Annual Report 2015
Unilever Nigeria Plc

Contents

Our Mission

WE WORK TO CREATE A BETTER FUTURE EVERYDAY

We help people feel good, look good and get more out of life with brands and services that are good for them and good for others.

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

We will develop new ways of doing business that will allow us to double the size of our company while reducing our environmental impact.

Company Profile

Unilever Nigeria is where great people, terrific brands and proud traditions converge, to meet and satisfy the needs of people and families across Nigeria.

We anticipate the aspirations of our consumers and customers, and respond creatively and competitively with branded products and services that are good for them and good for others. Unilever Nigeria is a member of the Unilever Plc. family, one of the world's leading consumer goods companies whose food, home and personal care brands are used by over half of the families on the planet each day.

Unilever Nigeria Plc. was established in 1923 as a soap manufacturing company – Lever Brothers West Africa – by Lord Leverhulme. Today, it is the oldest surviving manufacturing organization in Nigeria.

After a series of mergers/acquisitions, the Company diversified into manufacturing and marketing of foods and personal care products. These mergers/acquisitions brought in Lipton Nigeria Ltd. in 1985, Cheesebrough Industries Ltd. in 1988 and Unilever Nigeria Ltd. in 1996. The Company changed its name to Unilever Nigeria Plc. in 2001 in line with the global strategic direction of the business.

The Company was quoted on the Nigerian Stock Exchange in 1973 and with equity holdings of 58.53% Unilever, and 41.47% Nigerian investors, the company is a truly Multi-local Multinational organization with very outstanding international and local brands in her portfolio.

The international brands include Close-Up toothpaste, Pepsodent toothpaste, LUX beauty soap, Lifebuoy soap, Rexona, Vaseline lotion and Vaseline Petroleum Jelly in the Personal Care Unit of the business; Blue Band Margarine, Lipton Yellow Label Tea and Knorr bouillon cubes in the Foods Unit; and OMO Multi-Active Detergent ,Sunlight washing powder and Sunlight Dish washing liquid in the Home Care Unit. Other Regional and local jewels include the Pears Baby Products range and Royco bouillon cubes.

The Company provides sources of income to tens of thousands of Nigerians who are shareholders, distributors, suppliers, service providers and employees.

Unilever believes in taking small everyday actions that can make a big difference for consumers, the communities in which it operates and the environment. A typical Unilever employee has passion and commitment to win and constantly looks for opportunity through insights to make a difference.

Unilever subscribes to the highest standards of corporate behaviour by being transparent in her dealings, fair in competition, and law abiding. In a challenging operating environment like Nigeria, the Company remains a pride in the area of Corporate Governance by strictly adhering to Unilever's Global Code of Business Principles (CoBP).

The company is also a socially responsible and responsive organization. Unilever has delivered significant social investments that have helped create a brighter future for numerous Nigerians. The company has also leveraged its great brands to impact lives positively. In line with the social mission of health and hygiene, through brands like Close Up, Pepsodent and Lifebuoy, Unilever has organized various outreach programmes that have enlightened Nigerians on the health benefits of handwashing and brushing twice a day. As the company drives these impactful initiatives, Unilever employees are also encouraged to contribute meaningfully to the society through voluntary services aimed at improving lives of the less privileged.

The Company has high growth aspirations, with a vision to double its business size over the next few years while reducing environmental impact.

Unilever Nigeria’s confidence in the Nigerian economy is unwavering and will remain a major player in the country by continually investing, developing capabilities and growing brands that most suit the consumers’ needs.

Board of Directors, Officers and Other Corporate Information

Directors

His Majesty Nnaemeka A. Achebe CFR, MNI Obi of Onitsha	-	Independent non-executive Chairman
Mr. Yaw Nsarkoh (Ghanaian)	-	Managing Director
Mrs Abiola Alabi	-	Non-executive Director (Appointed w.e.f. 31 December, 2015)
Ammuna Lawan Ali	-	Non-executive Director (Appointed w.e.f. 31 December, 2015)
Mr. Atedo N. A. Peterside, CON	-	Non-executive Director
Mr Mutiu Sunmonu, CON, FNSE	-	Non-executive Director (Appointed w.e.f. 31 December, 2015)
Mr. James Todd (British)	-	Non-executive Director (Appointed w.e.f. 15 October, 2015)
Mr. Ologbaraete K. Pinnick	-	Executive Director
Mrs. Adesola Sotande-Peters	-	Executive Director

Legal Director W A & Company Secretary

Mrs. Abidemi Ademola

Registered Office

1 Billings Way
Oregun
Ikeja, Lagos
Tel: 01 279 3000
Email: Consumercare.nigeria@unilever.com

Company Registration Number

RC 113

Independent Auditor

KPMG Professional Services
KPMG Towers
Bishop Aboyade Cole Street
Victoria Island
Lagos.

Registrar and Transfer Office

GTL Registrars Limited
2, Burma Road
Apapa, Lagos
Tel: 01-279 3161- 2 & 01 -813 1925

Results at a glance

	2015 N'000	2014 N'000
Revenue	59,221,748	55,754,309
Operating Profit	4,639,690	4,614,744
Profit before tax	1,771,063	2,873,235
Taxation	(578,697)	(460,892)
Profit for the year after tax	1,192,366	2,412,343
Capital employed	8,003,253	7,478,808
Capital expenditure	5,068,498	4,023,867
Depreciation of property, plant and equipment	1,906,568	1,903,919
Cash and cash equivalents	(7,100,428)	(14,218,479)
Earnings per share (Naira)	0.32	0.64
Net Assets per share (Naira)	2.12	1.98
NSE share price at 31 December	43.25	35.80

Ratio % Revenue

	2015	2014
Operating costs	92%	92%
Operating profit	8%	8%
Profit after tax	2%	4%

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninety-first (91st) Annual General Meeting of Unilever Nigeria Plc. will be held at the Shell Hall, Muson Centre, Onikan, Lagos on Thursday 12 May, 2016 at 10.00am for the following purposes:

Ordinary business:

1 To lay before the Members, the Report of the Directors, the Audited Financial Statements for the year ended 31 December, 2015 together with the Reports of the Audit Committee and the Independent Auditors thereon.
2 To declare a Dividend.
3 To elect/re-elect Directors.
4 To authorise the Directors to fix the remuneration of the Independent Auditors.
5 To elect members of the Audit Committee.

Special business:

6 To fix the Directors fees.
7 To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:
"That, pursuant to the Nigerian Stock Exchange Rules Governing Transactions with Related Parties or Interested Persons, a general mandate be and is hereby given authorizing the Company during the 2016 financial year, to procure goods and services necessary for its day to day operations from its related parties or interested persons on normal commercial terms consistent with the Company's Transfer Pricing Policy."

NOTES:

Proxy

A member of the company entitled to attend and vote is entitled to appoint a proxy instead of him/her. A proxy need not also be a member. A detachable Proxy Form is enclosed and if it is to be valid for the purpose of the meeting, it must be completed and deposited at the office of the Registrar, GTL Registrars Ltd. 2 Burma Road, Apapa, not later than forty-eight (48) hours before the time of the meeting.

Dividend warrants and closure of register

The Board has recommended dividend payment which if approved, is payable less withholding tax. Dividend warrants will be payable on Friday, 13 May 2016 to the shareholders who are on the Company's Register of Members at the close of business on Friday 8 April, 2016.

NOTICE is therefore given that the Register of Members and Transfer books of the Company will be closed from Monday, 11 April, 2016 to Friday, 15 April, 2016 (both dates inclusive) to enable the preparation of payment of the dividend.

Notice of Annual General Meeting (continued)

Nominations for the Audit Committee
The Audit Committee comprises of three (3) shareholders and three (3) Directors. In accordance with Section 359 (5) of the Companies and Allied Matters Act Cap. C20, Laws of the Federation of Nigeria 2004, any shareholder may nominate another shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the date of the Annual General Meeting.

Shareholders to please note the requirement of Rule 2(c) of the recent rules of the Financial Reporting Council of Nigeria which states as follows:
"Any person attesting, as Chairman of Audit Committee, to annual report, financial statements, accounts, financial report, returns and other documents of a financial nature, shall be a professional member of an accounting body established by Act of National Assembly in Nigeria".
The Financial Reporting Council has given Unilever Nigeria Plc. up to this Annual General Meeting to comply with the above Rule.

Dated this 17 March, 2016
By Order of the Board

Mrs Abidemi Ademola
Legal Director W A and Company Secretary
FRC/2013/NBA/00000001646

Registered Office
1, Billings Way,
Oregun, Ikeja,
Lagos.

Board Profile

HIS MAJESTY NNAEMEKA A. ACHEBE CFR, MNI – Independent Non-Executive Chairman

His Majesty Nnaemeka A. Achebe, Obi of Onitsha, had a 30-year career with the Royal Dutch Shell Petroleum Group of Companies in Nigeria and overseas. He is the past Chairman of Diamond Bank PLC. and Chairman of Intafact Beverages Ltd. (subsidiary of SAB Miller Plc.) He is also the Chairman of Anambra State Traditional Rulers Council, and Chancellor of Kogi State University and Ahmadu Bello University, Zaria. He was educated at Stanford and Columbia Universities in the U.S.A and also attended the National Institute for Policy and Strategic Studies, Kuru.
He was appointed to the Board of Unilever Nigeria Plc. in March 2003.

MR ATEDO N. A. PETERSIDE, CON – Non-Executive Director

Mr. Peterside (a Commander of the Order of the Niger) is the President and Founder of ANAP Foundation, which is a non-profit organization committed to promoting Good Governance and is also the Founder and Chairman of ANAP Business Jets Limited. He is the Chairman of Stanbic IBTC Holdings Plc and is also the Chairman of Cadbury Nigeria Plc. He also sits on the Board of Directors The Standard Bank of South Africa Limited, Standard Bank Group Limited, Flour Mills of Nigeria PLC and Nigerian Breweries Plc. (Heineken Subsidiary).
He was appointed to the Board of Unilever Nigeria Plc. in January 2008.

MRS ABIOLA ALABI – Non-Executive Director

Biola Alabi is the Founder and Managing Partner of Biola Alabi Media, the media icon heads a dynamic consultancy with expertise in strategic consulting for pay entertainment, digital television, interactive television and emerging entertainment distribution platforms; they service governments, content creators, telecommunication industry, and investors in the converging media technology space. She is also the founder of “Grooming for Greatness” a leadership development and mentorship program for a new generation for African leaders. Named one of the 20 Youngest Power Women in Africa by Forbes Magazine (2012), a World Economic Forum Young Global Leader (2012) and CNBC Africa’s AABLA West African Business Woman of the Year (2013), Yale World Fellow (2014) for over five highly successful years, Biola Alabi held the high-profile position of Managing Director for M-Net Africa, part of the globally renowned Naspers Group. Prior to this, she was based in the United States where she was part of the executive team at the influential children’s television brand Sesame Street and a member of the marketing team that launched the well-respected Korean motor vehicle corporation Daewoo in the USA. An alumni of the University of Cincinnati where she graduated with a Degree in Public and Community Health, Alabi has spent recent years polishing her knowledge with Executive Education Programs at Harvard University's Kennedy School of Government and Yale University's Jackson Institute of Global Affairs. In 2014, she also participated in The Yale World Fellows Flagship Program at Yale University. Alabi has also spoken globally on the status of the African creative arts industry, the opportunities available on the continent, the success of Nollywood and the need for ongoing investment into infrastructure and skills sharing initiatives. Respected as an expert in her field, her speaking engagements include appearances at the International Women in Digital Media Speaker Series - Women in Film and Television (Toronto) in November 2012 as well as the International Institute of Communications, Telecommunications and Media Forum (Brussels) in March 2014. She is a regular panelist on Africa related subjects at World Economic Forum meetings.
She was appointed to the Board of Unilever Nigeria Plc. in December, 2015.

Board Profile (continued)

AMMUNA LAWANI ALI, OON – Non-Executive Director

Ammuna Lawan Ali, a retired Federal Permanent Secretary, commenced her Civil Service career in 1977 as a Planning Officer in the Borno State Ministry of Lands and Survey, Maiduguri, where she rose to the position of Permanent Secretary. In 1995, Ammuna Lawan Ali transferred her services to the Federal Civil Service as a director and served in the Ministry of Women Affairs and Social Development and of Finance. In January 2001, Ammuna Lawan Ali was appointed a Permanent Secretary and served in various Ministries, including those of Commerce, Petroleum Resources, Transportation, Works, Environment, Housing and Urban Development, and briefly in the office of Civil Service and the Ministry of Information and Communications. She retired from service in December 2009. Ammuna Lawan Ali is a proud recipient of the Order of Niger honour and member of the National Institute of Policy and Strategic Studies (NIPSS) Kuru. She holds a BA (Hons) and Masters Degree in Public Administration. She is an Independent Director of Skye Bank Plc, Africa Prudential Registrars Plc and Oando PLC.
She was appointed to the Board of Unilever Nigeria Plc. in December, 2015.

MR MUTIU SUNMONU CON, FNSE – Non-Executive Director

Mutiu Sunmonu, CON graduated from the University of Lagos in 1978 with a first-class degree in Mathematics and Computer Sciences. He joined Shell Petroleum Development Company of Nigeria Limited (SPDC) in August 1978 as a Computer Programmer/Business Analyst. While in Shell, he served in various capacities both in Nigeria and abroad ranging from Senior EDP Auditor to the Head, Information Planner/Portfolio Consultant; IT Manager; Area Production Manager; Asset Manager and Regional Business Adviser at the Shell Headquarters at The Hague, supporting China and Thailand, and then General Manager Production for the SPDC Eastern operations. In 2005, he joined the Board of SPDC following his appointment as Executive Director, Corporate Affairs. Prior to his appointment on January 1, 2008 as the Managing Director of SPDC and Regional Vice President Production, he was SPDC's Executive Director Production, with overall accountability for the oil and gas production activities and delivery. After 36 years of meritorious service, Mr. Mutiu Sunmonu retired from Shell as the Managing Director of SPDC, Vice President Production (Sub Sahara Africa) and Country Chair of Shell Companies in Nigeria. Since his retirement, he continues to be active in the Oil and Gas Industry. He is currently an Executive Consultant to Pan Ocean and Newcross EP providing leadership across the operations, regulatory/statutory compliance and external relationship management. He also serves as a Director on the Board of Julius Berger Nigeria Plc and is the Chairman of Imperial Homes Mortgage Bank.
He was appointed to the Board of Unilever Nigeria Plc. in December, 2015.

MR. JAMES TODD (British)

James Todd is Vice-President Finance for Africa. He is British, and graduated from University of Durham with a degree in Philosophy. His professional career began in 1986 with Unilever in UK where he qualified as a Chartered Management Accountant. From 1993 to 1997 he was expatriated to Poland, where his roles covered both Supply Chain and Finance, before returning to Unilever's Corporate Centre in London where he worked on strategy development. In 2003 he was appointed Finance Director of Unilever South Africa, and in 2006 became Vice President Finance, Africa Middle East & Turkey. In August 2009 he was appointed Managing Director Unilever Maghreb and he was appointed VP Finance Africa in July 2013.
He was appointed to the Board of Unilever Nigeria Plc. in November, 2015.

Board Profile (continued)

MR YAW NSARKOH (Ghanaian) - Managing Director

Mr. Nsarkoh holds an Honors Degree in Chemical Engineering from the University of Science and Technology, Kumasi, Ghana and a Post Graduate Diploma in Management from Henley Management College, UK. His career spans over 23 years in Unilever businesses across Africa, Asia, and Europe. At various times, he worked as Managing Director, Unilever East and Sothern Africa, based in Kenya, as Strategic Assistant to Unilever Leadership Executive Member and President of Unilever Asia, Africa, Central and Eastern Europe based in the UK, as Marketing Director, Unilever Ghana, as African Regional Brand Manager Laundry at the Unilever Innovation Centre, South Africa etc. He is a member of Ghana Institution of Engineers, a Director of Changing Lives Endowment Fund (CLEF) in Ghana and a member of the Institute of Directors, Nigeria.
He was appointed to the Board of Unilever Nigeria Plc. in January, 2014.

MR OLOGBARAETE K. PINNICK – Executive Director

Mr Ologbaraete Pinnick holds a BSc. (Hons) degree in Chemical Engineering from the University of Lagos. He has spent 15 years in Unilever and worked in various areas of Manufacturing, Planning & Customer Service Excellence and Regional Supply Chain. He has worked for Unilever in Nigeria, South Africa, and East & Southern Africa. Prior to his appointment on the Board of Unilever Nigeria, he was Supply Chain Director for Unilever, East and Southern Africa. He was the immediate past Go To Market Supply Chain Director for Unilever Nigeria Plc.is a member of the Institute of Directors, Nigeria.
He was appointed to the Board of Unilever Nigeria Plc. in May 2011.

MRS ADESOLA SOTANDE-PETERS – Finance Director

Mrs. Adesola Sotande-Peters holds a bachelor degree in Business Administration and Economics from Richmond College, The American International University in London, she also has an MBA for finance professionals from Manchester Business School. She is a fellow of the Association of Certified Chartered Accountants (ACCA) and member of the Institute of Chartered Accountants of Nigeria (ICAN) and Her career spans over 21 years in various organizations such as British Broadcasting Corporation (BBC), Informa Group UK, Openwave Telecoms UK, Diageo Plc (Guinness Nigeria Plc, East African Breweries Limited, and Guinness Cameroon SA) where she has held various senior finance roles. She is a member of the Institute of Directors, Nigeria and Associate member of Women in Management, Business & Public Services (WIMBIZ). Amiable and keen to nurture young professional colleagues.
She was appointed to the Board of Unilever Nigeria Plc. in January, 2015.

MRS ABIDEMI ADEMOLA – Legal Director West Africa and Company Secretary

Mrs. Abidemi Ademola is a Corporate Counsel and Chartered Secretary with work experience spanning over 21 years of Corporate and Commercial Law practice in Nigeria and more recently in West Africa Region. Her forte is identifying existing and emerging legal, compliance, transactional and corporate governance risks to business and developing mitigating solutions. She holds a Bachelor of Laws degree from the Obafemi Awolowo University, Ile-Ife. and a Master of Laws degree from the University of Lagos, Akoka. She is a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria and an Associate of the United Kingdom equivalent. She is also a member of the Nigerian Bar Association and the Society of Corporate Governance, Nigeria.
She was appointed as Company Secretary in January 2012.

Report of the directors

The Directors submit their Report together with the audited financial statements for the year ended 31 December 2015, which disclose the state of affairs of the company.

Incorporation

Unilever Nigeria Plc. is incorporated in Nigeria under the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 as a public limited liability company, and is domiciled in Nigeria. The company's shares are listed on the Nigerian Stock Exchange (NSE).

Principal activities

The company is principally involved in the manufacture and marketing of foods and food ingredients, and home and personal care products. It has manufacturing sites in Oregun, Lagos State and Agbara, Ogun State.

Results

The results for the year are summarized as follows:

	N'000
Revenue	59,221,748
Operating profit	4,639,690
Profit before taxation	1,771,063
Taxation	(578,697)
Profit after tax	1,192,366
Other comprehensive income	(430,004)
Proposed dividend	189,165

Dividend

The Directors recommend to the shareholders the payment of a dividend in respect of the year ended 31 December, 2015, of N189,164,812.5 that is, 5 kobo gross per share which is payable on Friday 13 May 2016. This is subject to the deduction of appropriate withholding tax.

Corporate Governance Report

Framework

Unilever Nigeria Plc. operates within a Corporate Governance framework founded on the following:

1. The Unilever Code of Business Principles and Code Policies
2. The Governance of Unilever Document
3. The Memorandum and Articles of Association of Unilever Nigeria Plc.
4. The SEC Code of Corporate Governance for Public Companies 2011
5. Securities and Exchange Commission (SEC) Rules for the time being in force
6. Companies and Allied Matters Act (Cap C20) LFN 2004
7. The Rule Book of the Nigerian Stock Exchange for the time being in force
8. International Corporate Governance Best Practices

From the above, the Corporate Governance Policy of Unilever Nigeria Plc can be summed up as follows:

a. We conduct our operations with honesty, integrity and openness and with respect for the human rights and interests of the employees.

Report of the directors (continued)

Framework (continued)

b. We shall similarly respect the legitimate interests of those with whom we have relationships.

c. As a Unilever Group company, we are required to comply with the laws and regulations of the countries in which we operate.

4 We will conduct our operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to our shareholders and other stakeholders.

Compliance with the above principles is an essential element in our business success and all employees and business partners of Unilever are mandated to comply with the above principles.

During the year 2015, Unilever Nigeria Plc. complied largely with the provisions of the Securities and Exchange Commission Code of Corporate Governance for Public Companies 2011 together with the requirements of other good corporate governance standards listed above.

Board composition

The Directors who held office during the year 2015 and up to the date of this report are:

His Majesty Nnaemeka A. Achebe, CFR, MNI	Independent non-executive chairman
Mr Yaw Nsarkoh	Managing director
Mrs Abiola Alabi	Independent non-executive director (appointed w.e.f. 31 December, 2015)
Ammuna Lawan Ali	Independent non-executive director (appointed w.e.f. 31 December, 2015)
Mallam Abba Kyari	Independent non-executive director (resigned w.e.f. 28 August, 2015)
Mr. Atedo N. A. Peterside, CON	Non-executive director
Mr Ologbaraete K. Pinnick	Executive director
Mrs Adesola Sotande-Peters	Executive director (appointed w.e.f. 1 January, 2015)
Mr Mutiu Sunmonu	Independent non-executive director (appointed w.e.f. 31 December, 2015)
Mr. James Todd	Non-executive director (appointed w.e.f. 15 October, 2015)
Sen. Udoma U. Udoma, CON	Non-executive director (resigned w.e.f. 11 November, 2015)

The following Directors have resigned from the Board since the last Annual General Meeting:
1. Mallam Abba Kyari - resigned from the Board with effect from 28 August, 2015
2. Sen. Udoma U. Udoma - resigned from the Board with effect from 11 November, 2015.

Since the last Annual General Meeting, the following Directors joined the Board:
1. Mr James Todd - joined with effect from 15 October 2015.
2. Mrs. Abiola Alabi, - joined with effect from 31 December, 2015.
3. Ammuna Lawani Ali OON – joined with effect from 31 December 2015.
4. Mr. Mutiu Sunmonu CON, FNSE – also joined with effect from 31 December, 2015.

Report of the directors (continued)

Board responsibilities

The Board has the final responsibility for management, direction and performance of the company and has the powers, authorities and duties vested in it by the relevant laws and regulations of the Federal Republic of Nigeria and the Articles of Association of Unilever Nigeria Plc. The Board has overall responsibility for the management of risk and for reviewing the effectiveness of the internal control and risk management system within the company.

The Board has delegated to the Chief Executive Officer/Managing Director all its powers, authorities and discretions which relate to the operations of Unilever Nigeria Plc.

The powers, authorities and discretions exclusively within the remit of the Board and which currently have not been delegated include making or approving the following:

1 Structural and constitutional powers

- Alteration of Articles of Association
- Alteration of the capital of the company
- Significant asset disposal

2 Governance

- Convening of meetings of the shareholders of Unilever Nigeria Plc. and the setting of the agenda thereof and generally ensuring that a satisfactory dialogue with shareholders takes place
- Presentation of the annual report and financial statements to shareholders
- Reviewing and approving proposals from the Governance/Remuneration Committee
- Proposals to the general meetings of shareholders of Unilever Nigeria Plc. on the Board remuneration policy within the authority set by the general meeting of shareholders
- The review of the functioning of the Board and its committees
- Overall responsibility for compliance with all relevant laws, regulations and Code of Corporate Governance
- The Operating Framework

Board appointment and evaluation process

Unilever Nigeria Plc. recruits Directors in line with its Board recruitment process which devolves from its Code of Business Principles and Code Policies relating to human resources recruitment and the Governance of Unilever document. The basic principle underlining the process of recruitment of Directors in Unilever Nigeria Plc. are the qualifications, ability and skills required for the role and the ability to make visible and independent (where applicable) contribution to the governance of Unilever Nigeria Plc. in accordance with Unilever global, regional and local strategy and the relevant local legal requirements. These principles were applied during the recruitment of all the new Non-Executive Directors viz. Mr James Todd, Mrs. Abiola Alabi, Ammuna Lawan Ali OON and Mr. Mutiu Sunmonu CON, FNSE, who all joined the Board in 2015.

The governance process in Unilever Nigeria Plc. provides for the induction and training of Directors by virtue of which Directors are taken through relevant and appropriate training programmes which equip them for the role. In accordance with its 70-20-10 principle Unilever believes that a major part of training will happen through on-the-job experience and exposure, 20% will happen through relationship building and interaction with the right calibre of people while the remaining 10% will result from formal training.

Sustainability is a big Agenda at Unilever, accordingly the Board went through a training session on Unilever Sustainable Living Plan and how this ties in with the United Nations Sustainable Development Goals (UNSDGs).

Report of the directors (continued)

Board appointment and evaluation process (continued)

Unilever Nigeria Plc. provides the right atmosphere for its Directors to exhibit leadership and enhance their capabilities. Unilever Nigeria Plc further provides relevant governance information to its Directors as the need arises and also facilitates circulation of essential governance documents to the Board from time to time to keep them updated on legal, regulatory and corporate governance trends.

The Board of Directors of Unilever Nigeria Plc. is evaluated locally and from the Unilever Africa Cluster Office on an annual basis. The Board and individual Directors are benchmarked against the requirements of the Unilever Code of Business Principles, the Code Policies, the laws and regulations of Nigeria, the
SEC Code of Corporate Governance and other relevant governance provisions. The scope of evaluation covers compliance, contribution to the Board agenda for the year, attendance at meetings, quality of discussions at Board meetings, level of engagement with government and the community and entrepreneurial acumen.

In line with the Unilever Governance standards and in compliance with the SEC Code of Corporate Governance, the Board of Unilever Nigeria Plc. opted for an internal evaluation exercise in respect of period ended 31 December, 2015 to review the performance of the Board, individual Directors and Board Committees. The Evaluation confirmed that Unilever governance practices during the year ended 31 December 2015 were largely in compliance with the provisions of applicable laws, regulations, corporate governance Codes and international best practices.

Directors retiring by rotation

In accordance with Article 90 of the company's Articles of Association, Mr. Atedo N. A. Peterside, CON, and Mrs Adesola Sotande-Peters will retire by rotation and being eligible, offer themselves for re-election.

In addition, Mr. James Todd, Mrs. Abiola Alabi, Ammuna Lawan Ali OON and Mr. Mutiu Sunmonu CON, FNSE, who were appointed since the last Annual General Meeting will retire at this meeting and being eligible, offer themselves for re-election.

The profiles of all the six (6) Directors standing for re-election are contained on pages 8 to 10 of this Annual Report and Financial Statements.

Board committees

In line with the Code of Best Practices in Corporate Governance, the Board of Directors works through the following committees:

a. Executive Committee (Exco)

The Exco is a sub-committee of the Board and it is empowered by the Board to take decisions on behalf of the Board, which are necessary for the smooth day to day operations of the company.

The committee comprises the Executive Directors of the company. The following are currently members of the committee:

i	Mr. Yaw Nsarkoh	-	Managing Director
ii	Mrs. Adesola Sotande-Peters	-	Finance Director
iii	Mr. Ologbaraete K. Pinnick	-	Executive Director

Report of the directors (continued)

Board committees (continued)

b. Leadership Team (LT)

The Leadership Team is constituted by the Executive Directors and Senior Executives who occupy strategic roles in the organization. This Leadership Team is responsible for delivering the corporate targets of the company, establishing priorities, allocating resources, and seeing to the operations of the company on a day to day basis. The Leadership Team is chaired by the Managing Director/Chief Executive Officer of the company. Current members of the leadership team are as follows:

i	Mr. Yaw Nsarkoh	-	Managing Director
ii	Mrs. Abidemi Ademola	-	Director, Legal W A & Company Secretary
iii	Mr. Bernard Conyers	-	Director, Manufacturing
iv	Mr. Felix Enwemadu	-	Director, Customer Development (Head)
v	Mrs Soromidayo George	-	Director, Corporate Affairs
vi	Mr. Thomas Mwanza	-	Director, Procurement West Africa
vii	Mrs Nsima Ogedi-Alakwe	-	Director, Brand Building (Foods)
viii	Mrs. Eniola Onimole	-	Director, Human Resources
ix	Mr. George Owusu-Ansah	-	Director, Supply Chain Go to Market
x	Mrs. Adesola Sotande-Peters	-	National Finance Director
xi	Mr. Mike Ubeh	-	Director, Customer Development - General Trade
xii	Mr. Robert-de-Vreede	-	Vice President, Brand Building
xiii	Mr. Arnoud Wisse	-	Director, Customer Development and Brand Building Finance

c. The Audit Committee

The Audit Committee, established in accordance with the provisions of Section 359(4) of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004, is comprised of three (3) shareholders' representatives and three (3) Directors' representatives (two of whom are non–executive Directors and the other an executive director not being the Finance Director). The chairman of the Audit committee is one of the shareholders' representatives. During the year under review, the committee met four (4) times.

The functions of the Audit Committee are governed by the provisions of Section 359(6) of the Companies and Allied matters Act Cap 20 Laws of the Federation of Nigeria 2004 and the SEC Code of Corporate Governance for public companies 2011. The Members of the Audit Committee and the Report of the Audit Committee to the members are contained on page 30.

d. The Governance/Remuneration Committee

The Governance/Remuneration Committee comprises solely of Non-Executive Directors and is chaired by the Non-Executive Chairman of the Board. The Committee's Terms of Reference are in line with Paragraph 11 of the SEC Code of Corporate Governance 2011. Members of the Committee during the period ended 31 December, 2015 were:

i His Majesty Nnaemeka A. Achebe, CFR, MNI – Chairman
ii Mr. Atedo N.A. Peterside, CON
iii Sen. Udoma U. Udoma, CON (Resigned with effect from 11 November, 2015)

In 2015, all the above committees discharged their roles creditably and in line with their terms of reference.

Report of the directors (continued)

Board meetings

During 2015, the Board held four meetings. The record of Directors' attendance is presented below:

Name	Meeting date 19 March 2015	Meeting date 9 April 2015	Meeting date 16 July 2015	Meeting date 15 October 2015	Total attendance
His Majesty N.A. Achebe	✓	✓	✓	✓	4 meetings
Mr. Y. Nsarkoh	✓	✓	✓	✓	4 meetings
Mallam A. Kyari	✓	✓	X	NLB	2 meetings
Mr. A.N.A. Peterside	✓	✓	✓	✓	4 meetings
Mr. O. K. Pinnick	✓	✓	✓	✓	4 meetings
Mrs. A. Sotande-Peters	✓	✓	✓	✓	4 meetings
Mr. James Todd	NYA	NYA	NYA	✓	1 meeting
Sen. U. U. Udoma	✓	✓	✓	X	3 meetings

✓ - Present
X – Absent with apologies
NLB - No longer on the Board
NYA - Not yet appointed

Governance/Remuneration Committee

The Governance/Remuneration Committee held three meetings in 2015. The record of members' attendance is presented below:

Name	Meeting date 16 July 2015	Meeting date 15 October 2015	Meeting date 15 December 2015	Total attendance
His Majesty N.A. Achebe	✓	✓	✓	3 Meetings
Mr. A.N.A. Peterside	✓	✓	✓	3 Meetings
Sen. U. U. Udoma	✓	X	NLAM	1 Meeting

✓ - Present
X – Absent with apologies
NLAM - No longer a member

Audit Committee meetings

During 2015, the Audit Committee held four meetings. In the course of the year, two 2 out of the three (3) Directors' representatives in the Audit Committee; namely Mallam Abba Kyari and Sen. Udoma Udo Udoma CON, resigned from the Board and the Audit Committee. The Board replaced these members with Mr. James Todd and Mr. Atedo Peterside. The record of members' attendance is presented below:

Name	Meeting date 18 March 2015	Meeting date 15 July 2015	Meeting date 14 October 2015	Meeting date 3 December 2015	Total attendance
Mr. L. N. Onwuka	✓	✓	✓	✓	4 Meetings
Prince B. Adebanjo	✓	✓	✓	✓	4 Meetings
Alhaji W. Ajani	✓	✓	✓	✓	4 Meetings
Mallam A. Kyari	✓	✓	NLAM	NLAM	2 Meetings
Mr. O. K. Pinnick	✓	✓	✓	✓	4 Meetings
Sen. U. U. Udoma	✓	✓	X	NLAM	2 Meetings
Mr. James Todd	NYA	NYA	NYA	✓	1 Meeting
Mr. Atedo Peterside	NYA	NYA	NYA	✓	1 Meeting

✓ Present
X – Absent with apologies
NLAM - No longer a member
NYA - Not yet appointed

Report of the directors (continued)

Record of Directors' attendance at Board meetings

In accordance with section 258 (2) of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 the record of the Directors' attendance at Directors' meetings during 2015 as listed above is available for inspection at the Annual General Meeting.

Directors' interests in contracts

Directors’ interests in contracts for the year ended 31 December 2015 were as follows:

Name of Director	Nature of the contract	Directors’ Interest therein
Senator Udoma Udo Udoma, CON	Canteen Services contract with Pine Park Ltd., a Franchisee of UAC Restaurants Ltd	Chairman and Shareholder of UAC Plc. Group Company of UAC Restaurants Ltd.
Senator Udoma Udo Udoma, CON	Legal Adviser to the Board of Unilever Nigeria in respect of Unilever Overseas Tender Offer	Partner Udo Udoma & Belo Osagie
Mr. Atedo N. A. Peterside, CON	Pension Fund Administrator Service Agreement with Stanbic IBTC Pension Managers Ltd.	Chairman and Shareholder of Stanbic IBTC Holdings Plc; the Holding Company of Stanbic IBTC Pension Managers Ltd.

No other Director has notified the company for the purpose of section 277 of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria 2004, of their direct or indirect interest in contracts or proposed contracts with the company during the year.

Directors' shareholding

The Register of Directors' interests in the share capital of the company will be open for inspection at the Annual General Meeting.

The direct and indirect interest of Directors in the issued share capital of the company as recorded in the Register of Directors' Shareholdings and/or as notified by them for the purposes of sections 275 and 276 of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 and the listing requirements of the Nigerian Stock Exchange are as follows:

Director	Number of shares held at 31 December 2015 & up to 17 March 2016	Number of shares held at 31 December 2014
His Majesty N. A. Achebe	55,976	55,976
Mr Yaw Nsarkoh	Nil	Nil
Mrs Abiola Alabi	Nil	Nil
Ammuna Lawan Ali	Nil	Nil
Mallam Abba Kyari	67,654	67,654
Mr. Atedo N. A. Peterside -Indirect (First ANAP Domestic Trust)	4,000,000	4,700,000
Mr. Ologbaraete K. Pinnick	16,649	16,649
Mrs Adesola Sotande-Peters	Nil	Nil
Mr Mutiu Sunmonu	Nil	Nil
Mr James Todd	Nil	Nil
Sen. Udoma U. Udoma - Indirect (Tierce Investments Ltd.)	1,637,500	1,637,500

Report of the directors (continued)

According to the register of members at 31 December 2015, the following shareholders of the company held more than 5% of the issued share capital of the company:

Shareholder	Number of shares	Percentage held %
Unilever Overseas Holdings B.V. Holland	1,893,006,656	50.04
Unilever Overseas Holdings BV	321, 395, 410	8.49
Stanbic Nominees Nigeria Limited/C001 - Main	194, 002, 252	5.13

The total shareholding of Unilever Overseas Holdings B.V. increased to 321,395,410 following the Tender Offer to other Shareholders of Unilever Nigeria Plc. and open market purchases made during closed periods in 2015.

Immediate and ultimate parent companies

Unilever Overseas Holdings B.V. and Unilever Plc. United Kingdom.

Share Dealing Policy

In accordance with the Post-Listings Rules of the Nigerian Stock Exchange, Unilever Nigeria Plc. has in place a share dealing policy which regulates securities transactions by its Directors, Employees and other Insiders on terms which are no less exacting than the required standard set out in the Nigerian Stock Exchange Rules. The Policy and Closed Periods are communicated periodically to drive compliance. In respect of the year ended 31 December, 2015, the Directors of Unilever Nigeria Plc. hereby confirm that:

1) A code of conduct regarding securities transactions by all Directors has been adopted by the Company.
2) Specific enquiry of all Directors has been made during the reporting period and there is no incidence of non-compliance with the listing rules of the Nigerian Stock Exchange, and Unilever Nigeria's code of conduct, regarding securities transactions by Directors.

Employment policy

At Unilever Nigeria, we strongly believe that in order to win in market place, we must win with people and through people. This unwavering premise constantly guides us in the way we work and culminates in our policies and practices at every stage of our employment cycle. Thus, we strive to remain an equal opportunity employer passionate about diversity and inclusivity, mutual respect as well as encouraging vibrant communication and consultation between employees and the leadership team.

Our core values and Code of Business Principles define what we stand for and the framework in which we do business. These are values hinged on professional ***integrity***, attaining and maintaining a ***pioneering*** mindset of innovation and continuous improvement, a ***responsibility*** to make a positive impact in the society in which we operate, and ***respect*** for all our stakeholders. These non-negotiables, together with our standards of leadership, define the kind of people who drive our business; people with Growth mindset, Consumer and Customer focus, Bias for action; people with strong sense of accountability and responsibility and who have the ability to build talent and teams.

Talent Development

Our passion in creating opportunities for constant development and connecting our employees with those opportunities has been a most trusted principle underpinning why we have remained a market leader in our highly competitive industry. Thus while we encourage employees to take ownership of their personal development, there are robust, technology enabled systems in place to help them develop better leadership, professional and general skills to enhance engagement and productivity. The launch of our new online learning platform, with enhanced mobile capabilities, now gives employees access on-the-go, (anytime, anywhere), to world class, globally researched content across a vast range of relevant fields and topics.

Report of the directors (continued)

Employee Emgagement

We believe that harnessing the positive energy in our employees and taking insightful steps to invest this energy into our business is critical to driving Unilever Nigeria Plc in the desired direction. In this regard we deploy several initiatives to promote a highly engaged and productive workforce, also inspiring a sense of accountability and ownership. One initiative that brought this to light was the "Share in our future scheme". This gave employees at every level the unique opportunity of participating in the Unilever global share scheme with just a token contribution monthly which they can earn dividends on and also personally monitor. The level of motivation and commitment this generated was gratifying as it brought to life the notion of employees being stakeholders and at the same time shareholders.

As part of our drive to foster a gender balanced operation where diversity is appreciated and fostered, we launched more specific initiatives such as the Maternity and Paternity Support portal to offer guidance and support to expectant parents and their line managers, through the different stages from planning a family to reintegrating back at work after a new birth. We also commissioned a Lactation room fondly tagged "Momma's Crib" to support new mums who wish to be baby friendly.

Employer Branding

Our objective to attract the best talent was brought to life in 2015 through a series of initiatives including sustained partnerships with reputable universities, hosting student competitions, career talks and seminars etc. worthy of mention was the deployment of the Rexona Class of Confidence program across Nigerian Universities, in partnership with our Rexona Brand. Through this initiative we were able to impact over 7,000 youths across the country with a compelling message that inspired them to achieve their dreams through believing in themselves and having the confidence to do more.

This culminated in the 4th Edition of our flagship IdeaTrophy Competition for University undergraduates which doubled as the inaugural Africa wide IdeaTrophy competition. Furthermore the Grand Finale was taken to the next level as it brought together over 500 youths to participate in Unilever Youth Employability Fair. These fortunate youths had the privileged of receiving free CV Vetting, Career Counselling, and being inspired by the keynote speaker and guest speaker Professor Pat Utomi (former Presidential Candidate), and Honourable Babatunde Durosinmi-Etti (Lagos State Commissioner for Wealth Creation and Employment), respectively.

The impact of our activities were sustained throughout 2015 resulting in Unilever Nigeria being the recipient of several external awards/recognitions including:

1) No. 1 FMCG Employer of Choice in Nigeria, for University students across select target schools, recognised by the Universum international company
2) No. 1 Top Employer in Nigeria and Certified for excellence in Employee Conditions by the Top Employer Institute.
3) 2nd Best Company to work for in Nigeria, as recognized by the Great Place to Work
4) Certificate of Commendation for Innovative Human Resources Practice, presented by the Chartered Institute of Personnel Managers (CIPM).
5) Recognition for Outstanding Family Friendly Policies presented by Institute for Work & Family Integration, Nigeria.

As we look forward to an even more successful 2016, our thrust is to continuously embed all our people related processes and practices towards ensuring Unilever Nigeria maintains and enhances the value afforded to and derived from our most priced assets – our employees.

Report of the directors (continued)

Unilever Code of Business Principles

Unilever Nigeria Plc. has zero tolerance for corruption and unethical practices and mandates its employees and business partners to adhere to all applicable laws and regulations, the Unilever Code of Business Principles and Code Policies. Unilever Code of Business Principles (COBP) prescribes a uniform standard of conduct expected of every Unilever operating company, employee and business partner. The COBP covers matters such as Obeying the law, Conflict of interest, Business integrity, Business partners, Shareholders and public activities, Fair Competition and Responsibility to our consumers. The Code Policies further spell out the 'must dos' and 'must nots' relating to each area under the COBP. Employees of Unilever Nigeria Plc. go through periodic mandatory trainings and Declarations and focussed discussions to reinforce the COBP standards and drive compliance. Compliance with the COBP is mandatory and is monitored at the highest level of leadership. Internal and external confidential reporting lines are available to encourage reporting of breaches and sanctions are consistently applied for these breaches. In 2015 Unilever set up a dedicated Business Integrity organization separate and distinct from Audit and Risk organization to focus more on Code compliance and related matters. The BI organization provides an effective framework for prevention, monitoring and enforcement. Unilever also makes it mandatory for all its business partners to sign up to compliance with its Responsible Business Partner Policy of Responsible Sourcing Policy as may be applicable

Sustainability Report

Creating A Bright Future – Unilever Sustainable Living Plan

As a Company we realize that with 7 billion people in the world, the earth's resources are under immense strain. We are living in a world where temperatures are rising; water is scarce, food supplies uncertain and the gap between the rich and poor is increasing. We cannot close our eyes to the problems the world faces. At Unilever, we believe that businesses must be part of the solution.
In September 2015, the United Nations launched the Sustainable Development Goals (SDGs) - an ambitious set of goals to end extreme poverty, fix inequality and tackle climate change by 2030.

The challenges that the Global Goals aim to tackle have a huge impact on businesses and are already aligned with our own ambitions set out in the Unilever Sustainable Living Plan (USLP). Many have direct relevance to our business including climate change, women empowerment and support for the health and hygiene agenda. With trusted brands like Lifebuoy, Knorr, Rexona, Closeup and Pepsodent, we touch several millions of lives across Nigeria each day and are already bringing the global goals to life for people through our brands and their social missions.

For us, sustainability is integral to how we do business. We believe that as a business we have a responsibility to our consumers and to the communities in which we have a presence. Around the world we invest in local economies and develop people's skills inside and outside of Unilever. And through our business and brands, we run a range of programmes to promote hygiene, nutrition, empowerment and environmental awareness.

We are contributing to addressing some of Nigeria's health challenges by helping to fight public health issues, as well as addressing under-nutrition. Our innovations are helping save lives and promote better hygiene – like Lifebuoy soap's breakthrough germ-fighting technology; Pureit's revolutionary in-home water purifier; and Pepsodent's superior oral care products helping to fight tooth decay.

Our brands also have environmental benefits – we are helping consumers to use less water, reduce waste and lower their carbon footprints. By leveraging our global scale, local insights and expertise, we apply the very latest in research & development (R&D) technology to create Nigeria-centric innovation that meet Nigerians' needs. We adhere to the highest standards of quality and safety so that people know they can trust our products. This all adds up to our commitment to help millions of Nigerians to improve their health and hygiene, achieve a healthier diet and lower their environmental footprint – and so enjoy a brighter future through our brands.

Report of the directors (continued)

Creating A Bright Future – Unilever Sustainable Living Plan (continued)

As we grow, we create jobs, invest in factories and provide training and skills in line with the Unilever Sustainable Living Plan, we are developing a new sustainable business model that creates prosperity for all those that have a stake in our business. It includes: increasing business for small-scale retailers; recruiting and training the best Nigerian talent; and raising the participation of women and young entrepreneurs right across our value chain. Across Nigeria, we employ hundreds of thousands of people in our supply, distribution and retail chains.

We remain convinced that businesses that address both the direct concerns of citizens and the needs of the environment will prosper over the long term. We need to build new business models that enable responsible, equitable growth that is decoupled from environmental impact. This thinking lies at the heart of the Unilever Sustainable Living Plan.

USLP Goals

To achieve our vision, we have 3 clear goals:
• Help people take action to improve their health and well-being.
• Enhance Livelihoods
• Decouple growth from the environmental footprint of our products

2015: Journey So Far (in Nigeria)…

Helping People Take Action To Improve Their Health And Well-Being

Brands such as Knorr, Lifebuoy, Pepsodent, Sunlight, Close-up and Blue-Band spread are purposefully focused on health and wellbeing. Our portfolio ranges from nutritionally balanced foods to affordable soaps and everyday household care products with strong social missions. In 2015, our key areas of intervention in Hygiene, Oral care and Nutrition include; Project Heart (Brush Day and Night Schools Program)-educating students and their parents on brushing frequently thereby improving their health and hygiene, well-being and educational performance with our Pepsodent toothpaste. BlueBand Clinics Programme (Creating Nutritional Awareness)- educating mothers on child and mother nutrition practices with our Blue Band Margarine and Knorr Force for Good Program to tackle anaemia in Nigeria with Knorr Seasoning cubes.

Other initiatives include: helping to fight blindness in Northern Nigeria through a partnership with Sightsavers Nigeria to control and prevent trachoma. Unilever Nigeria deploys advocacy and engages organizations such as the Nutrition Society of Nigeria (NSN) and Global Alliance for Improved Nutrition (GAIN) to create awareness on the importance of improved nutrition to the general health and wellbeing of Nigerians. To help tackle the spread of HIV/AIDS in Nigeria, Unilever is also partnering PATA (Positive Action for Treatment Access) by funding PATA's HIV and AIDS media programs.

Enhancing Livelihoods

Poverty and unemployment are two of the major global challenges facing mankind today. The economic growth that has taken place in the country over the years has not been able to generate adequate employment and income generating opportunities to absorb net increases to the labour force and reduce the proportion of the labour force that is unemployed and underemployed. With Nigeria's unemployment rate spiraling upwards, growing at 16% per year, there's a need for an intervention to support governments' efforts.

Our key areas of intervention were in Women Empowerment Program with 'Project Gbemiga' and the 'Lipton Push Cart' program in order to help people enhance their livelihoods, and to address the issue of unemployment and poverty in Nigeria.

Report of the directors (continued)

Enhancing Livelihoods (continued)

Gbemiga, is a women empowerment program which creates an opportunity for women to increase their earnings and improve the quality of their lives. Gbemiga registers, trains and provides women in rural communities with enough capital to start selling Unilever products to households and retail stores around them. These Nigerian women are privy to constant training on sales and book-keeping skills to ensure they are able to build a sustainable business.
Lipton Push-Cart seeks to address the unemployment challenge with a carefully designed framework that is creating third-party employment opportunities along our supply chain.

Gbemiga piloted in 4 states: Oyo, Ogun, Imo and Enugu and has to date registered 1,000 women. While the Lipton push cart piloted in Lagos with 10 vendors with the capacity to scale up in 2016.

Halving The Environmental Footprint Of Our Products

Increasing resource scarcity means it is more urgent than ever to be efficient with packaging and to find solutions to deal with 'post-consumer' waste. The business case is clear. The more we reduce our packaging and the less waste that goes to landfill, the greater the cost savings in materials, energy, transport and disposal. The more we can design in a circular way, the more value we can create for our company and for others.

We focus on two strategic thrusts which are the catalysts for many initiatives, namely resource efficiency and designing for circularity. The former is aimed at reducing our inputs, particularly non-renewables. The latter is aimed at ensuring our outputs can be re-used as a valuable input either in our industry, or cascaded into other industries. Our approach also deals with manufacturing and food waste. By using resources more efficiently we cut costs and ensure we have affordable access to the materials we need for the long term. We will continue to work with others –from academia, specialist suppliers and waste service providers, to environmentally focused non-profit organizations in furtherance of our aim to halve the waste associated with the disposal of our products by 2020.

In 2015, Unilever discontinued the use of paper-based fibrite as secondary packaging for its detergents. Polywoven sacks are now used as secondary packaging.

Unilever Global awarded a grant of about 10 Million Naira (50,000 Euros) to Wecyclers (a company that manages the collection and recycling of waste) and Wecyclers to continue to conserve the environment, create more job opportunities and promote SME's development.

The partnership allows Unilever trade carbon footprints from its operations by helping to prevent the emission of C02 caused by improper disposal of its post-consumer waste products. Unilever's aim is to use this platform and opportunity to boost employment opportunities for young Nigerians by creating more entrepreneurs in the process.

Unilever has incorporated the 'zero waste to land fill' agenda into its improvement of the environment. All waste generated from the company's factory sites are either reused or recycled.
Improvements to Unilever's manufacturing processes have helped the company to reduce its water use. We are making efforts to reduce the impact our manufacturing operations have on the environment.

Report of the directors (continued)

Case Study: Knorr Force for Good
Social issue:

Roughly half of the anaemia cases are caused by iron deficiency. However, anaemia can also be caused by other factors such as infectious and inflammatory diseases, blood loss from parasitic infections, and other nutrient deficiencies, such as vitamin A, folate and B12. In 2011, prevalence of anaemia in non-pregnant women between ages of 15 and 49 was estimated to be 496 million (29%) in non-pregnant women and 32 million (38%) in pregnant women, globally. The prevalence of anaemia is highest in Central and West Africa, at 48% in non-pregnant women and 56% in pregnant women. In Nigeria, specifically, 49% of
women at reproductive age have anaemia, 24.3% have low iron stores and 12.7% of them are iron deficient, according to the 2003 National Survey. Studies found that iron intake in adolescent girls varied from 10-32 mg/d and in women from 11-14 mg/d. These figures indicate that majority of the adolescent girls and women did not meet the iron requirements of 20 mg/d by FAO/WHO. In addition, a larger study (2008) in six states representing the three agro-ecological zones and rural and urban areas of Nigeria indicated that out of a total of 14 food groups, Nigerian households consume on average only five to six different food groups (lower end of average Dietary Diversity Score). This means that there is not much variation in the diet, and that micronutrient (including iron) intake may be insufficient. For instance, less than half of the households consumed iron rich animal foods such as meat on a daily basis, and vegetable and fruit consumption was also less common. Moreover, Predominant foods in the Nigerian diet, such as cereals and grains, roots and tubers, legumes, nuts and seeds are high in phytate, which is known to inhibit iron absorption. Similarly, it was found that 30-40% Nigerian women 15-49 with young children <3Years did not consume iron rich foods on a daily basis.

Our Approach to Intervention

The Knorr Green Food Steps aims to develop an effective nutritious cooking behavior change program which is sustainable and scalable in order to address the issue of anaemia in young women. It is centered on developing a framework for improving adolescent and teenage cooking practices, which should then go on to become life-time habits. In Nigeria, mothers are the kitchen 'gatekeepers' and their adolescent daughters learn cooking behaviors from them. The program therefore uses behaviour change techniques of motivating intimate mother-daughter sharing times around meal preparation. Nigeria is one of the few countries that has mandatory fortification of staple (wheat flour) with iron. However, studies show that compliance of fortifying staples with micro-nutrient remains very low even in Nigeria, thus limiting the impact of this approach on reducing iron deficiency. Therefore, voluntary fortification by industries is also needed to join forces with mandatory fortification to overcome the challenge of undernutrition or iron deficiency. Bouillon cubes are a promising food fortification vehicle as they have been reported to be widely available and used in areas where other fortified foods are not available (e.g. West Africa), and similar to table salt their use is self-limiting, minimizing iron over consumption. Because of the low variety in food groups in the Nigerian diet and subsequent risk of inadequate micronutrient intake, the Knorr program also therefore aims to get mothers to add leafy green vegetables to their staple foods – in particular, meat stew. By promoting the use of iron fortified bouillon cubes and addition of iron rich foods, Knorr aims to improve the nutritional value of commonly consumed dishes and, overtime, increase the iron intake of the population to decrease the prevalence of iron deficiency anaemia in Nigeria.

What we have done

We have reached about 25,000 mothers & daughters with the project, and this has created a higher consciousness of healthy cooking habits amongst the participants exposed to the campaign – the importance of cooking green vegetables and of seasoning cubes fortified with iron.

Future Outlook For 2016

We will continue to embed sustainability into every stage of the life cycle of our products while partnering with NGOs and relevant government agencies, because we know that making sustainable living commonplace is not something we can do on our own.
We believe that as a business, we have a responsibility to our consumers and to the communities in which we have a presence. We will continue to invest in the Nigerian economy and develop people's skills inside and outside of Unilever. And through our business and brands, we will run a range of programmes to promote hygiene, nutrition, empowerment and environmental awareness.

Report of the directors (continued)

Corporate Social Responsibility in 2015

	N'000
Secondary school scholarships	7,411
Donation to IDP North-East Nigeria	200,000
Donation of products to schools, charity homes etc	4,655
Total	**212,066**

Safe Working and Healthy Employees

In line with our Safety Health and Environmental Care (SHE) policy, we remain committed to providing safe and secure work environment for employees. Our manufacturing sites in Oregun and Agbara have been certified to ISO 14001 for 13 consecutive years. We were also re-certified to OHSAS 18001, a global Safety Health and Environmental Management system after rigorous audits of our facilities. The year 2015 ended with no record of fatality from employees and contractors engaged in our sites or external activities across the country. These achievements can be linked to continuous top-down, bottom- up safety engagements, compliance to SHE standards such as Electrical standards, Permit to Work, contractor management, outdoor activities safety, safe travel and journey management to mention just a few.

The company continues to invest substantially in Occupational Health and Safety capability building by ensuring regular training and retraining of its employees and third parties, weekly safety talks across the business, safety campaigns and awareness of key happenings in the environment and country at large.
In line with the objectives of the Unilever sustainable Living Plan (the company's blue print for sustainable growth) we embarked on an ambitious goal to achieve "Zero Non Hazardous Waste to Landfill" in our Head office and Manufacturing sites. We aggressively drove reduction, reuse and recycling of generated wastes as we increase our production figures.

On Health and Employee wellness programs, we delivered various initiatives that promoted employees health and wellbeing. Some of these initiatives include quarterly aerobic sessions, gymnastics facilities and lamplighter campaign that encouraged employees to carry out comprehensive health checks at the company clinic.

These achievements were possible due to unwavering commitment of the leadership team and continuous support from all employees, even contractors that transact business with us. We shall continue to uphold highest standards of SHES as the company journeys into improved productivity.

At Unilever Nigeria Plc, Quality means delighting our Consumers everyday with products that make them look good, feel good and get the best out of life. Achieving our Quality objectives is pivotal to Unilever Nigeria Plc's vision to double the size of the business, whilst reducing its environmental footprint and increasing its positive social impact.

Embedded in our core beliefs is the passion for our consumers and customers and this drives our business decisions every day. We engage in grass-root activities that ignite the passion for Quality in all stakeholders as we realize that in delighting our consumers, we grow brand equity and improve market share; and by getting it right first time, every time, we are reducing waste. We achieved this in 2015 through:

a) Quality Review: Bringing the voice of the consumer and customer into our business and gaining key learnings that drives continual Quality improvement.
b) Creating an empowered and active Quality community across all the sites.
c) Consumer Listening: Toll free Consumer care line.

Report of the directors (continued)

Quality

Our Quality processes are comprehensive, from product conception, design, production and through to customer shelf. They are verified annually, and regularly monitored through key performance indicators that drive continuous improvement.

Our key suppliers are externally certified and the quality of material received is regularly monitored to ensure that it meets the rigorous quality standards that our products demand. Our products are manufactured according to Good Manufacturing Practices (GMP), as well as in line with local and international regulations, whichever is more stringent.

At Unilever Nigeria Plc our belief is that when we value quality we are valuing our consumer and customers.

HIV/AIDS Policy

Unilever Nigeria Plc. is committed to providing a healthy and safe work environment for all employees in accordance with its Safety, Health and Environment (SHE) policies and in compliance with current medical standards, public health regulations and international requirements as they relate to HIV/AIDS.

The Company is concerned about the HIV/AIDS pandemic and its HIV/AIDSs policy and programme are intended to ensure that all staff have sufficient awareness of the cause, consequences and prevention of the disease to adequately protect themselves and others. Employees with HIV/AIDS shall also work freely in a non-discriminatory environment.

Unilever Nigeria Key Distributors

UNILEVER KEY DISTRIBUTORS	
Region	**KD Name**
Lagos	Suara & Company
	Itura Ventures Limited
	De Moshadek And Company Nigeria
	Icojon Integrated Consultants Limit
	Lara Enterprises
	Worthy Ventures Limited
	Caniz Limited
	Adebola Distribution Enterprises
	Chrislanbolu Trade & Eng. Serv. Ltd
	Caniz Ikotun
	Opaline Global Services Limited
	Ofakia Ventures Limited
	J A Onabowale Lagos
	Convenant Success Supermarket
	Sam And Martha Investment Ltd
Middle Belt	J.O Adebiyi & Sons Nigeria Ltd
	Ifjane Nigeria Limited
	Kesy Distribution And Logistic Ltd
	Batinuk Integrated Company Ltd
	Jodeb Ultimates Investment Ltd
	Iduh Integrated Services Nig Ltd
	J Nnoli And Sons
	Olayiwola Gbadamosi Company Nigeria
	Dom Bee Nigeria Limited
	Vent Logistics Limited
	Dupet Light International Ltd.
	Aub And Sons Integrated Services

Report of the directors (continued)

Unilever Nigeria Key Distributors (continued)

North East	Baba Gana Mafoni
	A D Basharu And Sons (Nig) Limited
	S C Okafor Nigeria Limited
	Naheem Heights Limited
	Amd Global Concepts Ltd
	A.D. Basharu & Sons Nig Ltd Jalingo
North West	Alakass Nigeria Enterprises
	Lasun Dan Mama Nigeria Limited
	J A Onabowale And Sons Limited
	Sidi And Sons
	Tagmawashi Resort Limited
	Arinola Precious Ventures
	Al-Babello Trading Company Limited
	Prime General Merchants Limited
	Alh. Yaro Gobirawa And Sons Limited
	Allanka Nigeria Limited
	Alhaji Abu Zamau Enterprises
	Belfas Investment Limited
South Central	Charles Aman Nigeria Limited
	Tivo Corporate Services International Ltd
	Sylika Global Resources Enterprises
	Tivo Corporate Services International Ltd
	Ibokies Nigeria Company
	Rickafe Services Limited
	Ursulasam Ventures
	M.E Ugbor And Brothers Nigeria Ltd
	Humphrey Okechukwu Nwoji Enterprise
	Chuduak Limited
	Prenica And Company Nigeria Limited
	Steve Sylver Nigeria Limited
	Charleson Industrial Supplies Limited
	Globalog Enterprises
	Blessed Iyke Stores
South East	Igwediebube Nigeria Limited
	Isangette Enterprises
	P O Konyeha And Sons
	Grab & Munch
	Eleru Brand Ltd
	Nakus Global Nigeria Limited
	G.N Chukwu & Sons Enterprises
	Eleru Brand Ph
	B N Igwe And Sons
	Theo And Powell Services Limited
	Kaima Integrated Network Ventures L
	M O Okoro And Sons Limited
	Cy Obiora Nig Enterprises
	Igbozulike Investment Limited

Report of the directors (continued)

Unilever Nigeria Key Distributors (continued)

West	Gods Power Enterprises
	Estfrans Ventures Limited
	Dan Sarat Company Nig Ltd
	Hats Investment And Promotions Limi
	Hasbar Investment Nigeria Limited
	Debby Mega Merchants Limited
	R S Abimbola (Nigeria) Enterprises
	J O Adegboyega Enterprises
	Nebabs Limited
	John Bosco Trading Company Ltd

MORDERN TRADE OUTLETS	
1	Shoprite
2	Park n shop/Spar
3	Game
4	Valumart
5	Next Cash n Carry
6	Grocery Bazaar
7	Shop Direct
8	Justrite
9	Prince Ebeano
10	Grandsquare
11	Addide
12	First Choice Retailing
13	Mr. Biggs

Independent auditor

KPMG Professional Services are Independent Auditors to Unilever Nigeria Plc. and have indicated willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004.

By Order of the Board

Mrs. Abidemi Ademola
Legal Director W A and Company Secretary
FRC/2013/NBA/00000001646

17 March 2016

Statement of Directors' Responsibilities

The directors accept responsibility for the preparation of the annual financial statements set out on pages 33 to 77 that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria 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.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

His Majesty N.A. Achebe CFR, MNI	Yaw Nsarkoh	Adesola Sotande-Peters
Chairman	Managing Director	Finance Director
FRC/2013/NIM/00000001568	FRC/2014/IODN/00000007035	FRC/2015/ICAN/00000010834

17 March 2016

CIRCULAR TO SHAREHOLDERS SEEKING A GENERAL MANDATE AUTHORIZING TRANSACTIONS WITH RELATED PARTIES OF VALUE UP TO AND MORE THAN 5% OF UNILEVER NIGERIA PLC. NET TANGIBLE ASSETS

In accordance with Paragraph 6.0 of the Nigerian Stock Exchange Rules Governing Transactions with Related Parties or Interested Persons, Unilever Nigeria Plc. hereby seeks a general mandate from shareholders in general meeting, authorizing the Company to enter into recurrent transactions necessary for its day to day operations such as the purchase and sale of supplies and materials and procurement of goods and services, with its related parties to wit Unilever Overseas Holdings B.V., Unilever Plc, United Kingdom and other entities within the Unilever Group, up to transactions of a value equal to or more than 5% of Unilever Nigeria Plc's net tangible assets.

The following information is hereby provided in respect of the transactions for which the general mandate is sought:

i. Class of interested persons with which the entity at risk will be transacting:
   a. Parent Company – Unilever Plc
   b. Holding Company – Unilever NV
   c. Other Companies within the Unilever Group

ii. Nature of transactions contemplated under the mandate
   a. Import and export of raw materials and finished goods
   b. Import and export of materials
   c. Services – Cross charges of pension costs, international assignees costs and other services such as Trade mark license, Technology License and Central Services.

iii. Rationale for, and benefit to the entity
   a. Access to Unilever logo and trade marks, up to date technology and service expertise
   b. Competitive sourcing prices through negotiated transfer pricing
   c. Seamless reconciliation of transactions and balances on a line item level
   d. Pro-active, managed dispute resolution process
   e. Full transparency of all intercompany differences
   f. Enforced compliance with internal intercompany processes and external regulations.
   g. Ensures adequate monitoring of receivables and payables
   h. Reduced financial risk

iv. Methods or procedures for determining transaction prices
   Transfer Pricing methods as follows:
   a. Comparable uncontrolled price.
   b. Resale price method.
   c. Cost plus method.
   d. Transactional net margin method.

v. We have received Independent financial advisers' opinion which confirmed that our transfer pricing methods or procedures are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to the interests of Unilever Nigeria Plc. and its minority shareholders.

vi. Unilever Nigeria Plc. shall obtain a fresh mandate from the shareholders if the transfer pricing methods or procedures become inappropriate and

vii. Unilever Overseas Holdings B.V. and/or Unilever Plc, United Kingdom shall abstain and has undertaken to ensure that its associates shall abstain from voting on the Resolution approving the general mandate.

Dated this 19 March, 2016
By Order of the Board

Mrs Abidemi Ademola
Legal Director W A and Company Secretary
FRC/2013/NBA/00000001646

Report of the Audit Committee to the members of Unilever Nigeria Plc

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria 2004, the members of the Statutory Audit Committee of Unilever Nigeria Plc. hereby report as follows:

"We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 and we acknowledge the cooperation of management and staff in the conduct of these responsibilities.

We confirm that:

1. The accounting and reporting policies of the company are consistent with legal requirements and ethical practices.
2. The internal audit programmes are extensive and provide a satisfactory evaluation of the efficiency of the internal controls systems.
3. We have considered the independent auditors' post-audit report in respect of year ended 31 December, 2015 and management responses thereon, and are satisfied thereto."

Members of the Audit Committee are:

1.	Mr Lazarus N. Onwuka	-	Chairman & Shareholder's Representative
2.	Prince Bunmi Adebanjo	-	Shareholder's Representative
3.	Alhaji Wahab A. Ajani	-	Shareholder's Representative
4.	Mr. James Todd	-	Non-Executive Director
5.	Mr Ologbaraete K. Pinnick	-	Executive Director
6.	Mr. Atedo Peterside CON	-	Non-Executive Director

Dated this 16 March, 2016

Mr. Lazarus N. Onwuka
Chairman
FRC/2014/ICSAN/00000006961

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INDEPENDENT AUDITOR'S REPORT

To the Members of Unilever Nigeria Plc

Report on the Financial Statements

We have audited the accompanying financial statements of Unilever Nigeria Plc ("the Company"), which comprise the statement of financial position as at 31 December 2015, the income statement, the statement of total comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages 33 to 77.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

KPMG

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Unilever Nigeria Plc ("the Company") as at 31 December 2015, and of the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the statement of financial position, the income statement and the statement of total comprehensive income are in agreement with the books of account.

Signed:

Goodluck C. Obi, FCA
FRC/2012/ICAN/00000000442
For: KPMG Professional Services
Chartered Accountants
23 March 2016
Lagos, Nigeria

Income Statement
For the year ended 31 December 2015

	Note	2015 N'000	2014 N'000
Revenue	4	59,221,748	55,754,309
Cost of sales	5	(38,174,248)	(35,584,016)
Gross profit		21,047,500	20,170,293
Selling and distribution expenses	5	(2,844,098)	(2,516,345)
Marketing and administrative expenses	5, 8	(13,641,218)	(13,044,794)
Profit on disposal of property, plant and equipment		77,506	5,590
Operating profit		4,639,690	4,614,744
Finance income	9	301,889	168,462
Finance cost	10	(3,170,516)	(1,909,971)
Profit before taxation		1,771,063	2,873,235
Taxation	11	(578,697)	(460,892)
Profit for the year		1,192,366	2,412,343
Attributable to:			
Equity holders		1,192,366	2,412,343
Earnings per share for profit attributable to equity holders:			
Basic and diluted earnings per share (Naira)	12	0.32	0.64

The notes on pages 39 to 77 form an integral part of these financial statements.

Statement of Total Comprehensive Income
For the year ended 31 December 2015

	Note	2015 N'000	2014 N'000
Profit for the year		1,192,366	2,412,343
Items that will not be reclassified to income statement:			
Remeasurement on post employment benefit obligations	20	(614,291)	639,476
Tax effect	11	184,287	(191,813)
Total comprehensive income		762,362	2,860,006
Attributable to:			
Equity holders		762,362	2,860,006

The notes on pages 39 to 77 form an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2015

	Note	31 December 2015	31 December 2014
		N'000	N'000
Assets			
Non-current assets			
Property, plant and equipment	13(i)	27,368,919	24,830,779
Intangible assets	14	1,168,581	1,398,037
Other non- current assets	29	208,809	398,220
Employee loan receivable	30	127,979	128,348
Retirement benefit surplus	20(v)	290,382	409,712
		29,164,670	27,165,096
Current assets			
Assets held for sale	31	171,411	-
Inventories	15	6,173,113	8,614,597
Trade and other receivables	16	10,142,845	8,544,431
Employee loan receivable	30	85,201	77,215
Cash and bank balances	17	4,435,244	1,334,916
		21,007,814	18,571,159
Total assets		50,172,484	45,736,255
Liabilities			
Current liabilities			
Trade and other payables	18	22,542,842	15,111,163
Income tax	11	159,840	212,770
Bank overdrafts	17	4,535,672	3,953,395
Loans and borrowings	25	7,426,543	12,060,749
Deferred income	26	32,756	32,756
		34,697,653	31,370,833
Non-current liabilities			
Deferred tax liabilities	19	3,060,591	2,853,240
Retirement benefit obligations	20(iv)	3,369,353	2,756,505
Long service award obligations	20(iv)	266,548	341,871
Other employee benefits	27	88,494	44,104
Deferred income	26	95,537	128,292
Loans and borrowings	25	591,055	762,602
		7,471,578	6,886,614
Total liabilities		42,169,231	38,257,447

Statement of Financial Position (continued)
As at 31 December 2015

	Note	31 December 2015	31 December 2014
		N'000	**N'000**
Equity			
Ordinary share capital	28	1,891,649	1,891,649
Share premium	28	45,717	45,717
Retained earnings		6,065,887	5,541,442
Total equity		8,003,253	7,478,808
Total equity and liabilities		50,172,484	45,736,255

The financial statements on pages 33 to 77 were approved for issue by the Board of Directors on 17 March 2016 and signed on its behalf by:

His Majesty N.A. Achebe CFR, MNI
Chairman
FRC/2013/NIM/00000001568

Yaw Nsarkoh
Managing Director
FRC/2014/IODN/00000007035

Adesola Sotande-Peters
Finance Director
FRC/2015/ICAN/00000010834

The notes on pages 39 to 77 form an integral part of these financial statements.

Statement of Changes in Equity
Year ended 31 December 2015

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2014	1,891,649	45,717	7,410,556	9,347,922
Total comprehensive income for the year				
Profit for the year	-	-	2,412,343	2,412,343
Other comprehensive income				
Remeasurement on post employment benefit obligations, net of tax	-	-	447,663	447,663
	-	-	2,860,006	2,860,006
Transactions with owners				
Dividend declared	-	-	(4,729,120)	(4,729,120)
At 31 December 2014	1,891,649	45,717	5,541,442	7,478,808
Balance at 1 January 2015	1,891,649	45,717	5,541,442	7,478,808
Total comprehensive income for the year				
Profit for the year	-	-	1,192,366	1,192,366
Other comprehensive income				
Remeasurement on post employment benefit obligations, net of tax	-	-	(430,004)	(430,004)
	-	-	762,362	762,362
Transactions with owners				
Dividend declared	-	-	(378,330)	(378,330)
Statute barred dividend	-	-	140,413	140,413
			(237,917)	(237,917)
At 31 December 2015	1,891,649	45,717	6,065,887	8,003,253

The notes on pages 39 to 77 form an integral part of these financial statements.

Statement of Cash Flows
Year ended 31 December 2015

	Note	2015 N'000	2014 N'000
Cash flows from operating activities			
Cash generated/(used in) operations	22	16,556,016	(282,660)
Retirement benefits paid	20(iv)	(529,948)	(231,670)
Long service award obligations paid	20(iv)	(13,079)	(22,343)
Tax paid	11(ii)	(239,989)	(1,288,122)
Net cash flow generated/(used in) operating activities		15,773,000	(1,824,795)
Cash flows from investing activities			
Interest received		301,889	168,462
Purchase of intangible assets	14	(4,027)	(2,807)
Purchase of property, plant and equipment	13(i)	(5,068,498)	(4,023,867)
Proceeds from sale of property, plant and equipment		86,094	24,029
Net cash used in investing activities		(4,684,542)	(3,834,183)
Cash flows from financing activities			
Drawdown of long-term loan	25(ii)	15,000	447,193
Repayment of long-term loan	25(ii), 25(iii)	(440,738)	(178,829)
Interest payment	10	(2,983,286)	(1,711,945)
Dividend paid		(378,330)	(4,729,120)
Net cash flow used in financing activities		(3,787,354)	(6,172,701)
Net increase/(decrease) in cash and cash equivalents		7,301,104	(11,831,679)
Cash and cash equivalents at the beginning of the year		(14,218,479)	(2,386,800)
Cash and cash equivalents at the end of the year	17	(6,917,374)	(14,218,479)

The notes on pages 39 to 77 form an integral part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

1.1 Basis of preparation

The financial statements of Unilever Nigeria Plc ("Unilever" or "the Company") have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention, as modified by the fair value measurement of available-for-sale financial assets, liabilities for cash-settled shared-based payment and the liability for defined benefit obligations which is recognized as the present value of the defined benefit obligation less the total of the plan assets, and adjusted for actuarial gains, past service cost and actuarial losses. The plan assets for defined benefit obligations are also measured at fair value. The financial statements are presented in Nigerian Naira, rounded to the nearest thousand (N'000) unless otherwise indicated.

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting 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 the judgements about 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 estimate is revised and in any future periods affected.

1.1.1 Going concern

Nothing has come to the attention of the directors to indicate that Unilever will not remain a going concern for at least twelve months from the date of approval of these financial statements.

1.2 Amended accounting standards adopted

The following standard has been adopted by the Company for the first time for the financial year beginning on or after 1 January 2015:

(i) IFRS 7 Financial Instruments: Disclosures – A*mendments to transition disclosures*

1.3 New accounting standards issued but not yet adopted

The following new standards, amendments to standards and interpretations have been issued, but are

not effective for the financial year ended 31 December 2015 and have not been early adopted:

(i) *IAS 1 Presentation of Financial Statements*

These amendments to IAS 1 Presentation of Financial Statements address existing presentation and disclosure requirements and ensure that entities are able to use judgement when applying IAS 1. The amendment becomes effective for annual periods beginning on or after 1 January 2016.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.3 New accounting standards issued but not yet adopted (continued)

(ii) Clarification of acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38)

The amendments to IAS 16 and IAS 38 focuses on the appropriateness of depreciation and amortisation methods that are based on revenue that is generated by an activity that includes the use of an asset. The amendment becomes effective for annual periods beginning on or after 1 January 2016.

(iii) IAS 19 Employee Benefits

Amendments to IAS 19 clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level). The amendment becomes effective for annual periods beginning on or after 1 January 2016.

(iv) IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to IFRS 5 adds specific guidance for situations in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. The amendment becomes effective for annual periods beginning on or after 1 January 2016.

(v) IFRS 9 Financial Instruments

IFRS 9 was issued as a complete standard including the requirements previously issued and the additional amendments to introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. The amendment becomes effective for annual periods beginning on or after 1 January 2018.

(vi) IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. The amendment becomes effective for annual periods beginning on or after 1 January 2018.

(vii) IFRS 16 Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). IFRS 16 is effective from 1 January 2019 and replaces the previous leases Standard, IAS 17 Leases, and related Interpretations.

The Company is yet to assess the impact of all accounting standards issued but not yet adopted.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Leadership Team of Unilever, comprising of the executive directors and other key management personnel.

1.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of Unilever are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Nigerian Naira, rounded to the nearest thousand, which is Unilever's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions, and from translation of monetary assets and liabilities denominated in currencies other than the entity's functional currency at year end exchange rates, are recognized in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item.

1.6 Property, plant and equipment

(i) Recognition and measurement

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property, plant and equipment and are recognized net within other income in profit or loss.

(ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.6 Property, plant and equipment (continued)

(iii) Depreciation

The estimated depreciation rates of property, plant and equipment for current and comparative periods are as follows:

Leasehold land	-	Over the lease term
Buildings	-	2.5%
Plant and machinery	-	7%
Furniture and equipment	-	7 - 25%
Motor vehicles	-	25%

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

The capital work-in-progress represents buildings under construction and machinery yet to be installed. It is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Depreciation method, assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than it's estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(iv) De-recognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognised.

1.7 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by Unilever are recognised as intangible assets when the following criteria are met:

- it is technically and commercially feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development of the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.7 Intangible assets (continued)

Computer software development costs recognised as assets are amortised on a straight line basis in the income statement over their estimated useful lives, which does not exceed eight and a half years. These costs are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation method, assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

1.8 Assets held for sale

Non-current assets and groups of assets and liabilities which comprise disposal groups, are classified as 'held for sale' when it is highly probable that they will be recovered primarily through sale rather than through continuing use. The following criteria are assessed:

- a decision has been made to sell;
- the assets are available for sale immediately;
- the assets are being actively marketed;
- a sale has been agreed or is expected to be concluded within twelve months of the balance sheet date.

Immediately prior to classification as held for sale, the assets or groups of assets are remeasured in accordance with Unilever's accounting policies. Subsequently, assets and disposal groups classified as held for sale are valued at the lower of book value or fair value less disposal costs. Assets held for sale are not depreciated.

1.9 Impairment of non-financial assets

An impairment loss is recognised for non-financial assets when the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Intangible assets not yet available for use are tested for impairment annually. Impairment losses are recognized in the income statement. All other assets are assessed for indicators of impairment at the end of each reporting period.

1.10 Financial instruments

Financial instruments (i.e. financial assets and liabilities) are recognized when Unilever becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and Unilever has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

1.10.1 Classification

Management determines the classification of its financial instruments at initial recognition.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. Unilever's loans and receivables comprise trade receivables, employee loan receivables and other receivables in the statement of financial position.

(ii) *Financial liabilities at amortized cost*

Financial liabilities at amortized cost include trade payables, bank debt and other long-term debts.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.10.2 Measurement

(i) Loans and receivables

Loans and receivables are initially recognized at fair value. Transaction costs are added to the fair value of the financial asset on initial recognition. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less an allowance for impairment.

(ii) Financial liabilities at amortized cost

Trade payables are initially recognized at fair value less any directly attributable transaction costs. Subsequently, trade payables are measured at amortized cost using the effective interest method. Bank debt and long-term debt are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

1.11 Offsetting financial instruments

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

1.12 Impairment of financial assets

Assets carried at amortised cost

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

The criteria that Unilever uses to determine that there is objective evidence of an impairment loss include the following:

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

  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

Unilever first assesses whether objective evidence of impairment exists.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.13 Fair value measurement

Unilever measures financial instruments at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 23.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

1.14 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is based on standard costing that comprises direct materials and where applicable, directs labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost of raw materials, work in progress and finished goods are stated at standard cost while that of engineering spares and other items of inventories is calculated using the weighted average method. Standard cost is reviewed periodically to ensure they consistently approximate historical cost. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.15 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include cash at bank and in hand plus short-term deposits less overdrafts and short-term working capital loans. Short-term deposits have a maturity of three months or less from the date of acquisition, are readily convertible to cash and are subject to an insignificant risk of change in value. Bank overdrafts are repayable on demand and form an integral part of Unilever's cash management.

1.16 Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an amortised cost basis through the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.17 Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Provisions are recognised when Unilever has a present legal or constructive obligation as a result of a past event, and it is probable that Unilever will be required to settle that obligation and the amount has been reliably estimated. Provisions for restructuring costs are recognised when Unilever has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses.

1.18 Income tax

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

(i) Current income tax

The tax currently payable is based on taxable profit for the year and any adjustment to tax payable or receivable in respect of previous years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Unilever's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

(ii) Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.18 Income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Unilever intends to settle its current tax liabilities on a net basis.

Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

1.19 Employee benefits

(a) Post-employment benefit plans

Unilever operates a defined contribution benefit scheme, an unfunded defined benefit service gratuity scheme for its employees; and other post-employment benefit plans.

(i) Defined contribution scheme

Unilever operates a defined contribution plan in line with the Pension Reform Act 2014. The contributions are recognised as employee benefit expenses when they are due. Unilever has no further payment obligation once the contributions have been paid. The contribution made towards securing the future benefits in the scheme is as follows:

	Management staff	Non-management staff
Employer	10%	16%
Employee	8%	10%

(ii) Defined benefit plans

Unilever also operates both an unfunded defined benefit service gratuity scheme and a funded benefit plan. The level of benefit provided is based on the length of service and terminal salary of the person entitled. The defined benefit plan surplus or deficit in the balance sheet comprises the total for each plan of the fair value of plan assets less the present value of the defined benefit obligation (using a discount rate based on federal government bonds in issue as at the reporting date).

The cost of defined benefit plans is determined using the projected unit credit method. The liability recognised in the statement of financial position in respect of the unfunded defined benefit service gratuity scheme is the present value of the defined benefit obligation at the reporting date. With respect to the funded benefit plan, the related pension liability recognized in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

Actuarial valuations for defined benefit plans are carried out annually. The discount rate applied in arriving at the present value of the pension liability represents the market yield on government bonds at the calculation date and reflects the duration of the liabilities of the benefit plan.

Actuarial gains and losses are recognized in full in the period in which they occur, in other comprehensive income without recycling to the statement of income in subsequent periods. Current service cost, the recognized element of any past service cost and the net interest cost arising on the pension liability are included in the same line items in the income statement as the related compensation cost.

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.19 Employee benefits (continued)

(b) Other long term employee benefits

Unilever measures long term employee benefits using the same accounting policies for defined benefit plans except that actuarial gains and losses, and past service cost are recognised as expense or income immediately.

(c) Share-based payment transaction - Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a pricing model similar to the 'projected unit credit method'. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

(d) Short term benefits - Profit-sharing and bonus plans

Unilever recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to Unilever's shareholders after certain adjustments. Unilever recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Discounts given by Unilever include rebates, price reductions and incentives given to customers.

Revenue for goods is recognised when:

- The significant risks and rewards of ownership have been transferred to the customer
- Unilever does not retain effective control over goods sold
- The amount of revenue can be reliably measured
- It is possible that the economic benefits associated with the transaction will flow to Unilever
- The costs incurred in respect of the sale can be measured reliably

1.21 Leases

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

All other leases are accounted for as finance leases. Finance leases relate to various leasehold land properties which the Company holds the right to use for between 50 and 99 years. The Company has retained significant risks and rewards over the use of these properties, including construction of its offices and factories, and is responsible for maintaining the properties. The leasehold land were acquired under the Land Use Act, and payments were made upfront. There are no annual lease repayments connected with these leases.

1.22 Dividend distribution

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

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.23 Finance income and finance cost

Finance income and finance costs are recognised using the effective interest rate method.

Finance income includes interest received or receivable on balances and deposits with banks and exchange differences.

Finance cost includes interest on borrowings, interest charge related to defined benefit plans, gains or losses arising on the early settlement of debt, and exchange difference on non-derivative financial assets and liabilities.

1.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

1.25 Other non-current assets

Other non-current assets represent the difference between cash outflow of prepaid employee benefits and the present value of amounts recoverable. The amortisation of the amount is charged to income statement annually. The current portion of the prepaid benefits is included in employee loan receivable.

Other non-current assets also represent non-current portion of prepayments.

1.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Notes to the financial statements (continued)

2 Financial risk management

2.1 Financial risk factors

Unilever's activities expose it to a variety of financial risks: market risk (foreign exchange risk), credit risk and liquidity risk. Unilever's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Unilever's financial performance.

Risk management is carried out by a Treasury Department under policies approved by Board of Directors. Unilever's Treasury Department identifies, evaluates and manages financial risks in close co-operation with Unilever's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. These policies are mostly Unilever Global Policies adopted for local use.

(a) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the 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.

(i) Foreign exchange risk
Unilever is exposed to foreign exchange risk arising from various currency exposures.

At 31 December 2015, the unhedged financial assets and financial liabilities amounted to N2.1 billion (2014: N1.2 billion).

At 31 December 2015, if the Naira had weakened/strengthened by 20%* against key currencies (Euro and USD) to which the Company is exposed to, with all other variables held constant, post-tax profit for the year would have been N1.8 billion higher/lower.

At 31 December 2015, if the Naira had weakened/strengthened by 20%* against other currencies (GBP and ZAR) to which the Company is exposed to, with all other variables held constant, post-tax profit for the year would have been N19.4 million higher/lower.

*20% represents the 5 year average change in the conversion rate of key currencies to Naira.

(ii) Cash flow and fair value interest rate risk

Unilever's interest rate risk arises from bank overdrafts and bank loans. Overdrafts issued at variable rates expose Unilever to cash flow interest rate risk. Borrowings issued at fixed rates expose Unilever to fair value interest rate risk.

Unilever analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, Unilever calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At 31 December 2015, interest rates were floating on approximately 36% of the expected net debt for 2015 (2014: 24%). The average interest rate on short-term borrowings in 2015 was 15% (2014: 14%).

The following table shows the split in fixed and floating rate exposures:

	2015 **N'000**	**2014** **N'000**
Fixed rate (bank loans) - Note 25	8,017,598	12,823,351
Floating rates (bank overdrafts) - Note 17	4,535,672	3,953,395
	12,553,270	16,776,746

Assuming that all other variables remain constant, a 1% increase in floating interest rates on a full year basis would lead to an additional N45.4 million charge to the income statement (2014: N39.5 million). A 1% decrease in floating interest rates on a full-year basis would have an equal but opposite effect.

Notes to the financial statements (continued)

2 Financial risk management (continued)

2.1 Financial risk factors

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only parties classified as "International Golden Circle" (preferred choice for the Unilever group) are accepted. Exposure limit with the banks is set at a maximum of N4.7 billion. Risk control assesses the credit quality of wholesale customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board or external ratings. The utilisation of credit limits is regularly monitored.

Concentration of credit risk with respect to trade receivables is limited, due to the Company's customer base being diverse. Credit terms for customers are determined on individual basis. Credit risk relating to trade receivables is managed by reference to the customers' credit limit, inventory balance, cash position and secondary sales to final consumers.

Employees are not considered a credit risk as amounts due from employees are deductible monthly from gross pay.

The disclosure in Note 16 specifically identifies a group of trade receivables i.e. the key distributors whose dealerships were terminated between 2008 and 2012, and have been fully impaired. However the gross balances (and related impairment) have been retained in the books to enable management monitor ongoing litigation involving some of the distributors.

(c) Liquidity risk

Liquidity risk is the risk that Unilever will face difficulty in meeting its obligations associated with its financial liabilities. Unilever's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine Unilever's credibility, impair investor confidence and also restrict Unilever's ability to raise funds.

Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis. Unilever seeks to manage its liquidity requirements by maintaining relationships with different financial institutions through short-term and long-term credit facilities.

Cash flow forecasting is performed in Unilever. Unilever's finance team monitors rolling forecasts of Unilever's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that Unilever does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration Unilever's debt financing plans, covenant compliance and compliance with gearing ratios.

Where current libilities exceed current assets, the Company seeks to manage its liquidity requirements by maintaining access to bank lending which are renewable annually.

At the reporting date, Unilever held cash in bank of N1.5 billion (2014: N1.3 billion). Unilever also had N4.5 billion overdraft (2014: N4 billion) and undrawn facilities of N18 billion (2014: N20.9 billion).

A 3 year cashflow plan (covering 2016-2018), shows that Unilever will be able to generate sufficient cashflows to fund its operations. The cash forecast includes funding plans, restructuring of existing facilities, amongst other initiatives.

Notes to the financial statements (continued)

2 Financial risk management (continued)

2.1 Financial risk factors (continued)

The table below analyses Unilever's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The Company has no derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months N'000	Between 3 months and 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Over 5 years N'000	Total N'000
2015						
Bank overdrafts	4,535,672	-	-	-	-	4,535,672
Trade and other payables*	22,026,441	-	-	-	-	22,026,441
Loans and borrowings	7,096,018	299,915	365,545	650,650	29,234	8,441,362

	Less than 3 months N'000	Between 3 months and 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Over 5 years N'000	Total N'000
2014						
Bank overdrafts	3,953,395	-	-	-	-	3,953,395
Trade and other payables*	14,570,690	-	-	-	-	14,570,690
Loans and borrowings	11,702,166	322,651	396,273	981,604	27,462	13,430,156

	At amortised cost 2015 N'000	2014 N'000
Liabilities as per statement of financial position		
Bank overdrafts (Note 17)	4,535,672	3,953,395
Trade and other payables (Note 18)*	22,026,441	14,570,690
Loans and borrowings (Note 25)	8,017,598	12,823,351
	34,579,711	31,347,436

*This analysis is required only for financial instruments. Accordingly, trade and other payables excludes pension obligations, withholding tax payables and value added tax.

2.2 Capital risk management

Unilever's objectives when managing capital are to safeguard Unilever's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, Unilever may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, Unilever monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities (non-current liabilities and current liabilities) over total assets (non-current assets and current assets), based on balances reported in the statement of financial position.

The gearing ratios at 31 December 2015 and 2014 were as follows:

	2015 N'000	2014 N'000
Total liabilities	42,169,231	38,257,447
Total assets	50,172,484	45,736,255
Gearing ratio (%)	84%	84%

Notes to the financial statements (continued)

3. Critical accounting estimates, judgements and prior period restatement

Estimates and accounting judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are:

(i) Defined benefit obligations

The cost of defined benefit gratuity plans and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on the rates published in the PA (90) Male Table and A67/70 Ultimate Tables, both published jointly by the Institute and Faculty of Actuaries in the UK.

Future salary increases are based on expected future inflation rates in Nigeria. Further details about the assumptions are given in Note 20.

(ii) Impairment on idle assets

Certain plant and machinery have been impaired by management due to technological advancement. See Note 13 for details.

Notes to the financial statements (continued)

4. Segment reporting

The chief operating decision-maker has been identified as the Leadership Team (LT) of Unilever Nigeria Plc. The Leadership Team reviews Unilever's monthly financial and operational information in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Leadership Team consider the business from a product category perspective. Unilever is segmented into Food Products (FP) and Home Care (HC) and Personal Care (PC) products.

Foods – including sales of tea, savoury and spreads.
Home Care – including sales of fabric care, household cleaning and water purification products.
Personal Care – including sales of skin care and oral care products.

There are no intersegmental sales and Nigeria is the Company's primary geographical segment as it comprises 96% of the Company's sales.

The Leadership Team assesses the performance based on operating profits for each operating segment that is reviewed. Total financing (including interest income and expense), income taxes and retirement benefit obligations are managed on an entity-wide basis and are not allocated to operating segments.

Total segment assets exclude tax related assets. These are included in the reconciliation to the total assets on the Statement of financial position.

2015	**Food Products N'000**	**Home Care N'000**	**Personal Care N'000**	**Total N'000**
Revenue	29,912,407	11,991,668	17,317,673	59,221,748
Depreciation and amortisation	1,080,922	433,334	625,795	2,140,051
Impairment charge	311,496	124,877	180,339	616,712
Impairment reversal	-	(183,053)	-	(183,053)
Segmental operating profit	2,359,014	945,712	1,365,742	4,670,468
Finance income	152,481	61,129	88,279	301,889
Finance cost	(1,601,401)	(641,990)	(927,125)	(3,170,516)
Amortisation of prepaid benefit on employee loan				(30,778)
Profit before taxation				1,771,063

	Food Products N'000	**Home Care N'000**	**Personal Care N'000**	**Total N'000**
Property, plant and equipment	13,823,811	5,541,866	8,003,242	27,368,919
Assets held for sale	-	171,411	-	171,411
Inventories	3,117,987	1,249,979	1,805,147	6,173,113
	16,941,798	6,963,256	9,808,389	33,713,443
Other non-current assets				1,795,751
Cash and bank balances				4,435,244
Other current assets				10,228,046
Trade and other payables				(22,542,842)
Income tax	(80,735)	(32,366)	(46,740)	(159,840)
Bank overdrafts				(4,535,672)
Deferred income				(128,293)
Loans and borrowings				(8,017,598)
Sub total				14,788,238

Notes to the financial statements (continued)

4. Segment reporting (continued)

2015	**Food Products N'000**	**Home Care N'000**	**Personal Care N'000**	**Total N'000**
Sub total				14,788,238
Deferred tax liabilities				(3,060,591)
Retirement benefit obligations				(3,369,353)
Long service obligations				(266,548)
Other employee benefits				(88,494)
Net assets				8,003,253
Capital expenditure	2,560,056	1,026,308	1,482,134	5,068,498

2014	**Food Products N'000**	**Home Care N'000**	**Personal Care N'000**	**Total N'000**
Revenue	27,636,132	11,493,225	16,624,952	55,754,309
Depreciation and amortisation	1,059,026	440,425	637,074	2,136,525
Impairment losses	256,777	85,701	123,967	466,445
Segmental operating profit	2,301,071	956,962	1,384,246	4,642,279
Finance income	83,503	34,727	50,232	168,462
Finance cost	(946,728)	(393,723)	(569,520)	(1,909,971)
Amortisation of prepaid benefit on employee loan				(27,535)
Profit before taxation				2,873,235

2014	**Food Products N'000**	**Home Care N'000**	**Personal Care N'000**	**Total N'000**
Property, plant and equipment	12,308,048	5,118,631	7,404,100	24,830,779
Inventories	4,270,058	1,775,818	2,568,721	8,614,597
	16,578,106	6,894,449	9,972,821	33,445,376
Other non-current assets				2,334,317
Cash and bank balances				1,334,916
Other current assets				8,621,646
Trade and other payables				(15,111,163)
Income tax	(105,466)	(43,861)	(63,443)	(212,770)
Bank overdrafts				(3,953,395)
Deferred income				(161,048)
Loans and borrowings				(12,823,351)
Deferred tax liabilities				(2,853,240)
Retirement benefit obligations				(2,756,505)
Long service obligations				(341,871)
Other employee benefits				(44,104)
Net assets				7,478,808
Capital expenditure	1,994,539	829,482	1,199,846	4,023,867

Notes to the financial statements (continued)

4. Segment reporting (continued)

	2015 N'000	2014 N'000
Revenue by geographical location of customers:		
Domestic (within Nigeria)	56,940,146	54,157,311
Export (outside Nigeria)	2,281,602	1,596,998
	59,221,748	55,754,309

The Company has 97 (2014: 103) key distributors, and no single key distributor accounted for more than 10% of the Company's revenue.

All the Company's non-current assets are located in Nigeria.

5 Expenses by nature

The following items have been charged/(credited) in arriving at profit before tax:

	2015 N'000	2014 N'000
Raw materials and consumables	28,635,437	26,967,844
Bought in products	2,962,451	2,260,671
Depreciation of property, plant and equipment (Note 13)	1,906,568	1,903,919
Amortisation of intangible assets (Note 14)	233,483	232,606
Allowance for bad and doubtful debts (Note 16)	41,728	(16,886)
Staff costs (Note 7)	6,961,370	6,602,743
Impairment of property, plant and equipment (Note 13)	616,712	466,445
Brand and marketing (Note 8)	5,340,136	6,055,376
Service fees (Note 8)	1,307,955	1,153,385
Handling charges	2,844,098	2,102,153
Auditors' remuneration - Audit fees	15,752	15,800
Auditors' remuneration - Non audit fees	-	-
Professional service fees	70,650	16,500
Utilities	841,672	785,887
Business travel expenses	449,869	528,893
IT costs	791,108	551,852
Consumer market research	448,239	470,579
Repairs and maintenance cost	610,256	591,763
Insurance	161,651	186,202
Donations	212,066	32,865
Trainings and meals	147,725	170,455
Office materials	60,638	66,103
Total cost of sales, distribution and administrative expenses	54,659,564	51,145,155
Analysed as:		
Cost of sales	38,174,248	35,584,016
Selling and distribution expenses	2,844,098	2,516,345
Marketing and administrative expenses	13,641,218	13,044,794
	54,659,564	51,145,155

6 Compensation of key management personnel and directors

Key management personnel comprises the directors (executive and non-executive) and other key management staff who are members of the Leadership Team.

Compensation to key management personnel was as follows:

	2015 N'000	2014 N'000
(i) Short term benefits		
Non executive directors (fees only)	5,177	5,750
Non executive directors (excluding fees)	22,606	17,790
Executive directors	276,019	259,113
Members of the Leadership team (excluding executive directors)	475,008	396,350
	778,810	679,003
(ii) Post-employment benefits:		
Executive directors	14,111	6,972
Members of the Leadership team (excluding executive directors)	32,481	22,760
	46,592	29,732

Notes to the financial statements (continued)

6 Compensation of key management personnel and directors (continued)

	2015 N'000	2014 N'000
(iii) The emoluments of the Chairman of Board of Directors	8,089	6,498
(iv) The emoluments of the highest paid director	153,586	188,860

7 Employee benefits expense

	2015 N'000	2014 N'000
Salaries and wages	4,830,056	4,362,430
Pension contribution	455,629	323,843
Gratuity and Long service awards (Note 20(vi))	206,658	352,126
Share-based payment (Note 27)	44,390	(16,742)
Other employee benefits	1,424,637	1,581,086
	6,961,370	6,602,743

Other employee benefits include incentives, medical allowances, product packs and other benefits which are consistent with industry practice.

The average number of persons, excluding executive directors, employed by Unilever during the year was as follows:

	2015 Number	2014 Number
Administration	126	167
Technical and production	909	914
Sales and marketing	213	211
	1,248	1,292

The table below shows the numbers of direct employees of Unilever excluding executive directors, other than employees who discharged their duties wholly or mainly outside Nigeria, who earned over N250,000 in the year and which fell within the bands stated.

N		N	2015 Number	2014 Number
250,001	-	500,000	7	13
500,001	-	750,000	14	10
750,001	-	1,000,000	24	7
1,000,001	-	1,250,000	50	2
1,250,001	-	1,500,000	198	29
1,500,001	-	1,750,000	280	224
1,750,001	-	2,000,000	187	268
2,000,001	-	2,250,000	85	204
2,250,001	-	2,500,000	27	114
2,500,001	-	2,750,000	13	46
2,750,001	-	5,000,000	48	21

Notes to the financial statements (continued)

7 Employee benefits expense (continued)

N		N	2015 Number	2014 Number
5,000,001	-	10,000,000	208	240
10,000,001	-	15,000,000	57	61
15,000,001	-	20,000,000	22	19
20,000,001	-	30,000,000	19	26
30,000,001	-	40,000,000	6	6
40,000,001	-	50,000,000	2	1
50,000,001	-	60,000,000	1	1
			1,248	1,292

8 Marketing and administrative expenses

	2015 N'000	2014 N'000
Brand and marketing	5,340,136	6,055,376
Overheads	6,993,127	5,836,033
Service Fees	1,307,955	1,153,385
	13,641,218	13,044,794

9 Finance income

	2015 N'000	2014 N'000
Interest on call deposits and bank accounts	271,111	140,927
Interest income from employee loans	30,778	27,535
	301,889	168,462

10 Finance cost

	2015 N'000	2014 N'000
Interest paid	2,983,286	1,711,945
Amortised cost interest	187,230	198,026
	3,170,516	1,909,971

Notes to the financial statements (continued)

11 Income tax

(i) Income statement

	2015 N'000	2014 N'000
Current income tax	56,750	113,499
Tertiary education tax	103,092	117,349
Prior year under/(over) provision- current income tax	2,998	(70,592)
Prior year under/(over) provision - tertiary education tax	24,219	(19,811)
	187,059	140,445
Deferred tax charge	391,638	320,447
Tax charge to income statement	578,697	460,892

Other comprehensive income	2015 N'000	2014 N'000
Deferred tax on temporary differences	(184,287)	191,813

The amount provided for income tax was computed on the basis of the company income tax rate of 30% in line with section 15(a) of Companies Income Tax Act 1979 (as amended).

Tertiary education tax charge is at 2% of assessable profits in accordance with Decree No. 7 of 1993.

(ii) The movement in current income tax liabilities is as follows:

	2015 N'000	2014 N'000
At 1 January:		
- Current income tax	113,498	1,182,223
- Tertiary education tax	99,272	178,224
Charge for the year:		
- Current income tax	56,750	113,499
- Tertiary education tax	103,092	117,349
Under/(over) provision:		
- Current income tax	2,998	(70,592)
- Tertiary education tax	24,219	(19,811)
Tax paid:		
- Current income tax	(116,497)	(1,111,632)
- Tertiary education tax	(123,492)	(176,490)
At 31 December	159,840	212,770

Notes to the financial statements (continued)

11 Income tax (continued)

	2015 N'000	2014 N'000
***(iii)* Reconciliation of effective tax to the statutory tax**		
Profit before tax	1,771,063	2,873,235
Tax calculated at the applicable statutory rate of 30% (2014: 30%)	531,319	861,971
Education Tax	103,092	117,349
Tax effects of expenses not deductible for tax purposes	261,108	202,962
Tax effects on tax incentives and tax exempt income	(293,006)	(237,674)
Under/(over) provision in prior year	27,216	(90,403)
Previously unrecognized tax incentives	(51,032)	(393,313)
Tax charge in income statement	578,697	460,892

12 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The basic earnings per share is calculated using the number of shares in issue at reporting date.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares. There were no potentially dilutive shares at the reporting date (2014: nil), thus the basic earnings per share and diluted earnings per share have the same value.

	2015 N'000	2014 N'000
Profit attributable to shareholders	1,192,366	2,412,343
Number of ordinary shares in issue	3,783,296	3,783,296
Basic and diluted earnings per share (Naira)	0.32	0.64

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of approval of these financial statements.

Notes to the financial statements (continued)

13 Property, plant and equipment (PPE)

(i)

	Capital work-in-progress N'000	Lease hold land N'000	Buildings N'000	Plant and machinery N'000	Furniture and equipment N'000	Motor vehicles N'000	Total N'000
Cost							
At 1 January 2014	6,542,174	67,615	3,713,522	21,326,483	701,586	690,744	33,042,124
Additions	4,023,867	-	-	-	-	-	4,023,867
Transfers	(7,521,516)	-	3,631,340	3,239,395	477,510	173,271	-
Disposals	-	-	(263,994)	253,657	(15,268)	(35,794)	(61,399)
Write off	(29,223)	-	-	-	-	-	(29,223)
At 31 December 2014	3,015,302	67,615	7,080,868	24,819,535	1,163,828	828,221	36,975,369
Additions	5,068,498	-	-	-	-	-	5,068,498
Transfers	(6,780,261)	1,708,200	472,618	4,245,509	263,195	90,739	-
Disposals	-	(21,872)	(98,252)	(4,917,403)	(58,341)	(197,200)	(5,293,068)
Write off	(10,132)	-	-	-	-	-	(10,132)
Reclassification to assets held for sale		(20,350)	(326,742)				(347,092)
At 31 December 2015	1,293,407	1,733,593	7,128,492	24,147,641	1,368,682	721,760	36,393,575
Depreciation / impairment							
At 1 January 2014	-	31,532	714,549	8,394,305	207,988	468,812	9,817,186
Depreciation charge for the year	-	750	156,256	1,506,737	101,771	138,405	1,903,919
Impairment	-	-	-	466,445	-	-	466,445
Disposals	-	-	-	(7,594)	(10,045)	(25,321)	(42,960)
At 31 December 2014	-	32,282	870,805	10,359,893	299,714	581,896	12,144,590
Depreciation charge for the year	-	7,836	205,063	1,465,540	124,443	103,686	1,906,568
Impairment charge	-	-	-	616,712	-	-	616,712
Reclassification of impairment	-	8,146	174,907	(183,053)	-	-	-
Impairment reversal	-	(8,146)	(174,907)	-	-	-	(183,053)
Disposals	-	-	(108,592)	(4,930,603)	(55,761)	(189,524)	(5,284,480)
Reclassification to assets held for sale		(12,341)	(163,340)				(175,681)
At 31 December 2015	-	27,777	803,936	7,328,489	368,396	496,058	9,024,656
Net book value:							
At 1 January 2014	6,542,174	36,083	2,998,973	12,932,178	493,598	221,932	23,224,938
At 31 December 2014	3,015,302	35,333	6,210,063	14,459,642	864,114	246,325	24,830,779
At 31 December 2015	1,293,407	1,705,816	6,324,556	16,819,152	1,000,286	225,702	27,368,919

(ii) Impairment charge

Impairment charge of N617 million covers plant and machinery reaching the end of their useful lives as a result of technological advancement and is recognised in the income statement as cost of sales. These plant and equipment were used for foods, home and personal care products. Recoverable amount on these plant and equipment is assessed as nil due to inability to sell to related parties or locate a third party buyer.

(iii) Impairment reversal

Impairment reversal of N183 million relates to reversal of impairment made in previous years on land and building of Aba factory, currently classified as Assets Held for Sale following a decision from management to recover the carry amount through a sale transaction. These assets belong to the home care segment.

Notes to the financial statements (continued)

13 Property, plant and equipment (continued)

(iv) Leasehold land on finance lease

The Company has non - cancellable finance lease agreements with the Federal Government of Nigeria which was paid once and in advance. There are no finance lease liabilities and no future finance charges to the income statement. The leasehold land is depreciated under the lease terms.The lease terms are between 50 and 99 years.

The following amounts represents leasehold land where the Company is a lessee under a finance lease:

	2015 N'000	2014 N'000
Cost – capitalised finance leases	1,733,593	67,615
Accumulated depreciation	(27,777)	(32,282)
Net book value	1,705,816	35,333

(v) Security

As at 31 December 2015, no item of property, plant and equipment was pledged as security for liabilities (2014: nil).

(vi) Capital work-in-progress

Capital work in progress of N1.3 billion represents plant and machinery and buildings under construction.

	Land & Building N'000	Plant & Machinery N'000	Furniture and equipment N'000	Motor vehicles N'000	Total N'000
Capital work-in-progress	24,745	615,481	565,531	87,650	1,293,407

(vii) Capital commitments

Contractual commitments with respect to property, plant and equipment contracted for at the balance sheet date but not recognised in the financial statements:

	2015 N'000	2014 N'000
Capital commitments	168,048	1,259,504

14 Intangible assets

	2015 N'000	2014 N'000
Cost:		
At January 1	2,182,945	2,180,138
Additions	4,027	2,807
At 31 December	2,186,972	2,182,945
Amortisation:		
At January 1	784,908	552,302
Charge for the year	233,483	232,606
At 31 December	1,018,391	784,908
Net book value as at 31 December	1,168,581	1,398,037

Amortisation charge for the year has been included in administrative expenses.

Notes to the financial statements (continued)

15 Inventories

	2015 N'000	2014 N'000
Raw and packaging materials	3,367,044	3,811,735
Work in progress	599,929	389,386
Finished goods	1,422,949	3,702,760
Engineering spares and other inventories	783,191	710,716
	6,173,113	8,614,597

The amount of inventories written down and included in cost of sales was N1,086 million (2014: N555 million). This represents allowance for slow-moving, obsolete, damaged and missing inventories. In 2015 N424 million (2014: N792 million) was utilised or released to the income statement from inventory provisions due to sale and consumption.
The cost of inventories recognised as an expense and included in cost of sales amounted to N30.549 billion (2014: N27.732 billion).

16 Trade and other receivables

(i)

	2015 N'000	2014 N'000
Trade receivables: gross	4,174,782	4,518,493
Less impairment	(1,141,523)	(1,099,795)
Trade receivables: net	3,033,259	3,418,698
Advances and prepayments	598,881	1,588,646
Unclaimed dividend held with registrar (Note 18)	396,665	-
Other receivables	486,720	385,914
Due from related parties (Note 24)	5,627,320	3,151,173
	10,142,845	8,544,431

Advances and prepayments include prepaid warehouse rents, insurance premium, and advances to vendors

(ii)

	2015 N'000	2014 N'000
Analysis for trade receivables:		
Gross:		
Carrying amount neither past due nor impaired	1,725,642	2,226,063
Carrying amount of trade receivables past due and not impaired, gross (14-30 days)	1,041,138	948,289
Carrying amount of trade receivables past due and not impaired, gross (31-365 days)	293,760	281,139
Carrying amount of trade receivables past due and impaired, gross (over 365 days)	1,114,242	1,063,002
Impairment:		
Impairment (31 - 365 days)	(27,281)	(36,795)
Impairment (over 365 days)	(1,114,242)	(1,063,000)
	3,033,259	3,418,698

The amount due over 365 days relates to key distributors whose dealership were terminated or are inactive. No collateral is held by Unilever as security for the amounts; a full allowance has been made for the total amount due.
The company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk.

Trade receivables are local dedicated Unilever distributors.

Notes to the financial statements (continued)

16 Trade and other receivables (continued)

(iii)

	2015 N'000	2014 N'000
Movement in allowance for trade receivables:		
At 1 January	1,099,795	1,116,681
Charged to income statement - administrative expenses	45,685	57,097
Unused amounts reversed	(3,957)	(73,983)
At 31 December	1,141,523	1,099,795

Impairment charge and related reversals on trade receivables are recognised in administrative expenses.

(iv) Analysis of related parties receivables:	2015 N'000	2014 N'000
Carrying amount neither past due and not impaired	1,115,421	199,864
Carrying amount of related party receivables past due and not impaired, gross (46-365	4,511,899	2,951,309
	5,627,320	3,151,173

Related party receivables arise from export sales which are payable within 45 days and exchange of services which are payable within 30 days.
N4.72 billion of these receivables relate mainly to Unilever Ghana and Cote D' Ivoire. Similarly, the Company has payables of N3.97 billion due to these entities. Consequently, it has assessed that these receivables are not impaired.

17 Cash and cash equivalents

	2015 N'000	2014 N'000
Cash at bank and in hand	1,549,014	1,136,998
Fixed deposit	2,886,230	197,918
Cash and bank balances	4,435,244	1,334,916
Short term bank loan	(7,000,000)	(11,600,000)
Bank overdrafts	(4,535,672)	(3,953,395)
Cash and cash equivalents	(7,100,428)	(14,218,479)

Fixed deposit includes unclaimed dividend of N2.7 billion returned from the registrar.

Unilever had overdraft facilities up to a limit of N18 billion as at 31 December 2015 (2014: N24.5 billion). The facilities are unsecured and do not attract any cost if they are not utilised. The bank overdraft facilities are subject to annual renewal.

	2015	2014
The average interest rates on bank overdrafts at the year end is as follows:	13.25%	14.00%

Notes to the financial statements (continued)

18 Trade and other payables

	2015 N'000	2014 N'000
Trade payables	6,280,820	5,083,218
Amount due to related companies (Note 24)	7,618,844	4,308,103
Dividend payable (Note 18(i))	3,351,652	414,560
Accrued liabilities	1,477,732	1,552,037
Accrued brand and marketing expenses	366,432	611,527
Accrued shipping and freight charges	692,439	728,848
Non trade payables	2,754,923	2,412,870
	22,542,842	15,111,163

(i) Dividend payable

	2015 N'000	2014 N'000
As at 1 January	414,560	414,560
Dividend declared	378,330	4,729,120
Dividend paid to Registrar	(378,330)	(4,729,120)
Dividend unclaimed by shareholders (Note 16(i))	396,665	-
Statute barred dividend	(140,413)	-
Unclaimed dividend returned by Registrar	2,680,840	-
As at 31 December	3,351,652	414,560

For the year ended 31 December 2015, the directors have proposed a dividend of N0.05 per share, amounting to N189 million which will be subject to the approval of the shareholders at the next Annual General Meeting.

Unclaimed dividend returned by the registrar is included in a fixed deposit account. In line with SEC rules, this unclaimed dividend is not available to be used by the Company for its own business.

19 Deferred tax liabilities

Deferred income tax is calculated using the statutory income tax rate of 30% (2014: 30%). The movement on the deferred tax account is as follows:

	2015 N'000	2014 N'000
The movement in deferred tax is as follows:		
Deferred tax liability:		
At start of year	2,853,240	2,340,980
Changes during the year:		
- Charge to income statement (Note 11)	391,638	320,447
- (Credit)/charge to other comprehensive income	(184,287)	191,813
At end of year	3,060,591	2,853,240

Notes to the financial statements (continued)

19 Deferred tax liabilities (continued)

The movement in the deferred tax account is as follows:

Deferred tax liabilities/(assets)	Accelerated tax depreciation N'000	Employee benefit obligations N'000	Non-deductible expenses N'000	Other liabilities N'000	Total N'000
At 1 January 2014	3,733,710	(926,116)	(484,634)	18,020	2,340,980
Charge/(credit) to income statement	447,621	(127,449)	76,145	(75,870)	320,447
Charge to other comprehensive income	-	191,813	-	-	191,813
At 31 December 2014 / 1 January 2015	4,181,331	(861,752)	(408,489)	(57,850)	2,853,240
Charge/(credit) to income statement	1,304,943	(199,131)	(709,100)	(5,074)	391,638
Charge to other comprehensive income		(184,287)			(184,287)
At 31 December 2015	5,486,274	(1,245,170)	(1,117,589)	(62,924)	3,060,591

20 Retirement benefit and long service award obligations

(i) *Retirement benefit obligation*

Unilever operates a funded benefit scheme for retired employees. The funded benefit scheme is for retirees who have received pension. With effect from 1 January 2013, only employees who were employed prior to January 2006 and who had not opted out of the Unilever savings scheme are permitted entry into the funded benefit scheme. The plan asset of the scheme is funded by contributions from the retired employees.

Unilever also operates an unfunded defined benefit plan retirement scheme for employees under its gratuity scheme. For management staff, the benefit payable is 9% of total emolument for each year of service provided 5 years of service has been completed while for non-management staff, a graduated scheme was applied depending on the number of years of service. The plan assets of the scheme are unfunded. With effect from 1 January 2015, new employees no longer qualify for this benefit. In addition, Unilever provides medical and soap pack benefits to retired employees. With effect from 1 January 2013, only employees who were employed prior to January 2006 and who had not opted out of the Unilever savings scheme are qualified for the benefits.

(ii) *Long service obligation*

The Company grants long service awards to employees who have served continously well and loyally. Depending on the length of service, employees are granted both monetary and non monetary awards. Qualified employees have the option of monetising the non monetary awards.

(iii) *Summary of retirement benefits and long service award obligations*

The amounts recognised in the statement of financial position are determined as follows:

	2015 N'000	2014 N'000
Present value of funded retirement benefit obligation (Note 20(iv))	(1,258,656)	(1,105,641)
Fair value of plan assets (Note 20(v))	1,549,038	1,515,353
Retirement benefit surplus	290,382	409,712
Present value of unfunded retirement benefit obligations (Note 20(iv))	(3,369,353)	(2,756,505)
Long service award obligations (Note 20(iv))	(266,548)	(341,871)
Net liability in the statement of financial position	(3,345,519)	(2,688,664)

Notes to the financial statements (continued)

20 Retirement benefit and long service award obligations (continued)

(iv) Reconciliation of change in liabilities

The movement in the obligations over the year is as follows:

	Funded Retirement Benefit Obligations		Unfunded Retirement Benefit Obligations		Long Service Award Obligations	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000	2015 N'000	2014 N'000
At 1 January	(1,105,641)	(1,189,554)	(2,756,505)	(2,707,428)	(341,871)	(355,974)
Included in income statement						
Current service charge	-	-	(319,147)	(312,121)	(53,586)	(50,196)
Interest cost	(142,274)	(132,400)	(402,652)	(375,222)	(50,245)	(48,245)
Actuarial gains – change in assumptions	-	-	-	-	131,671	72,977
Actuarial gains – experience	-	-	-	-	34,404	17,224
	(142,274)	(132,400)	(721,799)	(687,343)	62,244	(8,240)
Included in OCI						
Actuarial (losses)/gains – change in assumptions	(193,199)	122,940	(414,742)	336,574	-	-
Actuarial (losses)/gains – experience	8,524	89,425	(6,255)	70,022	-	-
	(184,675)	212,365	(420,997)	406,596	-	-
Others						
Employee contributions	(45,506)	(208,084)	-	-	-	-
Benefits paid	219,440	212,032	529,948	231,670	13,079	22,343
	173,934	3,948	529,948	231,670	13,079	22,343
At 31 December	(1,258,656)	(1,105,641)	(3,369,353)	(2,756,505)	(266,548)	(341,871)

(v) Reconciliation of change in assets

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

	2015 N'000	2014 N'000
At January 1	1,515,353	1,345,196
Included in income statement		
Interest income on plan assets	204,352	153,590
Actual less expected return	11,886	-
	216,238	153,590
Included in OCI		
Remeasurements - actuarial gains	(8,619)	20,515
Others		
Employee contributions	45,506	208,084
Benefits paid	(219,440)	(212,032)
	(173,934)	(3,948)
At December 31	1,549,038	1,515,353
Less: present value of funded retirement benefit obligations (Note 20(iii))	(1,258,656)	(1,105,641)
Retirement benefit surplus	290,382	409,712

Notes to the financial statements (continued)

20 Retirement benefit and long service award obligations (continued)

(vi) Summary of items recognised in income statement and other comprehensive income

	2015			2014		
	Income Statement		OCI	Income Statement		OCI
	Employee benefits N'000	Net interest cost N'000	Actuarial losses N'000	Employee benefits N'000	interest cost N'000	Actuarial gains N'000
Funded retirement benefit obligations	-	142,274	(193,294)	-	132,400	232,880
Plan assets	-	(216,238)	-	-	(153,590)	-
Unfunded retirement benefit obligations	319,147	402,652	(420,997)	312,121	375,222	406,596
Long service award obligations	(112,489)	50,245	-	40,005	48,245	-
	206,658	378,933	(614,291)	352,126	402,277	639,476

(vii) Actuarial assupmtions

The principal actuarial assumptions were as follows:

	Funded Retirement Benefit Obligation		Unfunded Retirement Benefit Obligation		Long Service Award Obligations	
	2015	2014	2015	2014	2015	2014
Discount rate	12%	14%	12%	15%	12%	15%
Inflation rate	9%	9%	9%	9%	9%	9%
Interest income rate	12%	15%	-	-	-	-
Future salary/pension increases	-	-	11%	13%	11%	13%

Assumptions on mortality rate for the funded retirement benefit obligation is based on the PA (90) Male Table (UK annuitant table - published jointly by the Institute and Faculty of Actuaries, United Kingdom while that of the unfunded retirement benefit obligation and long service award obligation is based on the publications in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the United Kingdom.

The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk. To achieve this, investment are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

For risk management purposes on the funded retirement benefit obligation, the obligations are funded by investments in liability matching assets. The assets are managed by external independent pension fund administrators. The plan assets are comprised of:

	2015	2014
Government securities	69%	82%
Fixed deposit /strict call	15%	2%
Uninvested cash	0%	1%
Corporate bond	15%	15%

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yield on fixed interest investments are based on gross redemption yields as at the end of the reporting period. Expected returns on government securities and quoted securities reflect long-term real rates of return experienced in the respective markets.

Notes to the financial statements (continued)

20 Retirement benefit and long service award obligations (continued)

(viii) Sensitivity analysis on liability as at 31 December 2015

A 1% change in assumed rates will result in the following balances to the retirement benefit scheme.

	Unfunded Retirement Benefit Obligations				Funded Retirement Benefit Obligations	
	Gratuity		Medical and Soap Packs			
	N'000	Impact (%)	N'000	Impact (%)	N'000	Impact (%)
Base figures	3,077,516	-	291,835	-	1,258,656	-
Discount rate (-1%)	3,369,903	10%	316,921	9%	1,335,548	6%
Discount rate (+1%)	2,823,495	-8%	270,138	-7%	1,190,032	-5%
Salary/pension increase rate (-1%)	2,808,888	-9%	0	-	-	-
Salary/pension increase rate (+1%)	3,382,481	10%	0	-	-	-
Price escalation rate (-1%)	-	-	268,153	-8%	-	-
Price escalation rate (+1%)	-	-	318,865	9%	-	-
Mortality experience (-1 year)	3,075,071	0%	283,127	-3%	1,239,707	-2%
Mortality experience (+1 year)	3,079,341	0%	300,882	3%	1,277,052	1%

	Long Service Award Obligations	
	N'000	Impact (%)
Base figures	266,548	
Discount Rate (-1%)	284,005	7%
Discount Rate (+1%)	250,902	-6%
Salary increase rate (-1%)	252,124	-5%
Salary increase rate (+1%)	282,421	6%
Price escalation rate (-1%)	263,879	-1%
Price escalation rate (+1%)	269,463	1%
Mortality experience (-1 year)	265,918	0%
Mortality experience (+1 year)	267,110	0%

Notes to the financial statements (continued)

20 Retirement benefit and long service award obligations (continued)

Assumptions for sensitivity analysis	**Base rates**
Discount rate (unfunded retirement benefit obligation and medical)	12%
Discount rate (funded retirement benefit obligation)	12%
Salary increase rate	11%
Product/benefit inflation rate	9%

The base figures used for the sensitivity analysis on liability is the unfunded retirement benefit obligation as at 31 December 2015 while the base figure for sensitivity analysis on service and interest cost is the projected net period benefit cost for 2016.

The retirement benefits and long service award obligations are based upon independent actuarial valuation conducted by HR Nigeria limited (O.O. Okpaise, FRC/2012/NAS/00000000738).

21 Contingencies and commitments

The Company is involved in pending litigation arising in the ordinary course of business. Estimated contingent liability as at 31 December 2015 is N314 million (2014: nil). The directors believe that the risk of material claims crystallising against the Company from pending litigation is low.

Non-cancellable operating lease rentals included in income statement amounted to N231 million (2014: N504 million). Future minimum lease payment under non-cancellable operating leases as at 31 December 2015 are as follows:

	2015 N'000	**2014 N'000**
Less than 1 year	207,992	416,663
Between 1 and 5 years	22,773	148,297
More than 5 years	-	-
Total	230,765	564,960

Notes to the financial statements (continued)

22 Cash flows from operating activities

	2015 N'000	2014 N'000
Profit before tax	1,771,063	2,873,235
Adjustment for non-cash items:		
- Depreciation of fixed assets (Note 13(i))	1,906,568	1,903,919
- Impairment charge (Note 13(ii))	616,712	466,445
- Impairment reversal (Note 13(ii))	0	-
- Assets write off (Note 13 (i))	10,132	29,223
- Profit on disposals on fixed assets	(77,506)	(5,590)
- Amortisation of intangible assets	233,483	232,606
- Finance income (Note 9)	(301,889)	(168,462)
- Finance expense (Note 10)	3,170,516	1,909,971
- Net charge in retirement benefit obligations (Note 20(vi))	647,835	666,153
- Long service award obligations (Note 20(vi))	(62,244)	8,240
- Statute barred dividend	140,413	-
- Change in employee loan receivable	(7,617)	2,366
- Other employee benefits	44,390	(16,742)
Changes in working capital:		
- Increase in trade and other receivables	(1,598,414)	(401,069)
- Decrease/(increase) in inventory	2,441,484	(1,626,218)
- Decrease/(increase) in payables and accrued expenses	7,431,679	(5,980,587)
- Decrease/(increase) in other non-current assets	189,411	(176,150)
Cash flows generated/(used in) operating activities	16,556,016	(282,660)

23 Fair values, including valuation hierarchy and assumptions

The fair values of financial instruments, valuation methods and the carrying amounts shown in the Statement of financial position, are as follows:

	2015 Fair value hierarchy	2015 Carrying amount N'000	2015 Fair value N'000	2014 Fair value hierarchy	2014 Carrying amount N'000	2014 Fair value N'000
Employee loans receivable (Note 30)	Level 2	213,180	213,180	Level 2	205,563	205,563
Trade and related party receivables (Note 16(i))		8,660,579	8,660,579		6,569,871	6,569,871
Cash and cash equivalent (Note 17)		4,435,244	4,435,244		1,334,916	1,334,916
		13,309,003	13,309,003		8,110,350	8,110,350
Trade and other payables (Note 18)		22,026,441	22,026,441		15,111,163	15,111,163
Bank overdraft (Note 17)		4,535,672	4,535,672		3,953,395	3,953,395
Long term loan (Note 25)		119,171	119,171		141,928	141,928
Secured bank loan (Note 25)	Level 2	898,427	898,427	Level 2	1,081,422	1,081,422
		27,579,711	27,579,711		20,287,908	20,287,908

The fair values of the financial assets and liabilities are defined as being the amounts at which the instruments could be exchanged or liability settled in an arm’s length transaction between knowledgeable, willing parties.

Cash and cash equivalents, trade and other current receivables, bank overdrafts, trade payables and other current liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Notes to the financial statements (continued)

23 Fair values, including valuation methods and assumptions (continued)

Financial instruments in level 2 include the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation technique used to value financial instruments is the discounted cash flow analysis.

24 Related party transactions

Unilever Nigeria Plc is controlled by Unilever Plc incorporated in the United Kingdom which is the ultimate party and controlling party of Unilever Nigeria Plc. There are other companies that are related to Unilever Nigeria Plc through common shareholdings or common directorships.

The following transactions were carried out with related parties:

(i) Trade mark and technology licences

Unilever Plc, United Kingdom has given Unilever Nigeria Plc exclusive right to the know-how, manufacture, distribution and marketing of its international brands namely: Omo, Sunlight, Close-Up, Pepsodent, Vaseline, Lux, Knorr, Royco, Lipton, Blue Band and Lifebouy in Nigeria. In consideration of this, a royalty of 2% of net sales value and 0.5% of net sales value is payable by Unilever Nigeria Plc to Unilever Plc, United Kingdom for Technology and Trade Mark licences respectively. The royalty payable under these agreements for the year is N1,263 million (2014: N1,215 million).
These licenses have been approved by the National Office for Technology Acquisition and Promotion (NOTAP). The certificate of registration, (Certificate No. CR005607 - Trademark License; Certificate No. CR005447 - Technology License) are valid from 1 June, 2012 to 31st December, 2015. Approved maximum amount payable on these licenses is N5,276 million.

(ii) Central support and management services

Unilever Nigeria Plc has a Management Services Agreement with Unilever Plc, United Kingdom for the provision of corporate strategic direction, and expert advice/support on legal, tax, finance, human resources and information technology matters. In consideration of this, a fee of 1.5% of profit before tax is payable by Unilever Nigeria Plc to Unilever Plc, United Kingdom. The fee payable under this agreement in 2015 was N45.3 million (2014: N56.2 million).
This license has been approved by the National Office for Technology Acquisition and Promotion (NOTAP). The certificate of registration, Certificate No. CR005477, is valid from 1 June, 2012 to 31st December, 2015. Approved maximum amount payable on central services is N430.3 million.

(iii) Sale of finished goods to related parties

	2015 N'000	2014 N'000
Unilever Ghana Limited	881,162	905,339
Unilever Cote D'Ivoire	1,400,438	691,659
	2,281,600	1,596,998

(iv) Purchases of finished goods for resale from related parties

	2015 N'000	2014 N'000
Unilever Ghana Limited	2,760,931	2,449,722
Unilever Market Development (Pty) Limited	281,384	738,220
Unilever Gulf FZE	-	252,064
Unilever Phillipines	205,227	192,759
Unilever Supply Chain Company, UK	-	99,931
Unilever India	48,229	-
	3,295,771	3,732,696

Notes to the financial statements (continued)

24 Related party transactions (continued)

v) Outstanding related party balances as at 31 December were:

	2015 N'000	2014 N'000
Receivables from related parties:		
Unilever Cote D'Ivoire	2,591,809	1,342,622
Unilever Ghana Limited	2,134,390	1,584,259
Other related parties (settlement on behalf of related entities)	901,121	224,292
	5,627,320	3,151,173

	2015 N'000	2014 N'000
Payables to related parties:		
Unilever UK Plc	2,396,876	1,390,543
Unilever Cote D'Ivoire	64,060	55,375
Unilever Ghana Limited	3,912,106	2,184,838
Unilever Asia Private	576,811	31,281
Other related parties (settlement on behalf of the Company)	668,991	646,066
	7,618,844	4,308,103

Related party transactions have payment terms of 30 days and 45 days for service related and goods related transactions respectively.

During the year, there were no transactions between the Company and its key management personnel. Compensation paid to key management personnel have been disclosed in Note 6.

25 Loans and borrowings

This note provides information about the contractual terms of the company's interest-bearing loans and borrowing which are measured at amortised cost.

	2015 N'000	2014 N'000
Current liability		
Short term bank loan (Note 25(i))	7,000,000	11,600,000
Current portion of long term bank loan (Note 25(ii))	22,488	25,499
Current portion of secured bank loan (Note 25(iii))	404,055	435,250
	7,426,543	12,060,749
Non-current liability		
Non-current portion of long term bank loan (Note 25(ii))	96,683	116,429
Secured bank loan (Note 25(iii))	494,372	646,173
	591,055	762,602
Total loans and borrowings	8,017,598	12,823,351

(i) Short term bank loan
The short term bank loan represents financial instruments obtained from commercial banks at an average of 15.14% and are payable on demand. The loan is available for working capital needs.

Notes to the financial statements (continued)

25 Loans and borrowings (continued)

(ii) Long term bank loan

Long term bank loan represents bank facilities obtained by the Company to fund housing loans extended to employees. The facility is unsecured and is for a maximum period of ten years. Interest rate is charged at 14% per annum. A portion of the outstanding principal amount is repaid annually.

The movement on the facility is as follows:	**2015 N'000**	**2014 N'000**
At 1 January	141,928	175,884
Additional drawdown	15,000	9,118
Repayments	(37,757)	(43,074)
At 31 December	119,171	141,928
Analysed as:		
Current	22,488	25,499
Non current	96,683	116,429
	119,171	141,928

(iii) Secured bank loan

This represents the loan obtained from the Bank of Industry (BOI). The bank issued a loan of N5 billion to Unilever at 10% for a period of six years ending 2019. Given that Unilever has adopted the settlement date accounting policy, the amount recognised is the drawn down value of N1.4 billion. The loan is secured by the guarantee of the Company's bankers and would be utilised to improve capital investment capacity.

The loan was initially recognised at its fair value by discounting the expected cash outflows and deducting the applicable transaction costs. The difference between the present value at grant date and the original proceeds has been recognised as deferred income in accordance with IAS 20 (Note 26).

Subsequently, the loan is measured using the amortised cost method as follows:

	2015 N'000	**2014 N'000**
Opening amortised cost	1,081,423	633,858
Transfer of transaction cost	-	(22,311)
Additional drawdown	-	374,541
Interest cost	219,985	231,090
	1,301,408	1,217,178
Less repayment		
Principal	(272,110)	-
Interest	(130,871)	(135,755)
Amotised closing balance	898,427	1,081,423
Analysed as:		
Current	404,055	435,250
Non current	494,372	646,173
	898,427	1,081,423

The net interest charge on the BOI loan is as follows:

	2015 N'000	**2014 N'000**
Interest expense	219,985	231,090
Amortisation of government grant (Note 26)	(32,755)	(33,064)
	187,230	198,026

Notes to the financial statements (continued)

26 Deferred income

The deferred income refers to the difference between the present value at grant date and the original proceeds based on government grant obtained by Unilever through the N5 billion loan from the Bank of Industry. The loan is at an interest rate of 10% which is below the market rate and therefore represents a government benefit. The benefit is measured by the difference between the original loan proceeds and the present value of the loan at grant date recognised in line with IAS 39. The benefit is recognised in interest expense to match the related cost in accordance with IAS 20.

	2015 N'000	2014 N'000
At 1 January	161,048	108,267
Transfer of transaction cost	-	22,311
Additions	-	63,534
Amount recognised in interest expense	(32,755)	(33,064)
At 31 December	128,293	161,048

Amount disclosed in the statement of financial is presented below:

	2015 N'000	2014 N'000
Current liabilities	32,756	32,756
Non-current liabilities	95,537	128,292
	128,293	161,048

27 Other employee benefits

Unilever operates a stakeholders' scheme geared towards promoting people enterprise and ownership culture.

Upon confirmation, every employee is allocated 4,375 stakeholder units. These units cannot be traded within the Nigerian Stock Exchange and are therefore phantom shares. The scheme is cash-settled.

Stakeholders are entitled to a yearly dividend as declared by the shareholders at the Company's Annual General Meeting.

Upon disengagement, other than dismissal, employees would be paid the market value of shares held. This will be equivalent to Unilever share price on the stock exchange market at the time of exit. The market value to be paid will be pro-rata according to length of service as follows:

Length of service	Market value to be paid (%)
Less than 5 years	-
5 years - 9 years	60
10 years and above	100

A summary of the status of the Scheme Plan as at 31 December 2015 and 31 December 2014 is presented below:

	2015 Number of shares	2014 Number of shares
As at 1 January	1,235	1,169
Awarded	4	138
Vested	(127)	(72)
As at 31 December	1,112	1,235

Notes to the financial statements (continued)

27 Other employee benefits (continued)

Share award value information	**2015**	**2014**
Fair value per share award during the year (N)	43.25	35.80

The credit in each of the last two years is shown below:

	2015 N'000	**2014 N'000**
Income statement	44,390	(16,742)

Amount recognised in non current liabilities is shown below:

	2015 N'000	**2014 N'000**
Other employee benefits	88,494	44,104

The share-based payments are based upon independent valuation conducted by HR Nigeria limited. (O.O. Okpaise, FRC/2012/NAS/00000000738)

28 Share capital and share premium

	Number of ordinary shares (thousands)	**Ordinary shares N'000**	**Share premium N'000**
Balance as at 31 December 2014 and 31 December 2015	3,783,296	1,891,649	45,717

The authorised number of ordinary shares is 6,053,274,000 with a par value of 50kobo per share. Of these, 3,783,296,250 ordinary shares have been issued and fully paid.

29 Other non-current assets

	2015 N'000	**2014 N'000**
Long term portion of employee loans	133,061	153,872
Long term portion of prepayments	75,748	244,348
Balance as at 31 December	208,809	398,220

Long term portion of employee loans include long term portion of prepaid benefit and housing loan provided to employees. The tenor of the facilities range from a period of 2 years to maximum period of 10 years.

30 Employee loan receivable

	2015 N'000	**2014 N'000**
Current portion of present value	85,201	77,215
Non-current portion of present value	127,979	128,348
	213,180	205,563

This represents the fair value of interest free loans given to staff of Unilever Nigeria Plc. These are amortised annually and recognised in the income statement as interest expense. They are also disclosed as part of the employee benefit for the period. The terms are:
1) The fair value (i.e. present value of the future cash flow) of the loan is calculated using the market interest rate of 16%
2) A monthly deduction is made from payroll over the tenor of the loan, which is between 4 and 5 years.
3) Terms of repayment are agreed with any staff who is exiting the business but has outstanding loan receivables.

Notes to the financial statements (continued)

31 Assets classified as held for sale

Management is committed to a plan to sell its Aba Non-Soapy Detergents factory, which is inoperative. Accordingly, the assets are presented as held for sale. Efforts to sell the assets have started and a sale is expected in 2016.

As at 31st December 2015, the assets are stated at carrying amount, which is lower than offer prices from potential buyers.

	Lease hold land	Buildings	Total
	N'000	N'000	N'000
Cost	20,350	326,742	347,092
Accumulated Depreciation	(12,341)	(163,340)	(175,681)
Net book value as at 31st December 2015	8,009	163,402	171,411

32 Subsequent events

There are no significant subsequent events which could have had a material effect on the state of affairs of the Company as at 31st December 2015 that have not been adequately provided for or disclosed in the financial statements.

Other national disclosures

Statement of value added

	2015 N'000	%	2014 N'000	%
Revenue	59,221,748		55,754,309	
Bought in materials and services:				
- local	(18,457,650)		(16,874,096)	
- imported	(27,686,474)		(25,311,144)	
	13,077,624		13,569,069	
Interest income	301,889		168,462	
Value added	13,379,513	100	13,737,531	100
Applied as follows:				
To pay employees' salaries, wages and benefits	6,961,370	52	6,602,743	48
To provide for maintenance of assets	1,906,568	14	1,903,919	14
To pay taxes	578,697	4	460,892	3
To pay interest on borrowings and deposits	3,170,516	25	1,909,971	14
Retained for Company's growth	762,362	6	2,860,006	21
	13,379,513	100	13,737,531	100

This statement represents the distribution of the wealth created through the use of the Company's assets through its own and employees' efforts.

Other national disclosures

Five Year Financial Summary

	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Financial performance					
Revenue	59,221,748	55,754,309	60,004,119	55,547,798	54,724,749
Gross profit	21,047,500	20,170,293	22,450,008	21,645,661	20,001,626
Operating expenses	(16,485,316)	(15,561,139)	(14,635,446)	(12,738,921)	(11,764,952)
Other income/(expenses)	77,506	5,590	(23,586)	(11,858)	(38,980)
Net finance cost	(2,868,627)	(1,741,509)	(997,361)	(708,895)	(179,579)
Profit before taxation	1,771,063	2,873,235	6,793,615	8,185,987	8,018,115
Taxation	(578,697)	(460,892)	(2,069,186)	(2,588,374)	(2,502,902)
Profit for the year	1,192,366	2,412,343	4,724,429	5,597,613	5,515,213
Other comprehensive income	(430,004)	447,663	26,037	107,875	(24,887)
Total comprehensive income	762,362	2,860,006	4,750,466	5,705,488	5,490,326
Earnings per share (Basic and diluted) - Naira	0.32	0.64	1.25	1.48	1.46
Capital employed					
Share capital	1,891,649	1,891,649	1,891,649	1,891,649	1,891,649
Share premium	45,717	45,717	45,717	45,717	45,717
Reserves	6,065,887	5,541,442	7,410,556	7,896,863	7,697,284
Shareholders' funds	8,003,253	7,478,808	9,347,922	9,834,229	9,634,650
Employment of capital					
Non-current assets	29,164,670	27,165,096	25,352,787	21,719,351	16,123,418
Net current (liabilities)/assets	(13,689,839)	(12,799,674)	(9,671,313)	(7,702,178)	(2,765,666)
Non-current liabilities	(7,471,578)	(6,886,614)	(6,333,552)	(4,182,944)	(3,723,102)
	8,003,252	7,478,808	9,347,922	9,834,229	9,634,650
Net assets per share (Naira)	2.12	1.98	2.47	2.60	2.55