, and water bodies. GRIPE also conducted media campaigns on the major social media platforms and radio to create awareness and educate the public in a bid to close the gap in knowledge on improved waste management practices.

GRIPE in collaboration with members of the Waste Recovery Platform initiated a waste management campaign as part of an effort to support the national COVID- 19 response programme in sensitizing the public on the need to efficiently manage their waste, particularly, during the pandemic. It also sought to project the importance of Waste Pickers in the waste value chain and to raise support to provide PPEs for these workers, particularly, during the period of the pandemic.

Managing Director's Review Continued

Awards

The company's effort at projecting excellence in every aspect of its operations and the deployment of its sustainability packages to cushion the hardship imposed by the outbreak of the COVID-19 pandemic, caught the attention of several awards institutions. The following are some of the awards the company picked up during the year:

- Best Company in Supporting Health Institutions & Facilities (Sustainability & Social Investment Awards)
- Best Company in Supporting Government Institutions (Sustainability & Social Investment Awards)

Outlook for 2021

Management retains a positive outlook for the company in the coming years.

CORPORATE GOVERNANCE

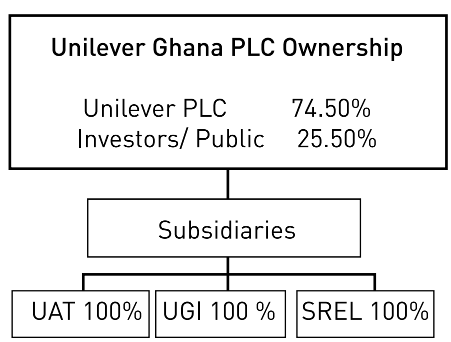
Introduction

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

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

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

Legal Structure of Unilever



Board of Directors

The responsibility of good corporate governance is placed on the Board of Directors and the Management Team. The Board of Directors are highly qualified and experienced in their professional areas of expertise. The Board is currently comprised of Four (4) executive directors and Six (6) non-executive directors, one of whom is the Chairman of the Board. The non-executive directors are the principal external presence in the governance of Unilever Ghana PLC and provide a strong independent element. The Board meets at least four (4) times a year to deliberate on Corporate strategy and implementation, approval of Annual Report and Accounts and recommendation of dividends amongst other things.

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

The Audit Committee

The Audit Committee is made up of 1 executive Director and 4 non-executive directors. It is chaired by a non-executive director who has a strong background and experience in business, finance and audit. The Committee meets to review the financial performance of the company, the adequacy of the internal audit plan, progress against current audit report recommendations, the adequacy of internal control systems and the degree of

CORPORATE GOVERNANCE Continued

business compliance with laid down internal policies, laws, code of business principles and any other relevant regulatory framework. The Committee also reviews findings of the external auditors.

The Executive Committee

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

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

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

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

Internal Controls

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

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

Code of Business Principles.

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


Geisha
NEW
GEISHA MORINGA SOAP
GEISHA BLACK SOAP
FOR SOFT & GLOWING SKIN
MADE IN AFRICA
Geisha
AFRICAN STRENGTH
MORINGA SOAP
Geisha
AFRICAN STRENGTH
BLACK SOAP

REPORT OF THE AUDIT COMMITTEE

Membership of Audit Committee of the Board

The Unilever Ghana Audit Committee is comprised of Four Non-Executive Directors and one Executive Director. The Committee is chaired by Mrs Angela Peasah, a Chartered Accountant, Non-Executive Independent Director with an extensive background in general management, accounting, finance, and audit. The Unilever Audit & Risk Manager is always in attendance at the meetings and from time to time, the external auditor, KPMG, is invited to make presentations to the Committee.

Role of the Audit Committee

The Audit Committee meets quarterly to review:

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

Summary of the Audit Committee's Activities in 2020

In 2020, the Unilever Ghana PLC's Audit Committee met five times on 27 January, 24 March, 23 April, 21 July and 22 October.

Review of the Financial Performance of the Company

At the 27 January 2020 and 24 March 2020 meetings, the committee reviewed the performance of the Company for the financial year ended 31 December 2019 and the audited accounts for the 2019 financial year respectively. The Financial Controller reported on the highlights of the business performance for the year ended December 31, 2019. The Committee was further updated on the Company's performance in 2020 during the 23 April 2020, 21 July 2020, and 22 October 2020 meetings.

Internal Audit

The Internal Audit Manager provided Committee Members with highlights on progress with the 2019 audit plan, key findings for the quarters under review, business risks identified and the 2020 audit plan.

2019 Audit actions that were completed and near finalization were presented to the Audit Committee. Completed actions included balance sheet review, customer claims, credit limits, distributor stocks etc. Audit actions in the finalization stage included local vendor selection and payments.

The Internal Audit and Risk Manager further highlighted the 2020 Audit plan. The proposed plan covered audit of the Leveredge system, audit of contingent labour etc. The plan was approved by the Committee.

External Audit

Updates were provided on a number of Audit focus areas including Revenue Recognition, Impairment of Receivables, Management override of controls, Lease arrangements (IFRS 16), Recognition of revenue for stocks under Unilever's control, Implications of stock transfers between Key Distributors on control and revenue recognition etc.

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements of the Company for the year ended 31 December 2020.

Directors' Responsibility Statement

The Directors are responsible for the preparation of financial statements that give a true and fair view of Unilever Ghana PLC, comprising the statement of financial position at 31 December 2020, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies 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 the Directors 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 Auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Going Concern Consideration and State of Affairs

The Company incurred a loss of GH¢50.4 million for the year (2019: GH¢160 million) and at 31 December 2020, the Company's current liabilities exceeded its current assets by GH¢133million (2019: 110 million).

A substantial part of the Company's current liabilities is due to its related parties. Unilever PLC, the ultimate parent company of Unilever Ghana PLC on behalf of itself, Unilever Overseas Holdings Limited and UAC International Limited have confirmed in a letter to the Company that they will not demand repayment of amounts due to them for one year from the date of signing the financial statements for the year ended 31 December 2020.

The Company has prepared a forecast for the next twelve (12) months which shows the Company will have sufficient cash flows to finance future operations and return to profitability in the very near future. Management has further put in place measures to improve the Company's performance through increased marketing and brand visibility activities.

The Company also has financial arrangements with some of its bankers to support its operational activities.

Based on the forecasted financial information, the Directors expect the Company to continue as a going concern in the foreseeable future.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis assumes that cashflows arising from the normal course of business will be available to finance future operations of the Company and the realisation of assets and the settlement of liabilities would occur in the normal course of business.

Nature of Business/Principal Activities

The Company 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. There was no change in the nature of business of the Company during the year.

Objective of the Company

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

Holdng Company

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

DIRECTORS' REPORT Continued

Subsidiaries of the Company
The Company currently has direct interest in the following dormant entities as at 31 December 2020:

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

Associates
The Company does not have direct or indirect equity share in any associates, at 31 December 2020 (2019: Nil).

Five-Year Financial Highlights
Details of the five-year financial highlights are disclosed on page 80.

Financial Statement/Business Review
The financial results of the Company for the year ended 31 December 2020 are set out in the financial statements, highlights of which are as follows:

	2020 GH¢'000	2019 GH¢'000
Loss before tax	(27,559)	(216,647)
Loss for the year	(50,389)	(160,316)
Total assets	335,721	489,179
Total liabilities	300,922	404,227
Total equity	**34,799**	**84,952**
	=====	======

The Directors do not recommend the payment of dividend for the 2020 financial year (2019: Nil).

Particulars of Entries in the Interest Register During the Financial Year
No Director had any interest in contracts and proposed contracts with the 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 Company and remuneration are disclosed in Note 33 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 32 to the financial statements.

Corporate Social Responsibility and Code of Ethics
The year 2020 passed as an eventful one given the challenges posed by the COVID-19 global pandemic to our operations and the delivery of the objectives of the Unilever Sustainable Living Plan (USLP) - Improving Health and Hygiene, Reducing Environmental Impact, and Enhancing Livelihood of People.

The company invested significant amounts of resources in establishing a robust adherence regime in respect of the COVID-19 preventive protocols among its workforce, suppliers, and product distribution network across the country. This initiative imposed a duty on the communications and sustainability unit to generate corresponding communication materials and channels for disseminating the needed information for both internal and external use.

Internally, the unit worked closely with the Incident Management Team (IMT) and the Management of the company

DIRECTORS' REPORT Continued

to ensure that the appropriate awareness about the threats posed by COVID-19 had been created and timeously too. Communication about adherence to the preventive health protocols and what is expected of both factory and field staff, suppliers, and distributors was shares regularly to keep awareness levels high for compliance.

The unit also activated an enhanced media engagement and sustainability drive to facilitate and coordinate external engagements on the company's response to the deadly pandemic and what support package it intended to extend to the people of Ghana. Collaboration was forged with the Brands, particularly, Lifebuoy, to ensure external awareness campaigns such as interactions with the public at lorry stations, churches, schools, malls, and the media received enough publicity in the media. Selected media houses including the Daily Graphic, Multimedia, TV3 Network, and the Ghana News Agency benefitted from product donations under the collaboration. The Lifebuoy product donation was extended to the Greater Accra Regional Hospital (Ridge), Tema General Hospital, University of Ghana Medical Center and the Korle-Bu Teaching hospital. And, except for the Greater Accra Regional Hospital, the other health facilities mentioned received a donation of a handheld ventilator each.

The Communications and Sustainability unit coordinated another donations exercise which saw over twenty institutions, Non- Governmental Organizations, Local Assemblies and communities benefitting. Some of the beneficiaries included the Tema Traditional Council, Tema Metropolitan Assembly, Zebilla District Hospital, Ghana Fire Service, Ghana Prison's Service (Awutu Camp), Manhean Polyclinic, Osu Children's Home, Art Foundation of Ghana, National Disaster Management Organization, Ankaful Psychiatric Hospital and the Achimota Golf Club.

Unilever Ghana Foundation
Unilever Ghana plc has committed to end the operations of its Foundation, the Unilever Ghana Foundation. This is to reflect the Global Unilever position of centralizing all its Foundation activities, the result of which all such country Foundation activities are to close.

The Board of Trustees of the Unilever Ghana Foundation was tasked with the responsibility of initiating the necessary formalities and programmes leading to a successful liquidation of the Ghana Foundation by close of the year 2020.

The Board of Trustees approved for the following formalities and programme of activities to be rolled out:

- The rehabilitation of 20 out of the 26 hygiene stations built by the Foundation
- Documentary covering the 20 -year existence of the Foundation and its achievements
- Documentary of the women empowerment project (Shakti) which it sponsored in 2018
- Auditing of the Foundation's finances to pave way for the holding of its 2019 AGM
- Seeking advice on the engagement of a liquidator

The Foundation had barely kickstarted the implementation of its drawn out programmes when the country recorded its first case of the coronavirus infection and had to go into a lockdown mode. This affected the delivery of the planned projects and for that matter the 2020 target for the liquidation of the Foundation. The Board is working towards bringing that to fruition in the first quarter of 2021.

Working With The Ghana Recycling Initiative By Private Enterprises (Gripe)
Unilever's active involvement in the Ghana Recycling Initiative by Private Enterprises (GRIPE) continued in the year 2020. The coalition's activities, though impacted by the pandemic, continued steadily with even more milestones recorded.

The group collected 1800tonnes of plastic waste from the environment with the aim to initiate a second life process for it, away from the public drainage system, streets, and water bodies. GRIPE also conducted media campaigns on the major social media platforms and radio to create awareness and educate the public in a bid to close the gap in knowledge on improved waste management practices.

DIRECTORS' REPORT Continued

GRIPE in collaboration with the members of the Waste Recovery Platform initiated a waste management campaign as part of an effort to support the national COVID- 19 response programme in sensitizing the public on the need to efficiently manage their waste, particularly, during the pandemic. It also sought to project the importance of Waste Pickers in the waste value chain and to raise support to provide PPEs for these workers, particularly, during the period of the pandemic.

As part of GRIPE's efforts to help mitigate the negative impact of the COVID- 19 pandemic on the livelihood of waste pickers, who play an integral role in the waste value- chain. GRIPE, on 23rd May 2020 donated to 600 waste pickers in Accra. The donation was made to the Pure Water Waste Pickers Association and the Kpone and Biakoye Waste Pickers Associations. The donation included 600 food packages and 100 bags of sachet water.

GRIPE in 2020 funded the set-up of a Permanent Buyback Centre for plastics in Jamestown. The center is to serve as a hub where individuals can exchange their post- consumer plastics for incentives. The center was commissioned in the month of July at the Jamestown site.

BOARD OF DIRECTORS

Profile

Executive	Qualification	Outside board and management position
Mr. George Owusu-Ansah	o Holds Bachelor of Science in Computer Science and Statistics - University of Ghana	None
Mrs. Nana Yaa Owusu-Ansah	o Master of Arts –Marketing & Innovation from London School of Marketing. o Post graduate Diploma – Business & Marketing Strategy Eduqual Extended Programme o Bachelor of Education – Psychology from University of Cape Coast	None
Mr. Michael Odinakachi Ubeh	o BSc (Hons) in Applied Chemistry- Federal University of Uyo Akwa Ibom Nigeria o Master in business administration Federal University of Technology -Yola Nigeria o Post Graduate Certificate in Management- University of Cumbria- London.	None
Mr. Priyadharshana Ekanayake	o Associate Member- CIMA o Passed Finalist of Australian Computer Society	None
Non-executive		
Edward Effah	o Chartered Accountant o Member of the Institute of Chartered Accountants in England & Wales. o Member of the Institute of Directors (UK).	o Fidelity Bank – Chairman o Africa Capital LLC – Director o Fidelity Securities Limited – Director
Dr. Mrs. Edith Dankwa	o Doctor of Business Administration (DBA) – Walden University USA o Master of Business Administration (MBA), Ghana Institute of Management & Public Administration. o Post Graduate Certificate – Newspaper Management International Institute of Journalism (Germany). o Post Graduate Diploma – Marketing, Chartered Institute of Marketing, Ghana. o B A Management Studies, University of Cape Coast	o Business & Financial Times Limited o Conbiz Construction & Investment Limited o Executive Women Network
Mr. Carl Raymond Cruz	o Holds a Bachelor of Science degree in Marketing - De La Salle University, Philippines.	Executive Director, Unilever Nigeria PLC
Mrs. Angela Peasah	o Chartered Accountant of the Institute of Chartered Accounts, Ghana. o Executive MBA from the University of Ghana Business School, University of Ghana, Legon. o Institute of Professional Studies (IPS)	Payroll Directorate of the Controller and Accountant General's Department

DIRECTORS' REPORT Continued

Mrs. Adesola Sotande-Peters	o Bachelor degree in Business Administration & Economics from Richmond College, The American International University in London. o MBA for finance professionals – Manchester Business School. o Fellow of the Association of Certified Chartered Accountants (FCCA). o Member of the Institute of Chartered Accountants of Nigeria (ICAN).	Executive Director, Unilever Nigeria Plc
Mr. Philip Odotei Sowah	o BSc Mechanical Engineering, Washington University Missouri, USA o BA Physics, Grinnell College, Iowa, USA o Airtel Leadership in Action Program –INSEAD Business School, Singapore campus	o Absa Bank Ghana Limited – Director o mPharma Limited – Director o Rhema Energy Limited – Director o Trust Logistics Limited - Director

Role Of The Board

The Directors are responsible for the long-term success of the Company, to determine the strategic direction of the 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 Company's dividend policy, transactions involving the issue or purchase of company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the 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 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 results 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 Company's business, the risks and strategic challenges the Company faces, and the economic, competitive, legal and regulatory environment in which the Company 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 Company'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.

Conflicts Of Interest

The Company has established appropriate conflicts authorisation procedures; whereby actual or potential conflicts

DIRECTORS' REPORT Continued

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 is maintained. The Board considers that the Chairman is independent on appointment and all non-Executive Directors are independent as it pertains to the management of the Company. The continuing independent and objective judgement of the Non-Executive Directors has 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. KPMG has been the auditor of Unilever Ghana for seven (7) years. KPMG does not provide non-audit services to the Company.

Audit Fees
The audit fee for the year is GH¢516,000 (2019: GH¢457,000).

Approval Of The Report Of The Directors
The report of the Directors of Unilever Ghana PLC was approved by the Board of Directors on 23/03/2021 and signed on their behalf by

Mr. Edward Effah	**George Owusu-Ansah**

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

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Unilever Ghana PLC ("the Company"), which comprise the statement of financial position at 31 December 2020 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 78.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue recognition (GH¢456 million) Refer to Note 5 to the financial statements	
The key audit matter	**How the matter was addressed in our audit**
Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when goods are delivered to a customer and thus control has been transferred. There is a time lag between issues of goods to distributors and receipts of those goods close to the year end. Revenue may be recorded when control has not been transferred to the customer.	Our principal audit procedures included the following, we: Evaluated the design and implementation and tested the operating effectiveness of controls over the initiation, recording and processing of revenue. Assessed whether sales transactions posted before and after the balance sheet dates were recognised in the correct period. Tested credit notes issued after year end to assess whether they related to revenue recognised in the current period. Developed an expectation of the current year revenue balance based on trend analysis, considering historical monthly sales and returns information. We then compared the expectation to actual results and ascertained reasons for variances. Tested selected transactions to confirm whether revenue recorded during the year have been recognised in line with requirements of IFRS 15. We traced the transactions to the relevant supporting documents and confirmed that they were recorded accurately and in the correct period. Evaluated the adequacy of the Company's disclosures in respect of revenue in line with IFRS 15.
Existence, accuracy and valuation of inventory (GH¢97 million) **Refer to Note 19 to the financial statements**	
The key audit matter	**How the matter was addressed in our audit**
The Company keeps many inventory lines with significant values for the relevant segments. Inventory may not be measured appropriately due to non-existence and obsolescence.	Our principal audit procedures included the following, we: Evaluated the design and implementation and tested the operating effectiveness of controls over the inventory process. Observed the year-end inventory counts and checked that the physical quantities agree with the system quantities per the Company's records On a sample basis, we recomputed the unit cost of inventory used in the year-end inventory valuation by agreeing the costs to supporting documentation such as purchase invoices and landed costs. Checked that finished goods were appropriately valued at the lower of cost and net realisable value. Identified slow moving inventory and assessed reasonableness of impairment allowance recognised on such inventory. Evaluated the adequacy of disclosures in relation to inventory recognised in the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNILEVER GHANA PLC (CONTINUED)

Other Information
The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992), Financial Highlights and Corporate Information which we obtained prior to the date of this auditor's report. The Chairman's Review, Managing Director's Review, Audit Committee's Report and Corporate Governance Statement are expected to be made available to us after the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 that we 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.

Responsibilities of the Directors for the Financial Statements
The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 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 Company to cease to continue as a going concern.

- o Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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 the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and 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 the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)
We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, so far as appears from our examination of those books. The statements of financial position and comprehensive income are in agreement with the accounting records and returns.

We are independent of the Company under audit 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 Evelyn Addico (ICAG/P/1478).

KPMG
…………………………………………
FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2021/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

23 March, 2021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HERBAL
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FOR STRONG
TEETH & GUMS
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TRIPLE
HERBAL
Pepsodent
Every Smile Matters

Statement of financial position as at 31 December 2020

(All amounts are expressed in thousands of Ghana cedis)

	Notes	2020	2019
Assets			
Property, plant and equipment	15a	135,551	138,983
Lease-Right-of-Use assets	16a(i)	11,468	13,422
Deferred tax asset	14c	24,539	47,447
Investment in subsidiaries	18	10	10
Non-current assets		171,568	199,862
Inventories	19	97,021	115,659
Trade and other receivables	24	25,639	114,316
Prepayments	25	652	1,362
Related party receivables	32c	22,340	35,892
Current tax asset	14b	12,554	10,231
Cash and bank balances	28	5,947	11,857
Current assets		164,153	289,317
Total assets		335,721	489,179
Equity			
Share capital	21a	1,200	1,200
Capital surplus account	22	204	204
Retained earnings	21b	33,314	83,467
Share deals account	23	81	81
Total equity		34,799	84,952
Non-current liabilities			
Employee benefit obligations	17b	3,422	3,736
Long term lease liability	16a(iv)	166	1,116
Non-current liabilities		3,588	4,852
Current liabilities			
Bank overdraft	28	6,892	65,202
Trade and other payables	26	103,026	87,115
Related party payables	32d	149,391	210,056
Dividend payables	20	33,828	33,828
Provisions	29	2,852	1,378
Short term lease liability	16a(iv)	1,345	1,796
Current liabilities		297,334	399,375
Total liabilities		300,922	404,227
Total liabilities and equity		335,721	489,179

The financial statements were approved by the Board of Directors on 23 March 2021 and signed on their behalf by:

Edward Effah

Mr. Edward Effah

George Owusu-Ansah

The notes on pages 34 to 78 form an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 December 2020

(All amounts are expressed in thousands of Ghana cedis)

	Note	2020	2019
Revenue	5	456,279	333,290
Cost of sales	7	(380,584)	(348,684)
Gross profit/(loss)		75,695	(15,394)
Distribution expenses	8	(17,568)	(25,775)
Brand and marketing investment	9	(31,910)	(30,096)
Administrative expenses	10	(72,841)	(91,051)
Restructuring costs	29	(2,150)	(2,688)
Impairment allowance on trade & other receivables	35c(i)	23,470	(51,038)
Other income	11a	3,253	10,427
Operating loss		(22,051)	(205,615)
Finance income	12	100	571
Finance costs	12	(5,608)	(11,603)
Loss before taxation		(27,559)	(216,647)
Income tax (expense)/credit	14a	(22,830)	56,331
Loss for the year		(50,389)	(160,316)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain	17b	314	169
Related tax	14c	(78)	(42)
Other comprehensive income, net of tax		236	127
Total comprehensive income		(50,153)	(160,189)
Earnings per share for profit attributable to equity holders of the Company			
Basic loss per share	34a	(0.8062)	(2.5651)
Diluted loss per share	34a	(0.8062)	(2.5651)

The notes on pages 34 to 78 form an integral part of these financial statements.

Statement of changes in equity as at 31 December

(All amounts are expressed in thousands of Ghana cedis)

	Share capital	Capital surplus	Retained earnings	Share deals	Total equity
2020					
Balance at 1 January 2020	1,200	204	83,467	81	84,952
Total comprehensive income					
Loss for the year	-	-	(50,389)	-	(50,389)
Other comprehensive income (Note 14b, 17b)	-	-	236	-	236
Total comprehensive income	-	-	(50,153)	-	(50,153)
Balance at 31 December 2020	**1,200**	**204**	**33,314**	**81**	**34,799**
2019					
Balance at 1 January 2019	1,200	204	293,656	81	295,141
Total comprehensive income					
Loss for the year	-	-	(160,316)	-	(160,316)
Other comprehensive income (Note 14b, 17b)	-	-	127	-	127
Total comprehensive income	-	-	(160,189)	-	(160,189)
Transactions with owners of the Company					
Distribution					
Dividend declared (Note 20)	-	-	(50,000)	-	(50,000)
Total distribution	-	-	(50,000)	-	(50,000)
Balance at 31 December 2019	**1,200**	**204**	**83,467**	**81**	**84,952**

The notes on pages 34 to 78 form an integral part of these financial statements.

Statement of cash flows for the year ended 31 December

(All amounts are expressed in thousands of Ghana cedis)

	Notes	2020	2019
Cash flows from operating activities			
Cash generated from operating activities	27	70,752	104,131
Interest paid	12	(5,608)	(11,603)
Interest received	12	100	571
Tax paid	14b	(2,323)	(36,843)
Net cash from operating activities		62,921	56,256
Cash flows from investing activities			
Purchase of property, plant and equipment	15a	(8,883)	(23,878)
Net cash used in investing activities		(8,883)	(23,878)
Cash flows from financing activities			
Dividend paid	20	-	(19,216)
Payment of principal portion of lease liability	16a(iii)	(1,401)	(1,997)
Net cash used in financing activities		(1,401)	(21,213)
Increase in cash and cash equivalents		52,637	11,165
Cash and cash equivalents at 1 January		(53,345)	(65,563)
Effect of movement in exchange rate on cash and bank		(237)	1,053
Cash and cash equivalents at 31 December	28	(945)	(53,345)

The notes on pages 34 to 78 form an integral part of these financial statements.

1. REPORTING ENTITY

Unilever Ghana PLC is registered and domiciled in Ghana. The Company's registered office is at Plot No. Ind/A/2/3A-4 Tema. The Company manufactures and sells consumer products. The Company is listed on the Ghana Stock Exchange. The financial statements at and for the year ended 31 December 2020 comprise the individual financial statements of the Company.

2. BASIS OF ACCOUNTING

a. Statement of compliance

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

b. Basis of measurement

The 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

The financial statements are presented in Ghana Cedis (GH¢) which is the Company's functional currency. All financial information are expressed in thousands of Ghana Cedis, unless otherwise indicated.

d. 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.

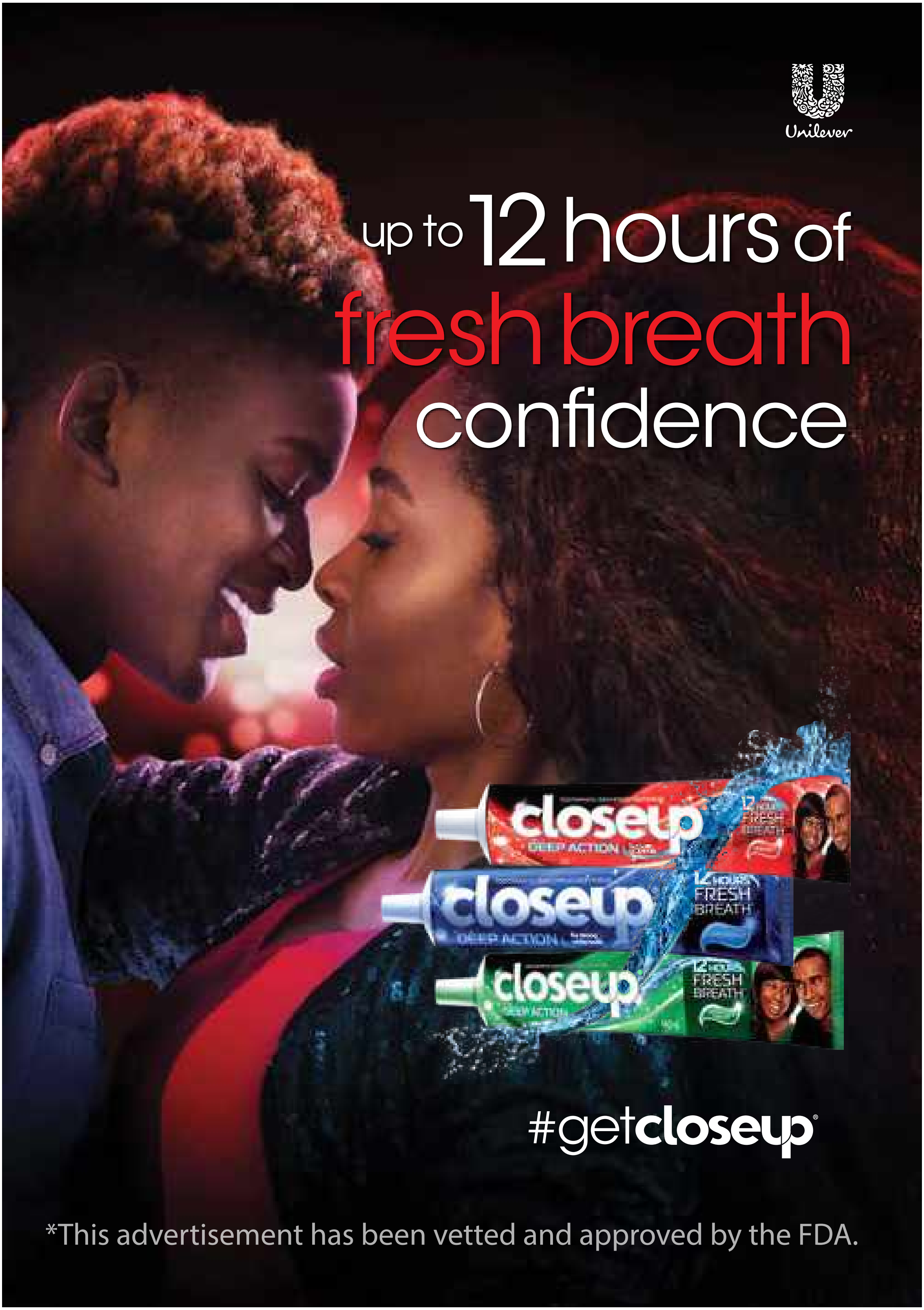
e. Assumption and estimation uncertainties

(i) Information about assumptions and estimation uncertainties at 31 December 2020 that 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 17: measurement of defined benefit obligation: Key actuarial assumptions;
- Note 35(c)(i): measurement of ECL allowance for trade receivables: Key assumptions in determining the weighted – average loss rate
- Note J(ii): revenue recognition: estimate of expected returns: Key assumptions in determining refund liability and refund assets
- Note 14c: Recognition of deferred tax assets: availability of future taxable profits against which deductible temporary difference and tax losses carried forward can be utilised;

(ii) Measurements of fair values

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

When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in 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 Company 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 35, financial instrument - fair values and risk management.

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.

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

(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

Financial Statements

Notes to the financial statements (Continued)

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	-	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 are expected from its use.

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

(iv) Capital work in-progress

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

(v) Spare parts

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

d. Leases

At inception of a contract, the Company 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 contract conveys the right to control the use of an identified asset, the Company 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 Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company 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 Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company 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 Company's incremental borrowing rate.

Generally, the Company uses its incremental borrowing rate as the discount rate. The Company 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 type of the 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; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company 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 Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company 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 Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company 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 Company allocates the consideration in the contract to each lease component based on their relative standalone prices.

When the Company 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 Company 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 Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company 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 Company 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 Company applies IFRS 15 to allocate the consideration in the contract.

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

e. 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.

f**. 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 Company 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 Company 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.

Financial Statements

Notes to the financial statements (Continued)

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Company 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 Company 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 Company'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.

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 Company'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 Company 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 Company 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 Company'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, bank overdraft and dividend payables.

(iii) Derecognition

(a) Financial assets
The Company 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 Company 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 Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company 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 Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Company 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 Company 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 Company's historical experience and informed credit assessment and including forward-looking information.

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

The Company 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 Company 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 Company 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 Company expects to receive).

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

Credit-impaired financial assets
At each reporting date, the Company 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.

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 Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

Financial Statements

Notes to the financial statements (Continued)

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 Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company 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 Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due and based on historical experience of recoveries, the Company 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 Company's procedures for recovery of amounts due.

(ii) Non-financial assets

At each reporting date, the Company 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 asset's 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 independent of the cash inflows
of other assets or 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 cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the 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.

g. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company 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.

h. 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.

i. Income tax

Income tax expenses 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.

Financial Statements

Notes to the financial statements (Continued)

(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 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 Company expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a. the Company 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.

j. Provision

Provisions for restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise employee termination payments. A provision for restructuring is recognised when the Company 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.

k. Employee benefits

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

(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 Company 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 service 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.

a. Social security contribution

Under a national pension scheme, the Company contributes 13% of employee's basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Company'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 Company has a Tier 3 Pension fund and Saving Scheme for staff and management under which the Company contribute 5% and 2.5% respectively to the scheme.

(iii) Defined benefit plan

The Company'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 Company, 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 Company determines the net interest expense (Income on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contribution and benefit payment.

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

(iv) Termination benefit

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

(v) Other long-term benefit

Long Service Award 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.

l. Revenue from contracts with customers

(i) Sale of goods

The Company generates revenue primarily from the sale of its products from foods, home care and personal care. Refer to note (36) Segment Information.

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

Customers obtain control of goods when they are delivered to the customer. Goods are considered delivered once the customer acknowledges receipt of the promised goods. Invoices are generated at that point in time. Most sales are on cash basis and credit sales are usually payable within 30 days. The Company may allow some customers to return items at their own discretion. Returned goods are exchanged for new goods.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore,


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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 are 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 26) and the right to recover returned goods is included in inventory (see Note 19). The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

(k) Finance income and finance costs

Finance income comprises interest income on funds invested or held in bank accounts. Interest income is recognised in profit or loss using the effective interest method. 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 Company has presented interest expense on the lease liability as part of finance costs, separately from the depreciation charge for the right of- use asset.

(l) Foreign currency translation

Transactions and balances

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

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

(m) Dividend

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

(n) Segment reporting

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

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

(o) Earnings per share

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

(p) Operating profit

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

4a. CHANGE IN SIGNIFICANT ACCOUNTING POLICIES

A number of new standards are effective from 1 January 2020 that do not have a material effect on the Company's financial statements.

4b. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of the financial statements of the Company for the year ended 31 December 2020, the following Standards and Interpretations were in issue but are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company has not early adopted them in preparing this financial statement.

The Company is yet to determine the impact of these standards on the financial statements. Those that are relevant to the Company's financial statements are:

Standard	Interpretation
COVID-19 Related Rent Concessions (Amendments IFRS 16)	The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. The practical expedient will only apply if: o the revised consideration is substantially the same or less than the original consideration; o the reduction in lease payments relates to payments due on or before 30 June 2021; and o no other substantive changes have been made to the terms of the lease. Lessees applying the practical expedient are required to disclose: o that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and o the amount recognised in profit or loss for the reporting period arising from application of the practical expedient. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.

Financial Statements

Notes to the financial statements (Continued)

Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)	Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37) Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both: o the incremental costs – e.g. direct labour and materials; and o an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. Earlier application is permitted.

5. REVENUE

Revenue is recognized when the Company transfers control over a good to a customer. Revenue comprises the value of goods and services invoiced less VAT, discounts and rebates.

	2020 GH¢'000	**2019** GH¢'000
Gross sales value	575,157	478,955
Value added tax/NHIL	(68,539)	(62,709)
Discounts and rebates	(50,339)	(82,956)
	----------	--------
Revenue	456,279	333,290
	======	======
By customer:		
Third parties	453,191	332,702
Related parties (Note 32b)	3,088	588
	----------	----------
	456,279	333,290
	======	======

6. (LOSS)/PROFIT BEFORE TAX

is stated after charging:

	2020 GH¢'000	**2019** GH¢'000
Staff cost (Note 13a, b)	40,740	45,965
Depreciation of PPE (Note 15a)	11,425	8,574
Depreciation of ROU Asset (Note 16a(i))	1,796	2,468
Auditor's remuneration (Note 10)	516	457
Directors' remuneration (Note 33)	4,561	3,041
	=====	====

Financial Statements

Notes to the financial statements (Continued)

7. COST OF SALES

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

	2020 GH¢'000	2019 GH¢'000
Raw materials & conversion costs	334,924	291,204
Supply support	11,723	12,004
Foreign exchange loss	-	9,035
Trademark & knowhow fees	2,146	3,571
Depreciation (Note 15a)	10,121	7,415
Staff costs (Note 13a)	19,736	24,014
Depreciation on ROU assets	1,044	1,441
Write-off of PPE	890	-
	380,584	348,684

Included in raw materials & conversion costs are write down of damaged and obsolete inventories amounting to GH¢14,431,051 (2019: GH¢4,355,612).

8. DISTRIBUTION EXPENSES

	2020 GH¢'000	2019 GH¢'000
Inbound distribution expenses	-	4
Warehouse, storage & handling expenses	14,046	13,666
Outbound distribution expenses	3,522	12,105
	17,568	25,775

9. BRAND & MARKETING INVESTMENT EXPENSES

	2020 GH¢'000	2019 GH¢'000
Advertising expenses	14,036	10,550
Promotion expenses	17,421	18,821
Merchandising expenses	453	725
	31,910	30,096

Financial Statements

Notes to the financial statements (Continued)

10. ADMINISTRATIVE EXPENSES

	2020 GH¢'000	2019 GH¢'000
Business group fees	11,892	19,782
Market research cost	6,197	6,568
Information technology costs	6,142	8,369
Third party service	9,866	7,463
Capability building	1,880	1,632
Directors' remuneration	4,561	3,041
Professional and legal costs	3,707	7,389
Bank charges	1,023	64
Utilities	1,277	1,314
Repairs and maintenance	744	905
Insurance	588	337
Relocation expenses	389	29
Other primary expenses	588	649
Depreciation (Note 15a &b)	1,304	1,159
Staff costs (Note 13b)	21,004	21,951
Auditor's remuneration	516	457
Donation	18	16
Depreciation on ROU assets	752	1,640
Loss on disposal of PPE	-	8,286
Penalties	393	-
	72,841	91,051

11 OTHER INCOME

	2020 GH¢'000	2019 GH¢'000
Management fees	2,141	10,109
Sale of scrap	874	304
Net exchange gain	224	-
Income from sub-lease	14	14
	3,253	10,427

Financial Statements

Notes to the financial statements (Continued)

12. FINANCE INCOME AND COST

	2020 GH¢'000	2019 GH¢'000
Finance income		
Interest on deposits and call	100	571
	===	===
Finance cost		
Interest on lease liability	(401)	(660)
Interest on bank overdrafts	(5,207)	(10,943)
	--------	---------
	(5,608)	(11,603)
	=====	=====

13. STAFF COSTS

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

a. Cost of sales

Wages & salaries to employees	18,194	22,488
Defined contribution scheme	1,542	1,526
	--------	--------
	19,736	24,014
	=====	=====

b. Administrative expenses

Wages & salaries to employees	17,739	18,302
Defined contribution scheme	2,419	2,525
Employee benefits obligation (Note 17b)	585	757
Other benefits	261	367
	--------	--------
	21,004	21,951
	=====	=====

The average number of employees at the end of the year was 248 (2019: 337).

14(a) Income tax expense

Current tax	-	-
Deferred tax	22,830	(56,331)
	--------	---------
	22,830	(56,331)
	=====	=====

Financial Statements

Notes to the financial statements (Continued)

(b) Current tax asset

2020	Balance at 1/1 GH¢'000	Charge to profit or loss GH¢'000	Payment/WHT credit during the year GH¢'000	Balance at 31/12 GH¢'000
Prior to 2013	(3,336)	-	-	(3,336)
2013-2015	1,800	-	-	1,800
2016-2018	1,948	-	-	1,948
2019	(10,643)	-	-	(10,643)
2020	-	-	(2,323)	(2,323)
	(10,231)	-	(2,323)	(12,554)
2019				
Prior to 2013	(3,336)	-	-	(3,336)
2013-2015	1,800	-	-	1,800
2016-2018	28,148	-	(26,200)	1,948
2019	-	-	(10,643)	(10,643)
	26,612	-	(36,843)	(10,231)

No provision has been made for current tax in the current year (2019: Nil) as the Company's operational results adjusted for tax purposes result in a nil chargeable income. The above tax position is subject to agreement with the tax authorities.

(c) Recognised deferred tax asset/liability

2020	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
Property, plant and equipment	11,063	2,021	-	13,084	-	13,084
Provisions	(17,252)	11,617	-	(5,635)	(5,635)	-
Loss carried forward	(38,177)	9,265	-	(28,912)	(28,912)	-
Finance cost carried forward	(2,234)	9	-	(2,225)	(2,225)	-
Employee benefits	(847)	(82)	78	(851)	(851)	-
Deferred tax liability/(asset)	(47,447)	22,830	78	(24,539)	(37,623)	13,084
2019						
Property, plant and equipment	16,874	(5,811)	-	11,063	-	11,063
Provisions	(6,985)	(10,267)	-	(17,252)	(17,252)	-
Loss carried forward	-	(38,177)	-	(38,177)	(38,177)	-
Finance cost carried forward	-	(2,234)	-	(2,234)	(2,234)	-
Employee benefits	(1,047)	158	42	(847)	(847)	-
Deferred tax liability/(asset)	8,842	(56,331)	42	(47,447)	(58,510)	11,063

Recognition of deferred tax assets of GH¢24,539,000 (2016: 47,447,000) is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicates that it is probable that the Company will have future taxable profits against which these assets can be used.

Financial Statements

Notes to the financial statements (Continued)

d. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the Company can use the benefits therefrom.

	2020		2019	
	Gross amount GH¢'000	Tax effect GH¢'000	Gross amount GH¢'000	Tax effect GH¢'000
Tax losses	92,944	23,236	-	-
Balance at 31 December	92,944	23,236	-	-

e. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows.

	2020 GH¢'000	Expiry date	2019 GH¢'000	Expiry date
Tax loss for 2020	56,498	2025		
Tax loss for 2019	36,446	2024	-	
	92,944		-	

f. 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:

	2020 GH¢'000	2019 GH¢'000
Loss before taxation	(27,559)	(216,647)
Tax calculated at the statutory income tax rate of 25%	(6,889)	(54,161)
Tax effect of:		
Disallowable expenses	6,505	(2,422)
Exempt income	-	(226)
Tax incentive	32	478
Change in estimate from prior year	(53)	-
Derecognition of previously recognised deductible temporary differences	9,175	-
Current year losses for which no deferred tax is recognised	14,060	-
Income tax charge/(credit)	22,830	(56,331)
Effective tax rate	83%	26%

Financial Statements

Notes to the financial statements (Continued)

15(a) PROPERTY, PLANT AND EQUIPMENT

	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 1/1/20	30,957	94,610	4,571	1,119	8,617	278	2,708	34,656	177,516
Additions	-	-	-	-	-	-	-	8,883	8,883
Capitalisation/transfers	4,662	30,284	108	-	769	-	-	(35,823)	-
Write offs	-	(1,486)	-	-	(561)	-	-	-	(2,047)
At 31/12/20	35,619	123,408	4,679	1,119	8,825	278	2,708	7,716	184,352
Accumulated depreciation									
At 1/1/20	3,800	23,873	2,612	913	6,383	275	677	-	38,533
Charge for the year	846	8,242	592	54	1,011	3	677	-	11,425
Released on write-off	-	(643)	-	-	(514)	-	-	-	(1,157)
At 31/12/20	4,646	31,472	3,204	967	6,880	278	1,354	-	48,801
Carrying amount 31/12/20	30,973	91,936	1,475	152	1,945	-	1,354	7,716	135,551
Cost									
At 1/1/19	36,902	78,393	3,552	901	8,617	278	-	45,619	174,262
Additions	-	-	944	-	-	-	-	22,934	23,878
Reclass of leasehold land	(12,239)	-	-	-	-	-	-	-	(12,239)
Capitalisation/transfers	14,620	16,276	75	218	-	-	2,708	(33,897)	-
Disposals	(8,326)	(59)	-	-		-	-	-	(8,385)
At 31/12/19	30,957	94,610	4,571	1,119	8,617	278	2,708	34,656	177,516
Accumulated depreciation									
At 1/1/19	3,376	17,926	2,400	877	5,233	256	-	-	30,068
Charge for the year	509	5,971	212	36	1,150	19	677	-	8,574
Released on disposal	(75)	(24)	-	-	-	-	-	-	(99)
Reclass of leasehold land	(10)	-	-	-		-	-	-	(10)
At 31/12/19	3,800	23,873	2,612	913	6,383	275	677	-	38,533
Carrying amount 31/12/19	27,157	70,737	1,959	206	2,234	3	2,031	34,656	138,983

Financial Statements

Notes to the financial statements (Continued)

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

	2020 GH¢'000	2019 GH¢'000
Cost of sales (Note 7)	10,121	7,415
Administrative expenses (Note 10)	1,304	1,159
	--------	-------
	11,425	8,574
	=====	====

There was no indication of impairment of property, plant and equipment held by the Company at 31 December 2020 (2019: Nil). At the year ended 31 December 2020, there was no restriction on title to the Company's property, plant and equipment (2019: Nil). Additionally, the Company did not pledge any of its assets as security for liabilities (2019: Nil).

b. Assets disposed	2020 GH¢'000	2019 GH¢'000
Gross book value	-	8,385
Accumulated depreciation	-	(99)
	---------	-------
Carrying amount	-	8,286
Consideration received	-	-
	---------	-------
Loss on disposal	-	8,286
	=====	====

This represents disposal of assets in relation to the Company's spreads business segment (Blue Band margarine).

16. LEASES

a. As a lessee

The Company leases land, vehicles and warehouse. The lease period for land is 50 years and that of vehicles and warehouse typically run for four to five years. In 2019, a portion of the leased land was sub-let by the Company. The lease and sub-lease expire in 2068.

Information about leases for which the Company is a lessee is presented below.

Financial Statements

Notes to the financial statements (Continued)

(i) Right-of-use assets

2020	Land GH¢'000	Vehicles GH¢'000	Warehouses GH¢'000	Total GH¢'000
Balance at 1 January	10,565	2,664	193	13,422
Depreciation charge for the year	(218)	(1,385)	(193)	(1,796)
Derecognition of right-of-use assets**	-	(158)	-	(158)
Balance at 31 December	10,347	1,121	-	11,468
2019				
Balance at 1 January	12,228	4,131	965	17,324
Depreciation charge for the year	(229)	(1,467)	(772)	(2,468)
Derecognition of right-of-use assets*	(1,434)	-	-	(1,434)
Balance at 31 December	**10,565**	**2,664**	**193**	**13,422**

** Derecognition of the right-of-use assets in 2020 relates to transfer of vehicle to a related entity at book value.

* Derecognition of the right-of-use assets in 2019 is as a result of the sub-lease the Company entered into during the year.

(ii) Amounts recognised in profit or loss

	2020 GH¢'000	2019 GH¢'000
Interest on lease liabilities	401	660
Income from sub-leasing right-of-use assets presented in 'other income'	(14)	(14)

(iii) Amounts recognised in statement of cash flows

	2020 GH¢'000	2019 GH¢'000
Payment of principal portion of lease liabilities	1,401	1,997
Interest payment	401	660
Total cash outflow for leases	**1,802**	**2,657**

(iv) Lease liabilities

	2020 GH¢'000	2019 GH¢'000
Balance at 1 January	2,912	4,909
Interest on lease liabilities	401	660
Payments made	(1,802)	(2,657)
Balance at 31 December	1,511	2,912

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

	2020 GH¢'000	2019 GH¢'000
Less than one year	1,345	1,796
More than one year	166	1,116
	1,511	2,912
Maturity analysis – contractual undiscounted cash flows		
Less than six months	729	898
Six months to one year	729	898
More than one year	187	1,670
Total undiscounted lease liabilities at 31 December	**1,645**	**3,466**

(iv) Extension option

The Company's lease arrangements do not contain extension options exercisable by the Company only.

b. As a lessor

During 2019, the Company sub-leased 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 Company recognised a loss of GH¢1.1 million on derecognition of the right-of-use asset pertaining to the land and presented the loss as part of operating expenses.

In 2020, the Company recognised interest income on lease receivables of GH¢14,225 (2019: GH¢14,225).

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

	2020 GH¢'000	2019 GH¢'000
Less than one year	14	14
One to two years	14	14
Two to three years	14	14
Three to four years	14	14
Four to five years	14	14
More than five years	599	613
Total undiscounted lease receivable	669	683
Unearned finance income	(576)	(590)
Net investment in the lease	93	93

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Notes to the financial statements (Continued)

17. EMPLOYEE BENEFIT OBLIGATIONS

(i) Ex-gratia pensions

Ex-gratia pensions is an unfunded scheme to 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) Other long-term benefits

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.

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:

	2020 %	2019 %
Discount rate	22.0	20.5
Salary inflation	16.0	16.0
Pension inflation	10.0	9.5

b. Movement in employee benefit obligations

	2020			2019		
	Ex-gratia Pensions GH¢'000	Long Service award GH¢'000	Total GH¢'000	Ex-gratia Pensions GH¢'000	Long service award GH¢'000	Total GH¢'000
Changes in liability						
Balance at 1 January	2,150	1,586	3,736	2,184	1,929	4,113
Service cost	-	790	790	-	794	794
Interest cost	412	375	787	437	429	866
Actuarial (gain)/loss arising from financial assumptions	(88)	(4)	(92)	65	70	135
Actuarial gain arising from other sources	(226)	(988)	(1,214)	(234)	(973)	(1,207)
Benefits paid/settlement	(286)	(299)	(585)	(302)	(663)	(965)
Balance at 31 December	**1,962**	**1,460**	**3,422**	**2,150**	**1,586**	**3,736**
Financial position						
Employee benefit obligation	1,962	1,460	3,422	2,150	1,586	3,736
Net liability	1,962	1,460	3,422	2,150	1,586	3,736
Included in profit or loss						
Service cost	-	790	790	-	794	794

Financial Statements

Notes to the financial statements (Continued)

Interest cost	412	375	787	437	429	866
Net interest and service cost	412	1,165	1,577	437	1,223	1,660
Actuarial gain	-	(992)	(992)	-	(903)	(903)
Amount recognised in profit or loss	412	173	585	437	320	757
Other comprehensive income						
Actuarial gain/(loss)	314	-	314	169	-	169
Reconciliation of statement of financial position						
Opening value	2,150	1,586	3,736	2,184	1,929	4,113
Benefits paid	(286)	(299)	(585)	(302)	(663)	(965)
Amount recognised in profit or loss	412	173	585	437	320	757
Amount recognised in other comprehensive income	(314)	-	(314)	(169)	-	(169)
Net employee benefit obligations	1,962	1,460	3,422	2,150	1,586	3,736

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:

		2020	2019	
	Increase GH¢'000	**Decrease GH¢'000**	**Increase GH¢'000**	**Decrease GH¢'000**
Discount rate (2% movement)	200	(179)	216	(219)
Salary inflation (2% movement)	(61)	65	43	(21)
Future pension growth (2% movement)	(115)	126	33	(22)

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

18. INVESTMENT IN SUBSIDIARIES

	2020 GH¢'000	**2019 GH¢'000**
Unilever Ghana Investments Limited	10	10

Name of subsidiary	**Nature of business**	**% held in 2020 & 2019**	**Country of incorporation**
United Africa Trust Limited	Investment management	100.00	Ghana
Swanzy Real Estate	Real Estate Development	100.00	Ghana
Unilever Ghana Investments Limited	Holding Company	100.00	Ghana

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Notes to the financial statements (Continued)

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

19a. INVENTORIES

	2020 GH¢'000	2019 GH¢'000
Raw and packing material	23,844	19,049
Work in process	6,196	4,663
Finished goods	36,466	55,148
Non-trade stock	8,907	9,759
Goods in transit	21,489	23,518
Right to recover returned goods	119	3,522
	97,021	115,659

At 31 December 2020, there were no inventories pledged as security (2019: Nil). The amount of inventory recognised in cost of sales amounted to GH¢334,924,087 (2019: GH¢291,204,684). The written-down values of raw materials and consumables and changes in work in process and finished goods included in cost of sales amounted to GH¢14,431,051 (2019: GH¢4,355,612). Inventories items are written down when they are close to expiry. Upon consumption of these inventory items before expiry, the written-down values are reversed. No reversal of write-down was recognised during the year (2019: Nil).

19b. REFUND ASSET AND LIABILITY

	2020 GH¢'000	2019 GH¢'000
Right to recover returned goods		
Balance at 1 January	3,522	-
Amount recognised in raw materials and conversion cost	(3,403)	3,522
Balance at 31 December (Note 19a)	119	3,522
Refund liability		
Balance at 1 January	6,463	-
Amount recognised in revenue	(6,256)	6,463
Balance at 31 December (Note 26)	207	6,463

20. DIVIDEND PAYABLE

	2020 GH¢'000	2019 GH¢'000
Balance at 1 January	33,828	3,044
Dividend declared during the year	-	50,000
Payments during the year	-	(19,216)
	---------	---------
Balance at 31 December	33,828	33,828
	=====	=====

Payment of dividend is subject to a withholding tax at the rates of 8% (2019: 8%) for both resident and non-resident shareholders.

21. CAPITAL AND RESERVES

a. Share capital		2020		2019
	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 dividend 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.

22. CAPITAL SURPLUS ACCOUNT

	2020 GH¢'000	2019 GH¢'000
Balance at 1 January	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.

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Notes to the financial statements (Continued)

23. SHARE DEALS ACCOUNT

	2020 GH¢'000	2019 GH¢'000
Balance at 1 January	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.

24. TRADE AND OTHER RECEIVABLES

	2020 GH¢'000	2019 GH¢'000
Trade receivables	22,913	112,312
Other receivables	17,051	65,126
	---------	----------
Gross amount	39,964	177,438
Impairment allowance	(14,660)	(63,455)
	---------	----------
Net amount	25,304	113,983
Amounts due from staff	242	240
Lease receivable	93	93
	--------	----------
Total	25,639	114,316
	=====	======

The maximum indebtedness from officers of the Company amounted to GH¢241,940 (2019: GH¢239,110).

Investment in Twifo Oil Palm Plantation (TOPP)

Included in other receivables is an amount of GH¢2,500,000 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 GH¢2,500,000 from the Government of Ghana. Subsequent to 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.

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

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Notes to the financial statements (Continued)

25. PREPAYMENTS

	2020 GH¢'000	2019 GH¢'000
At 1 January	1,362	22,740
Additions during the year	1,441	72,072
Utilised during the year	(2,151)	(93,450)
At 31 December	652	1,362

26. TRADE AND OTHER PAYABLES

	2020 GH¢'000	2019 GH¢'000
Trade payables	51,691	61,825
Accrued liabilities	27,714	17,367
Other payables	23,414	1,460
Refund liability	207	6,463
	103,026	87,115

27. CASH GENERATED FROM OPERATIONS

	2020 GH¢'000	2019 GH¢'000
Loss for the year	(50,389)	(160,316)
Adjustments for:		
Depreciation (Note 15a)	11,425	8,574
Loss on disposal of PPE	-	8,286
Write-off of PPE	890	-
Depreciation on ROU asset (Note 16a(i))	1,796	2,468
Derecognition of ROU asset (Note 16a(i))	158	1,434
Unrealised exchange difference	237	(1,053)
Employment benefit and retirement plan expense (Note 17b)	1,577	1,660
Actuarial gain on employee benefits (Note 17b)	(992)	(903)
Benefits paid (Note 17b)	(585)	(965)
Decrease/(increase) in inventories	18,638	(62,223)
Decrease in trade and other receivables	88,677	155,759
Decrease in prepayment	710	21,378
Decrease in related party receivables	13,552	192,012
Increase in trade and other payables	15,911	17,279
Decrease in related party payables	(60,665)	(21,595)
Increase/(decrease) in provisions	1,474	(12,365)
Tax charge/(credit) (Note 14)	22,830	(56,331)
Interest charge (Note 12)	5,608	11,603
Interest income (Note 12)	(100)	(571)
Cash generated from operating activities	**70,752**	**104,131**

Financial Statements

Notes to the financial statements (Continued)

28. CASH AND CASH EQUIVALENTS

	2020 GH¢'000	2019 GH¢'000
Bank balances	5,947	11,857
Cash and bank balances in the statement of financial position	5,947	11,857
Bank overdrafts repayable on demand and used for cash management purposes	(6,892)	(65,202)
Cash and cash equivalents in the statement of cashflows	(945)	(53,345)

The Company had no restriction on cash and bank balances at 31 December 2020 (2019: Nil).

Bank overdraft facilities
At the reporting date, the Company had approved unsecured overdraft facilities with certain local banks to support working capital needs. Total limit on the facilities amount to GH¢193 million out of which GH¢7 million had been utilised at 31 December 2020. Interest is payable at the banks base rates minus a spread. The facilities expire in 2021.

29. PROVISIONS

2020	Restructuring GH¢'000	Legal GH¢'000	CSR & AGM GH¢'000	Total GH¢'000
Balance at 1 January	-	706	672	1,378
Provisions made during the year	2,150	2,070	676	4,896
Provisions used during the year	(2,150)	(600)	(672)	(3,422)
Balance at 31 December	-	2,176	676	2,852
2019				
Balance at 1 January	12,367	619	757	13,743
Provisions made during the year	2,688	87	(85)	2,690
Provisions used during the year	(15,055)	-	-	(15,055)
Balance at 31 December	-	706	672	1,378

Restructuring provisions relates to redundancy of some staff as a result of process change implemented by the Company. The restructuring was completed in 2020 and the provision was used during the year

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

CSR & AGM provisions relate to Annual General Meeting expenses and expenses related to CSR projects, for which the amount and timing is uncertain.

Financial Statements

Notes to the financial statements (Continued)

30. CONTINGENCIES

The Company has a pending legal case before the court for which the potential liability of GH¢826,000 (2019: GH¢826,000) was not provided for in Note 29. In the opinion of the Directors, there is no probability of an outflow of resources resulting from this case. Based on legal advice, the directors do not expect the outcome of the action to have a material effect on the Company's financial position.

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¢1,559,050 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 (A915). The Company has appealed against GRA's decision in court.

31. COMMITMENTS

Total capital expenditure commitments at the reporting date were as follows:	2020 GH¢'000	2019 GH¢'000
Property, plant & equipment contracted	5	4,285
	==	====

32. 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	2020 GH¢'000	2019 GH¢'000
Ultimate parent		
Unilever PLC	12,619	-
	=====	====
Other affiliates		
Unilever Philippians	1,150	5,990
Unilever Nigeria PLC	3,368	14,970
Unilever Cote d'Ivoire	2,048	9,518
Unilever Gulf	2,278	2,670
Unilever Vietnam	38,772	47,645
Unilever Asia Private Limited	8,239	8,467
Unilever UK CSL	582	274
Unilever South Africa (Pty) Limited	930	2,597
Unilever Supply Chain Company AG	5,237	4,050
Unilever N.V.	560	2,183
Unilever Indonesia	3,586	6,555
Unilever China Limited	3,822	5,078
Unilever Sichuan	6,464	3,791
Unilever Industries Private Limited	302	776
Unilever Employment Services	-	8
Unilever Kenya Limited	34	1,483
Unilever Europe – IT	-	31
Lever International Marine Sup	183	-
	---------	----------
	77,555	116,086
	=====	======


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b. Sale of good and services	**2020 GH¢'000**	**2019 GH¢'000**
Unilever Nigeria Plc	-	421
Unilever Cote d'Ivoire	3,088	167
	3,088	588

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 (2019: Nil). All outstanding balances with these related parties are to be settled in cash.

c. Related party receivables	**2020 GH¢'000**	**2019 GH¢'000**
Other affiliates		
Unilever Nigeria Plc	1,957	21,488
Unilever Cote d'Ivoire	18,724	14,146
Unilever UK CSL	1,496	-
Other related parties	163	258
	22,340	35,892

d. Related party payables

Ultimate parent		
Unilever PLC	66,793	54,173
Other affiliates		
Unilever South Africa (Party) Limited	530	2,317
Unilever Nigeria Plc	25,314	61,567
Unilever NV	-	1,120
Unilever Cote d' Ivoire	25,286	27,853
Unilever Gulf	2,239	655
Unilever Asia Private Limited	4,293	2,280
Unilever Vietnam	23,918	34,702
Unilever Philippians	72	6,030
Unilever Indonesia	-	4,228
Unilever China Limited	-	3,448
Unilever Industries Private Limited	438	830
Unilever Supply Chain	84	7,082
Unilever Sichuan	-	3,411
Other Related Parties	424	360
	82,598	155,883
Total related party payables	**149,391**	**210,056**

Financial Statements

Financial risk management (Continued)

33. KEY MANAGEMENT PERSONNEL COMPENSATION

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

Key management personnel compensation included the following:

	2020 GH¢'000	2019 GH¢'000
Short-term employee benefits		
Executive Directors	3,754	2,477
Non-executive Directors	573	431
Other key management personnel	1,493	-
	-------	-------
Total short-term employee benefits	5,820	2,908
	-------	-------
Post-employment benefit		
Executive Directors	234	133
Other key management personnel	117	-
	----	-----
Total post-employment benefits	351	133
	----	-----
Amounts relating to Directors	4,561	3,041
Amounts relating to other key management personnel	1,601	-
	-------	-------
Total employee benefit	**6,171**	**3,041**
	====	====

34. EARNINGS PER SHARE

The calculation of basic and diluted EPS has been based on the following 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.

	2020 GH¢'000	2019 GH¢'000
Loss attributable to equity holders	(50,389)	(160,316)
Weighted average number of ordinary shares in issue (Note 21)	62,500	62,500
Basic earnings per share	(0.8062)	(2.5651)
Diluted earnings per share	(0.8062)	(2.5651)

At the reporting date, the basic earnings per share and the diluted earnings per share were the same as there were no dilutive potential ordinary shares.

Financial Statements

Financial risk management (Continued)

35. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT

a. Accounting classification and fair values

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

31 December 2020	**Financial assets at amortised cost GH¢'000**	**Other financial liabilities GH¢'000**	**Total GH¢'000**
Financial assets not measured at fair value			
Trade and other receivables (Note 24)[1]	24,861	-	24,861
Related party receivables (Note 32d)	22,340	-	22,340
Cash and bank balances (Note 28)	5,947	-	5,947
	53,148	-	53,148
Financial liabilities not measured at fair value			
Trade and other payables (Note 26) [2]	-	96,036	96,036
Related party payables (Note 32d)	-	149,391	149,391
Dividend payable (Note 20)	-	33,828	33,828
Bank overdraft (Note 28)	-	6,892	6,892
Lease liabilities (Note 16a(iv)	-	1,511	1,511
	-	287,658	287,658
31 December 2019			
Financial assets not measured at fair value			
Trade and other receivables (Note 24)1	105,868	-	105,868
Related party receivables (Note 32d)	35,892	-	35,892
Cash and bank balances (Note 28)	11,857	-	11,857
	153,617	-	153,617
Financial liabilities not measured at fair value			
Trade and other payables (Note 26) 2	-	79,249	79,249
Related party payables (Note 32d)	-	210,056	210,056
Dividend payable (Note 20)	-	33,828	33,828
Bank overdraft (Note 28)	-	65,202	65,202
Lease liabilities (Note 16a(iv)	-	2,912	2,912
	-	391,247	391,247

[1] – Excluded from trade and other receivables are statutory taxes receivable of GH¢777,774 (2019: GH¢8,448,054).
[2] – Excluded from trade and other payables are refund liability and statutory taxes payable of GH¢6,990,740 (2019: GH¢7,866,123).

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Financial risk management (Continued)

(b) Financial risk management

(i) Overview

On 20 January 2020, the World Health Organisation (WHO) declared an international health emergency due to the outbreak of a novel coronavirus, which originated in December 2019 in Hubei, China. WHO declared the coronavirus outbreak to be a pandemic on 11 March 2020 in recognition of its rapid spread across the globe, with over 150 countries, including Ghana and other African countries affected.

The outbreak of COVID-19 and the necessary containment measures, which include travel bans, quarantines and social distancing protocols, have resulted in disruption of business and economic activity globally. At the date of authorisation of the financial statements, Unilever Ghana PLC is operating as normal. The ultimate severity of the COVID 19 outbreak on the Company's operations was minimal. The Company did not alter its financial risk management framework.

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

- credit risk
- liquidity risk
- market risks

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

Risk management framework

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

The Company's management team is responsible for developing and monitoring the Company'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 Company's risk management policies are established to identify and analyse risks faced by the Company, 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 Company, 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.

(ii) Market risk

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

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Financial risk management (Continued)

Foreign currency risk

The Company 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).

The Company's exposure to foreign currency risk are reported in foreign denominated balances as follows:

2020	USD	EURO	GBP	ZAR
Bank balances	514	103	97	145
Related party receivables	663	2,525	3	-
Trade payables	(499)	(231)	(12)	-
Related party payables	(5,325)	(3,391)	(76)	(3)
Net exposure	**(4,647)**	**(994)**	**12**	**142**
2019				
Bank balances	397	191	4	58
Related party receivables	4,050	1,982	3	-
Trade payables	(667)	(12)	-	-
Related party payables	(12,244)	(8,230)	(116)	(5,711)
Net exposure	**(8,464)**	**(6,069)**	**(109)**	**(5,653)**

The following significant exchange rates applied during the year.

	Average Rate		Reporting Rate	
Cedis	**2020**	**2019**	**2020**	**2019**
UR 1	6.67	5.98	7.23	6.41
USD 1	5.76	5.34	5.88	5.72
EUR 1	6.67	5.98	7.23	6.41
GBP 1	7.45	6.82	8.01	7.51
ZAR 1	0.35	0.37	0.40	0.41

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the Company's profit or loss and equity. This sensitivity analysis indicates the potential impact on profit or loss and equity based upon the foreign currency exposures recorded at 31 December (see "foreign 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.

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Financial risk management (Continued)

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

Impact before tax

As of 31 December	2020			2019		
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	±2.4	656	(656)	±7.0	3,389	(3,389)
EUR	±9.7	697	(697)	±7.0	2,735	(2,735)
GBP	±8.3	(8)	8	±10.0	82	(82)
ZAR	±15	(9)	9	±10.0	229	(229)

As of 31 December	2020			2019		
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	±5.2	492	492	±7.0	2,542	(2,542)
EUR	±9.7	523	(523)	±7.0	2,051	(2,051)
GBP	±8.3	(6)	6	±10.0	61	(61)
ZAR	±15	(6)	6	±10.0	172	(172)

Interest rate risk

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

	Carrying amounts	
	2020 GH¢'000	**2019 GH¢'000**
Fixed rate instruments		
Lease liabilities	1,511	2,912
	====	====
Variable rate instrument		
Bank overdraft	6,892	65,202
	====	=====

Sensitivity analysis for variable rate instrument
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 2019.

As of 31 December	2020			2019		
	% Change	Income statement impact GH¢'000	Equity GH¢'000	% Change	Income statement impact GH¢'000	Equity GH¢'000
Bank overdraft	±2	(648)	648	±2	(1,264)	1,264

Fair value sensitivity analysis for fixed rate instrument
The Company 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.

A change of 200 basis points in interest rates would have had no impact on equity (2019: GH¢ Nil). This analysis assumes that all other variables remain constant.

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

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:

	2020 GH¢'000	2019 GH¢'000
Trade and other receivables (Note 24)1	24,861	105,868
Related party receivables (Note 32d)	22,340	35,892
Bank balances (Note 28)	5,947	11,857
	53,148	153,617

1 – Excluded from trade and other receivables are statutory taxes receivable of GH¢777,774 (2019: GH¢8,448,054).

(i) Trade and other receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set by the Board and the utilisation of credit limits is regularly monitored. The Company's maximum exposure to credit risk at 31 December 2020 and 2019 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 Company does not grade the credit quality of receivables. All

Financial Statements

Financial risk management (Continued)

receivables that are neither past due nor impaired are within their approved credit limits.

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of customers were as follows:

Trade and other receivables by type of counter party

	2020 GH¢'000	2019 GH¢'000
Key distributors	7,911	45,482
Modern trade	3,161	3,376
Institutions and companies	13,789	57,010
	---------	---------
	24,861*	105,868
	=====	=====

** – Excluded from trade and other receivables are statutory taxes receivable of GH¢777,774 (2019: GH¢8,448,054).*

Expected credit loss assessment

The Company 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 Company'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 2020.

	2020				2019			
	Weighted average GH¢ GH¢'000	**Gross GH¢ GH¢'000**	**Loss allowance GH¢ GH¢'000**	**Net GH¢ GH¢'000**	**Weighted average GH¢ GH¢'000**	**Gross GH¢ GH¢'000**	**Loss allowance GH¢ GH¢'000**	**Net GH¢ GH¢'000**
Neither past due nor								
Neither past due nor impaired	0 - 5%	1,390	(1)	1,389	0 - 5%	1,057	(35)	1,022
1 to 3 months past due	6 - 15%	10,054	(40)	10,014	6 - 15%	56,033	(8,861)	47,172
3-6 months past due	16 - 50%	2,337	(81)	2,256	16 - 50%	35,760	(10,071)	25,689
6-12 months past due	51 - 65%	4,766	(1,236)	3,530	51 - 65%	55,308	(30,334)	24,974
Past due above								
1 year	75 - 100%	20,974	(13,302)	7,672	75 -100%	29,280	(14,154)	15,126
		39,521	**(14,660)**	**25,861**		**177,438**	**(63,455)**	**113,983**

Financial Statements

Financial risk management (Continued)

The movement in the allowance for impairment was as follows:

	2020 GH¢'000	2019 GH¢'000
Balance at 1 January	63,455	12,417
Impairment (credit)/loss recognised in profit/loss[1]	(48,795)	51,038
	---------	--------
Balance at 31 December[2]	14,660	63,455
	=====	=====

[1] – In 2020, customer balances amounting to GH¢25.3 million were written off directly to profit or loss (2019: Nil). This has been included in the impairment amount presented on the statement of comprehensive income.

[2] – Impairment balance of GH¢14.6 million comprises GH¢11.8 million relating to trade receivables and GH¢2.8million relating to other receivable balances.

Cash and cash equivalent

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 Company considers that its cash and cash equivalents do not have a significant credit risk in 2020 (2019: Nil).

(ii) Related party receivables

The Company's exposure to credit risk in respect of the amounts due from related parties is minimised. The Company has transacted business with related parties over the years and there has been no defaults in payment of outstanding debts. No impairment has been recognised with respect to amounts due from related parties in the current year (2019: Nil).

d. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate cash reserves and calling on short term borrowing and funding from related parties. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines. The Company however reported a net current liability position. Measures put in place to mitigate this position are disclosed in note 36.

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

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

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

Financial Statements

Financial risk management (Continued)

31 December 2020			Contractual Cash flows		
	Carrying amount GH¢'000	6mths Total GH¢'000	6mths or less GH¢'000	6-12mths GH¢'000	Above 12mths GH¢'000
Non-derivative financial liability					
Trade and other payables (Note 26)[2]	96,036	96,036	96,036	-	-
Related party payables (Note 32d)	149,391	149,391	-	149,391	-
Dividend payables (Note 20)	33,828	33,828	33,828	-	-
Bank overdraft (Note 28)	6,892	6,892	6,892	-	-
Lease liabilities (Note 16iv)	1,511	1,645	729	729	187
	287,658	287,792	137,485	150,120	187
31 December 2019					
Non-derivative financial liability					
Trade and other payables (Note 26)	79,249	79,249	79,249	-	-
Related party payables (Note 32d)	210,056	210,056	-	210,056	-
Dividend payables (Note 20)	33,828	33,828	33,828	-	-
Bank overdraft (Note 28)	65,202	65,202	65,202	-	-
Lease liabilities (Note 16iv)	2,912	3,466	898	898	1,670
	391,247	391,801	179,177	210,954	1,670

2 – Excluded from trade and other payables are statutory taxes payable of GH¢6,783,369 (2019: GH¢7,866,123).

e. Capital management

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

	2020 GH¢'000	2019 GH¢'000
Total liabilities	300,922	404,227
Less: cash and bank balances (Note 28)	(5,947)	(11,857)
Net debt	294,975	392,370
Total equity	34,799	84,952
Net debt to adjusted equity ratio	8.48	4.62

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

Financial Statements

Notes to the financial statements (Continued)

36. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors considers the business from a product perspective. The accounting policies of the operating segments are the same. The Company accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices. The Board of Directors assesses the performance of the operating segments based on a measure of net profit. The Company's reporting segments are based on products, namely Foods, Home Care and Personal Care. Under the Foods division are Tea & Beverages, Savoury and Health & Wellness. 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 Board of Directors for the reportable segments for the year ended 31 December 2020 and 2019 are as follows:

Analysis by product divisions

	Foods		Home Care		Personal Care		Total	
	2020 GH¢'000	2019 GH¢'000	2020 GH¢'000	2019 GH¢'000	2020 GH¢'000	2019 GH¢'000	2020 GH¢'000	2019 GH¢'000
Revenues	42,445	28,700	120,427	95,963	293,407	208,627	456,279	333,290
Cost of sales	(35,127)	(30,025)	(99,663)	(100,395)	(245,794)	(218,264)	(380,584)	(348,684)
Distribution cost	(1,634)	(2,219)	(4,637)	(7,421)	(11,297)	(16,135)	(17,568)	(25,775)
Brand & marketing investment	(2,968)	(2,592)	(8,422)	(8,665)	(20,520)	(18,839)	(31,910)	(30,096)
Administration expenses	(6,832)	(7,840)	(19,383)	(26,216)	(46,626)	(56,995)	(72,841)	(91,051)
Restructuring expenses	(200)	(231)	(568)	(774)	(1,382)	(1,683)	(2,150)	(2,688)
Impairment	2,203	(4,395)	6,250	(14,695)	15,017	(31,948)	23,470	(51,038)
Other income	282	898	799	3,002	2,172	6,527	3,253	10,427
Operating loss	(1,831)	(17,704)	(5,197)	(59,201)	(15,023)	(128,710)	(22,051)	(205,615)
Finance income	-	-	-	-	-	-	100	571
Finance costs	-	-	-	-	-	-	(5,608)	(11,603)
Loss before taxation	(1,831)	(17,704)	(5,197)	(59,201)	(15,023)	(128,710)	(27,559)	(216,647)
Income tax (expense)/credit	-	-	-	-	-	-	(22,830)	56,331
Loss for the year	(1,831)	(17,704)	(5,197)	(59,201)	(15,023)	(128,710)	(50,389)	(160,316)
Property, plant and equipment	12,627	11,223	35,825	42,360	87,099	85,400	135,551	138,983

Reconciliation of information on reportable segment

Asset

	2020 GH¢'000	2019 GH¢'000
Consolidated total assets	135,551	138,983
Unallocated amounts	200,170	350,196
	----------	----------
Total assets for reportable entities	335,721	489,179
	======	======
Geographical information		
Revenue		
In Ghana	453,191	332,702
Outside Ghana	3,088	588
	---------	----------
	456,279	333,290
	======	======
Non-current asset		
In Ghana		
Property, plant and equipment	135,551	138,983
Lease-Right-of-Use assets	11,468	13,422
	----------	----------
	147,019	152,405
	======	======

No individual customer contributed 10% or more to revenue. Segment revenue is based on the geographical location of customers, whilst segment asset is based on the geographical location of the assets.

Announcement of Strategic Decision

In July 2020, Unilever PLC announced a strategic decision to separate its global tea business, which includes leading brands such as Lipton, Brooke Bond and PG Tips. The global separation process is due to be concluded by the end of 2021. At the reporting date, Unilever Ghana PLC was in the process of identifying and valuing the assets and liabilities of its local tea business. The financial impact of the separation is therefore unknown at the reporting date.

37. GOING CONCERN CONSIDERATION AND SUBSEQUENT EVENTS

The Company incurred a loss of GH¢50.4 million for the year (2019: GH¢160 million) and at 31 December 2020, the Company's current liabilities exceeded its current assets by GH¢133million (2019: 110 million).

A substantial part of the Company's current liabilities is due to its related parties. Unilever PLC, the ultimate parent company of Unilever Ghana PLC on behalf of itself, Unilever Overseas Holdings Ltd and UAC International Ltd has confirmed in a letter to the Company that they will not demand repayment of amounts due to them for one year from the date of signing the financial statements for the year ended 31 December 2020.

Financial Statements

Notes to the financial statements (Continued)

The Company has prepared a forecast for the next twelve (12) months which shows the Company will have sufficient cash flows to finance future operations and return to profitability in the very near future. Management has further put in place measures to improve the Company's performance through increased marketing and brand visibility activities.

The Company also has financial arrangements with some of its bankers to support its operational activities.

Based on the forecasted financial information, the Directors expect the Company to continue as a going concern in the foreseeable future.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis assumes that cashflows arising from the normal course of business will be available to finance future operations of the Company and the realisation of assets and the settlement of liabilities would occur in the normal course of business.

38. 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 Company had no material subsequent events that required adjustments to or disclosure in the financial statements.

APPENDIX

NUMBER OF SHAREHOLDERS

The Company had 11,638 ordinary shareholders at 31 December 2020 (2019:11,629) with equal voting rights distributed as follows:

Holding	No. of holders	Holders %	No. of shares	% of holdings
2020				
1 – 1,000	10,524	4.62	2,887,314	5
1,001 – 5,000	936	3.18	1,984,840	3
5,001 – 10,000	90	1.04	649,895	1
10,001 and over	88	91.16	56,977,951	91
	11,638	100.00	62,500,000	100
2019				
1 – 1,000	10,516	4.61	2,887,314	5
1,001 – 5,000	939	3.18	1,984,840	3
5,001 – 10,000	85	0.99	649,895	1
10,001 and over	89	91.22	56,977,951	91
	11,629	100.00	62,500,000	100

DIRECTORS' SHAREHOLDING

None of the Directors held shares in the Company at 31 December 2020 (2019: Nil).

20 LARGEST SHAREHOLDERS AT 31 DECEMBER 2020

	No. of shares	% of holdings
UNILEVER OVERSEAS HOLDINGS LIMITED	31,562,545	50.50
UAC INTERNATIONAL LIMITED	14,999,955	24.00
SOCIAL SECURITY & NATIONAL INS.TRUST	3,315,872	5.31
SCGN/HONKONG SHANGHAI ARISAG A.C.F	1,836,631	2.94
SCGN/SSB LLOYD G.INV CO.FUND-LYF3	846,500	1.35
SCGN/ENTERPRISE LIFE ASSO.CO.	438,330	0.70
STD NOMS/SSBTC RE INV ICVC-FT ST	423,272	0.68
STD NOMS TVL PTY/BNYM/FLORIDA	414,644	0.66
SCGN/JPMC BANKINVEST EMERGING MKTS	250,000	0.40
SCBN/SSB EATON VANCE TAX-MANAGED	249,000	0.40
SCGN/SCTIBANK HONG KONG S/A RE CFSI	234,608	0.38
SCGN/SCBM RE STANDARD CHAR. BANK	233,900	0.37
SCBN/STATE STREET LOND C/O SSB BOST RE RUSSEL INST.	135,928	0.22
SCGN/SSL. C/O SSBTCB RE BMO I(LUX)	122,600	0.20
HFCN/EDC GHANA BALANCED FUND LIMITED	112,695	0.18
SCGB/SSB & AS CUS FOR BMO LLOYD	90,900	0.15
SCGN/HSBC BK P.RE FIRST S.G.U.FP	88,800	0.14
RAINBOW FUND L.P	72,600	0.12
SCGN/JP MORGAN CHASE DUET VIXTORIE	60,010	0.10
STD NOMS TVL PTY/BNYM/FRONTI. MKT	53,279	0.09
	--------------	-------
REPORTED TOTALS	55,542,069	88.87
	========	====

Appendix

Five year financial summary of the Company

Financial Position as at 31 December

	2016 GH¢'000	2017 GH¢'000	2018 GH¢'000	2019 GH¢'000	2020 GH¢'000
Employment of funds					
Property, plant and equipment	101,066	113,738	144,194	138,983	135,551
Right of use	-	-	-	13,422	11,468
Intangible assets	1,379	7	-	-	-
Employee benefits	-	-	-	-	-
Investment in subsidiaries	10	10	10	10	10
Deferred tax asset	-	-	-	47,447	24,539
Current assets	277,286	354,876	582,286	289,317	164,153
Total assets	379,741	468,631	726,490	489,179	335,721
Employment of Funds					
Total equity	75,587	120,597	295,141	84,952	34,799
Deferred income tax	6,360	8,644	8,842	-	-
Employee benefit obligation	4,048	4,364	4,113	3,736	3,422
Long term lease liability	-	-	-	1,116	166
Current liabilities	293,746	335,026	418,394	399,375	297,334
Total liabilities and total equity	379,741	468,631	726,490	489,179	335,721
Capital expenditure	30,822	21,005	60,914	23,878	8,883
Depreciation and amortisation	9,411	9,705	9,533	8,574	11,425
Revenue	496,306	575,765	632,152	333,290	456,279
Profit/(loss) after tax	39,049	48,149	190,825	(160,316)	(50,389)
Final dividend declared	(3,125)	-	(50,000)	-	-
Profit/(loss) retained in the year	35,924	48,149	140,825	(160,316)	(50,389)


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PROTECTION
MEN
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antibacterial
protection
10x
Rexona
antibacterial
protection
10x
10x
more protection against
odour-causing bacteria
*when used after bathing with regular soap

EXPLANATORY NOTE TO SHAREHOLDERS ON THE SEPARATION OF UNILEVER GHANA PLC. TEA BUSINESS

This Explanatory Note is intended to:

(i) provide shareholders with information to assess the merits of the proposed resolution on the transfer of the Company's Tea Business to a newly-incorporated tea dedicated company in Ghana ("Ghana Tea Company") (the "Transaction") held on a 100% basis by Unilever under a newly-incorporated tea dedicated holding company (the "Tea Company"); and

(ii) explain why the Board of Directors considers the Transaction to be in the best interests of the Company and its shareholders and why the Board recommends that the shareholders should vote in favour of the resolution.

Proposed separation of the Unilever Group's global Tea Business

Unilever Ghana Plc. ("Unilever Ghana" or the "Company") is a member of the Unilever Group (headquartered in London, United Kingdom), which manufactures and sells fast-moving consumer goods in the personal care, home care, foods and refreshments categories.

On 23 July 2020, following the completion of a strategic review, Unilever Plc ("Unilever" and together with its group companies, the "Unilever Group") announced its intention to separate the Unilever Group's global tea business (the "Tea Business") (the "Separation"). The Separation excludes Unilever's tea businesses in India and Indonesia and Unilever's partnership interests in the Pepsi Lipton ready-to-drink tea joint ventures.

The rationale for the Separation is that achieving the growth potential of the Tea Business requires a different business model and can best be realized on a standalone basis under the Tea Company.

The Unilever Ghana Tea Business

Unilever Ghana Plc. licenses the Lipton and Glen brands from the Unilever Group and manufactures and sells tea products under these brands in Ghana. The Tea Business is estimated to account for7% of Unilever Ghana's turnover.

Transfer of the Tea Business in Ghana

As part of the global Separation Unilever will in any event transfer ownership of all relevant tea brands, including the Lipton and Glen brands in Ghana, to the Tea Company. Subject to shareholder approval of the Transaction, it is proposed that the Company transfers its Tea Business to the Ghana Tea Company.

Approval of the Transaction provides certainty for the shareholders on achieving a fair value for the Company's Tea Business. The Transaction will also enable the Company to focus resources on other better performing categories.

If the Transaction is not approved by shareholders, Unilever will proceed with the global Separation, including the transfer of the ownership of the Lipton and Glen brands used by Unilever Ghana to the Tea Company, subject to existing license terms, but the Unilever Ghana Tea Business would not be included in the Separation or in any future external separation of the Tea Company by the Unilever Group.

Structure of the Separation in Ghana

The Transaction will be structured as a transfer of assets comprising the Company's Tea Business.

Action to be taken by the Shareholders

The Tea Business in Ghana accounts for circa 7% per cent of the Company's turnover. Under the provisions of section 243 (5) (A) of the Companies Act, 2019 (Act 992) a transaction of this nature classified as a merger proposal requires approval by a majority in number, representing seventy-five percent in value, of each class of members of the companies and creditors.

A proxy form has been provided. The Proxy form can be downloaded from https://www.ulghagm.com and if it is to be valid for the purposes of the meeting, it must be completed and sent via email to registrar.services@myumbbank.com or deposited at the Registered Office of the Registrars of the Company, Merchant Bank Ghana Limited, not less than 48 hours before the meeting.

Recommendation

Upon a careful consideration of the strategic considerations set forth in this Explanatory Note, the Board considers the Transaction to be in the best interest of the Company and its shareholders. Accordingly, the Board recommends that the shareholders should vote in favour of the Transaction.

Proxy Form

Serial No.

47th Annual General Meeting To Be Held be held VIRTUALLY and streamed live on http://ulghagm.com/ from Unilever Ghana PLC, No. Ind/A/3A-4, Heavy Industrial Area, Tema on Thursday, May 27 2021 at 10:00am for the following purposes:	For Company's Use	No. of Shares		
I/We .... (Insert full name)	**RESOLUTION**	**FOR**	**AGAINST**	**ABSTAIN**
	To re-elect Dr. Mrs. Edith Dankwa as a Director			
of .... (Insert full address)	To re-elect Mr. Michael Odinakachi Ubeh as a Director			
	To re-elect Mrs Nana Yaa Owusu-Ansah as a Director			
	To approve Directors' Fees			
	To Appoint an Auditor			
	To authorise the Directors to fix the Remuneration of the Auditor.			
being a member(s) of Unilever Ghana PLC, hereby appoint .... (insert full name) or failing him the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of that Company to be held on Friday, July 24 2020 and at any and every adjournment thereof.	To Consider and if thought fit, pass the following sub-joined resolutions as special resolutions of the Company: i. That the proposed separation of the Company's tea business (the "Tea Business") and all assets attached to or deployed in connection with the Tea Business (as will be more particularly described in the relevant transaction documents) to a newly-incorporated dedicated tea company in Ghana in the Unilever group (the "Separation") on such terms and conditions as may be agreed by the Board of Directors of the Company ("the Board"), is hereby approved subject to obtaining relevant regulatory approvals; ii. That the Board is hereby authorized to execute all relevant documents, appoint such professional advisers, take all necessary steps and to do such other acts or things as may be necessary, supplementary, consequential or incidental to giving effect to or supporting the Separation including obtaining the relevant regulatory approvals and complying with the directives of any regulatory authority; and iii. That all acts carried out by the Board and management of the Company hitherto in connection with the above, be and are hereby ratified.			
	Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolution referred to above. Unless otherwise instructed the proxy will vote or abstain from voting at his discretion.			
Dated this ....day of May, 2021.				

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

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

NOTES

(1) In the case of joint holders, each should sign.
(2) If executed by a Corporation, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director.
(3) Please sign the above Proxy Form and send via email to registrars@myumbbank.com or deposit it at the Registered Office of the Registrars of the Company, Universal Merchant Bank Ghana Limited, not less than 48 hours before the Meeting.

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The Registrars
Universal Merchant Bank Limited
123 Kwame Nkrumah Avenue
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Accra, Ghana

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Lifebuoy
Unilever
FIGHTS 99.9% OF GERMS*
New
Lifebuoy
germ protection
handwash
Herbal
Lifebuoy
germ protection
handwash
Total 10
Lifebuoy
Total 10
Lifebuoy
Herbal
Lifebuoy
Lemon Fresh
*As per lab test

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