



Unilever Nigeria Plc
Unaudited Interim Financial Statements
For the Nine Months ended 30 September 2018

Contents	Page
- Income statement	2 - 3
- Statement of other comprehensive income	4
- Statement of financial position	5 - 6
- Statement of changes in equity	7
- Statement of cash flows	8
- Notes to the financial statements	9

Income Statement For three months ended 30 September 2018

	Note	2018 N'000	2017 N'000
Continuing operations			
Revenue	6	24,180,154	22,673,030
Cost of sales		(16,647,210)	(15,341,367)
Gross profit		7,532,944	7,331,663
Selling and distribution expenses		(1,045,886)	(1,106,757)
Marketing and administrative expenses		(4,466,023)	(3,575,830)
Other income	8	2,239,223	-
Operating profit		4,260,258	2,649,076
Finance income		950,716	238,820
Finance costs		(104,707)	(1,184,679)
Profit before taxation		5,106,267	1,703,217
Taxation		(1,260,123)	(519,181)
Profit from continuing operations		3,846,144	1,184,036
Discontinued operation			
Profit from discontinued operations	8(ii)	-	55,442
Profit for the period		<u>3,846,144</u>	<u>1,239,478</u>
Attributable to:			
Equity holders		<u>3,846,144</u>	<u>1,239,478</u>
Earnings per share for profit attributable to equity holders:			
Basic and diluted earnings per share (Naira)		<u>0.67</u>	<u>0.33</u>

The notes on pages 9 to 18 form an integral part of these financial statements.

Income Statement For nine months ended 30 September 2018

	Note	2018 N'000	2017 N'000
Continuing operations			
Revenue	6	72,305,252	65,302,747
Cost of sales		<u>(49,450,138)</u>	<u>(44,695,264)</u>
Gross profit		22,855,114	20,607,483
Selling and distribution expenses		(3,129,249)	(2,951,827)
Marketing and administrative expenses	7	(11,495,439)	(8,915,131)
Other income	8	<u>2,239,223</u>	<u>-</u>
Operating profit		10,469,649	8,740,525
Finance income	9	2,456,520	593,218
Finance costs	10	<u>(274,122)</u>	<u>(2,815,218)</u>
Profit before taxation		12,652,047	6,518,525
Taxation	11	<u>(3,206,498)</u>	<u>(1,914,514)</u>
Profit from continuing operations		9,445,549	4,604,011
Discontinued operation			
Profit from discontinued operations	8(ii)	<u>119,679</u>	<u>222,460</u>
Profit for the period		<u>9,565,228</u>	<u>4,826,471</u>
Attributable to:			
Equity holders		<u>9,565,228</u>	<u>4,826,471</u>
Earnings per share for profit attributable to equity holders:			
Basic and diluted earnings per share (Naira)		<u>1.66</u>	<u>1.28</u>

The notes on pages 9 to 18 form an integral part of these financial statements.

Statement of Other Comprehensive Income For three months ended 30 September 2018

	2018 N'000	2017 N'000
Items that will not be reclassified to income statement:		
Remeasurement on post employment benefit obligations	-	-
Tax effect	-	-
Other comprehensive income	-	-
Profit for the period	3,846,144	1,239,478
Total comprehensive income	3,846,144	1,239,478
Attributable to:		
Equity holders	3,846,144	1,239,478

Statement of Other Comprehensive Income For nine months ended 30 September 2018

	2018 N'000	2017 N'000
Items that will not be reclassified to income statement:		
Remeasurement on post employment benefit obligations	-	-
Tax effect	-	-
Other comprehensive income	-	-
Profit for the period	9,565,228	4,826,471
Total comprehensive income	9,565,228	4,826,471
Attributable to:		
Equity holders	9,565,228	4,826,471

The notes on pages 9 to 18 form an integral part of these financial statements.

Statement of Financial Position As at 30 September 2018

	Note	30 September 2018 N'ooo	31 December 2017 N'ooo
Assets			
Non-current assets			
Property, plant and equipment	12	28,281,324	29,880,704
Intangible assets		530,214	705,890
Other non- current assets		34,963	79,486
Employee loan receivable		64,890	130,310
Retirement benefit surplus	17	373,364	329,235
		<u>29,284,755</u>	<u>31,125,625</u>
Current assets			
Inventories	13	12,076,184	11,478,532
Trade and other receivables	14	44,293,564	27,907,229
Employee loan receivable		39,530	79,384
Cash and bank balances	15	46,761,783	50,493,595
		<u>103,171,061</u>	<u>89,958,740</u>
Total assets		<u>132,455,816</u>	<u>121,084,365</u>
Liabilities			
Current liabilities			
Trade and other payables	16	40,197,708	33,408,820
Income tax		1,863,559	2,799,203
Loans and borrowings		401	454,528
Deferred income		-	32,756
		<u>42,061,668</u>	<u>36,695,307</u>
Non-current liabilities			
Deferred tax liabilities		5,668,104	4,484,871
Retirement benefit obligations	17	1,831,865	3,454,370
Long service award obligations	17	234,500	205,745
Other employee benefits		54,685	85,902
Deferred income		-	30,025
Loans and borrowings		3,894	219,770
		<u>7,793,048</u>	<u>8,480,683</u>
Total liabilities		<u>49,854,716</u>	<u>45,175,990</u>

Statement of Financial Position (continued) As at 30 September 2018

	Note	30 September 2018 N'ooo	31 December 2017 N'ooo
Equity			
Ordinary share capital	20	2,872,503	2,872,503
Share premium	20	56,812,810	56,812,810
Retained earnings		22,915,787	16,223,062
Total equity		<u>82,601,100</u>	<u>75,908,375</u>
Total equity and liabilities		<u>132,455,816</u>	<u>121,084,365</u>

The financial statements on pages 2 to 18 were approved for issue by the Board of Directors on 24 October 2018 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 9 to 18 form an integral part of these financial statements.

Statement of Changes in Equity For nine months ended 30 September 2018

	Share capital N'ooo	Share premium N'ooo	Retained earnings N'ooo	Total N'ooo
Balance at 1 January 2017	1,891,649	45,717	9,752,580	11,689,946
Total comprehensive income for the period				
Profit for the period	-	-	4,826,471	4,826,471
Other comprehensive income				
Remeasurement on post employment benefit obligations, net of tax	-	-	-	-
	-	-	4,826,471	4,826,471
Transactions with owners				
Dividend declared	-	-	(378,330)	(378,330)
Balance at 30 September 2017	<u>1,891,649</u>	<u>45,717</u>	<u>14,200,721</u>	<u>16,138,087</u>
Balance at 1 January 2018	2,872,503	56,812,810	16,223,062	75,908,375
Total comprehensive income for the period				
Profit for the period	-	-	9,565,228	9,565,228
Other comprehensive income				
Remeasurement on post employment benefit obligations, net of tax	-	-	-	-
	-	-	9,565,228	9,565,228
Transactions with owners				
Dividend declared	-	-	(2,872,503)	(2,872,503)
Balance at 30 September 2018	<u>2,872,503</u>	<u>56,812,810</u>	<u>22,915,787</u>	<u>82,601,100</u>

The notes on pages 9 to 18 form an integral part of these financial statements.

Statement of Cash Flows For Nine months ended 30 September 2018

		30 September 2018 N'000	30 September 2017 N'000
Cash flows from operating activities	Note		
Cash generated from operations	18	670,532	12,190,537
Retirement benefits paid		(1,879,718)	(518,334)
Long service award obligations paid		(14,248)	(11,390)
Tax paid		(3,000,960)	(598,165)
Net cash flow (used in)/generated from operating activities		(4,224,394)	11,062,648
Cash flows from investing activities			
Interest received		2,529,876	627,975
Purchase of intangible assets		-	-
Purchase of property, plant and equipment	12	(3,267,527)	(2,601,663)
Proceeds from sale of property, plant and equipment		5,055,114	4,363
Net cash from/(used in) investing activities		4,317,463	(1,969,325)
Cash flows from financing activities			
Drawdown of short-term loan		-	22,887,583
Repayment of long-term loan		(670,003)	(305,041)
Repayment of short-term loan		-	(30,456,007)
Interest payment		(282,375)	(2,980,164)
Dividend paid		(2,872,503)	(135,895)
Net cash flow (used in)/from financing activities		(3,824,881)	(10,989,524)
Net (decrease)/increase in cash and cash equivalents		(3,731,812)	(1,896,201)
Cash and cash equivalents at the beginning of the period		50,493,595	7,474,141
Cash and cash equivalents at the end of the period	15	46,761,783	5,577,940

The notes on pages 9 to 18 form an integral part of these financial statements.

Notes to the financial statements	Page
General information	10
Basis of preparation	10
Significant accounting policies	10
Estimates	10
Financial risk management	10 - 11
Segment reporting	12 - 13
Marketing and administrative expenses	13
Other income	13
Discontinued operations	14
Finance income	14
Finance cost	14
Income taxes	14
Property, plant and equipment	15
Inventories	16
Trade and other receivables	16
Cash and cash equivalents	16
Trade and other payables	16 - 17
Retirement benefit obligations	17
Cash flows from operating activities	17
Related party transactions	17
Share capital and premium	18

1. General information

Unilever Nigeria Plc is incorporated in Nigeria under the Companies and Allied Matters Act 1990 as a public limited liability company and is domiciled in Nigeria. The Company's shares are listed on the Nigerian Stock Exchange (NSE). The Company is principally involved in the manufacture and marketing of foods and food ingredients, and home and personal care products. It has manufacturing plants in Lagos and Agbara.

2. Basis of preparation

These interim financial statements for the nine months ended 30 September 2018 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with IFRS.

3. Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017.

5. Financial risk management

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 the Finance Director. Unilever's Treasury Department identifies, evaluates and manages financial risks in close co-operation with Unilever's operating units. These policies are mostly Unilever Global Policies adapted for local use.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at 31 December 2017. There have been no changes in the risk management structure since year end or in any risk management policy.

5.1. Financial risk factors

(a) Market risk

(i) Foreign exchange risk

Unilever is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The Company manages this risk mainly by hedging foreign exchange currency contracts. At 30 September 2018, the unhedged financial assets and liabilities amounted to N8 billion (2017: N12.8 billion).

5. Financial risk management (continued)

5.1. Financial risk factors

(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.

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

	2018 N'000	2017 N'000
Fixed rate (bank loans)	4,295	674,298
	<u>4,295</u>	<u>674,298</u>

(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 N6.6 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.

(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.

Where current liabilities 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 was N47 billion (2017: N50 billion).

6. 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), Home & Personal Care Products (HPC).

Foods – including sale of tea, savoury and spreads.

Home & Personal Care – including sale of skin care and oral care products, fabric care and household cleaning

There are no intersegmental sales and Nigeria is the company's primary geographical segment as it comprises 99% 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.

	Food Products N'ooo	Home & Personal Care N'ooo	Total N'ooo
3 months ended 30 September 2018			
Revenue	12,110,761	12,069,393	24,180,154
Depreciation and amortisation	357,434	356,213	713,647
Segmental operating profit	2,133,773	2,126,485	4,260,258
Finance income			950,716
Finance cost			(104,707)
Profit before taxation			<u>5,106,267</u>
3 months ended 30 September 2017			
Revenue	10,188,382	12,484,648	22,673,030
Depreciation and amortisation	1,816,995	1,965,879	3,782,874
Segmental operating profit	1,190,392	1,458,684	2,649,076
Finance income			238,820
Finance cost			(1,184,679)
Profit before taxation			<u>1,703,217</u>
9 months ended 30 September 2018			
Revenue	34,146,272	38,158,980	72,305,252
Depreciation and amortisation	1,033,569	1,155,028	2,188,597
Segmental operating profit	4,944,309	5,525,340	10,469,649
Finance income			2,456,520
Finance cost			(274,122)
Profit before taxation			<u>12,652,047</u>
9 months ended 30 September 2017			
Revenue	28,438,343	36,864,404	65,302,747
Depreciation and amortisation	2,357,706	2,693,841	5,051,547
Segmental operating profit	3,806,365	4,934,161	8,740,525
Finance income			593,218
Finance cost			(2,815,218)
Profit before taxation			<u>6,518,525</u>

6. Segment reporting (continued)

Turnover over by geographical location

	Domestic (within Nigeria) N'ooo	Export (outside Nigeria) N'ooo	Total N'ooo
3 months ended 30 September 2018	24,079,837	100,317	24,180,154
3 months ended 30 September 2017	22,415,214	257,816	22,673,030
9 months ended 30 September 2018	70,835,274	1,469,978	72,305,252
9 months ended 30 September 2017	64,283,772	1,018,975	65,302,747

The company has 101 customers, and no single customer accounted for more than 10% of the company's revenue.

7. Marketing and administrative expenses

	2018 N'ooo	2017 N'ooo
Brand and marketing	2,926,134	2,772,336
Overheads	6,524,677	5,399,032
Service Fees	2,044,628	743,763
	<u>11,495,439</u>	<u>8,915,131</u>

8. Other income

	2018 N'ooo	2017 N'ooo
Gain on sale of spreads	2,027,880	-
Gain on sale of Aba factory	152,507	-
TSA income (8 (i))	58,836	-
	<u>2,239,223</u>	<u>-</u>

- 8(i)** Effective 1 July 2018, Unilever Nigeria sold its Spreads business (Blueband margarine) and all the assets attached to the business to Sigma Bidco B.V, an entity incorporated by KKR & Co LP. The entity is incorporated in Nigeria as Sigma Silver Foods (Upfield Foods) Nigeria Limited. A Transitional Service Arrangement is in place during which Unilever Nigeria would support Upfield Foods and earn an income.

The results of the spreads business has been presented under discontinued operations in the statement of comprehensive income, separate from continuing operations. The comparative has also been restated.

(ii) Discontinued Operations

	9 months ended 30 Sept 2018 N'ooo	9 months ended 30 Sept 2017 N'ooo	3 months ended 30 Sept 2018 N'ooo	3 months ended 30 Sept 2017 N'ooo
Turnover	2,344,435	3,826,146	-	1,350,759
Cost of sales	(1,814,954)	(3,000,949)	-	(1,157,347)
Gross Profit	529,481	825,197	-	193,412
Selling and Distribution expenses	(123,044)	(147,713)	-	(50,590)
Marketing and administrative expenses	(309,811)	(242,556)	-	(10,787)
Operating profit	96,626	434,928	-	132,035
Finance income	73,356	34,757	-	14,178
Finance cost	(8,253)	(164,946)	-	(70,265)
Profit Before tax	161,729	304,739	-	75,948
Taxation	(42,050)	(82,279)	-	(20,506)
Profit for the period	119,679	222,460	-	55,442

9. Finance income

	2018 N'ooo	2017 N'ooo
Interest on call deposits and bank accounts	2,441,148	575,331
Interest income from employee loans	8,984	17,887
Exchange difference on bank accounts	6,388	-
	<u>2,456,520</u>	<u>593,218</u>

10. Finance cost

	2018 N'ooo	2017 N'ooo
Interest on third party bank loans	96,016	865,656
Interest on intercompany loan	-	1,156,537
Exchange difference on bank accounts	-	551,439
Interest cost on defined benefit plans	178,106	241,586
	<u>274,122</u>	<u>2,815,218</u>

11. Income Taxes

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the period. The estimated average tax rate used for the period ended 30 September 2018 is 25%

12. Property, plant and equipment (PPE)

	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 2017	3,755,235	1,814,142	7,249,995	25,221,447	1,567,521	922,367	40,530,707
Additions	4,559,238	-	-	-	-	-	4,559,238
Transfers	(4,742,901)	114,504	439,270	3,617,457	505,905	65,765	-
Disposals			-	(132,816)	(12,958)	(157,971)	(303,745)
Reclassification between asset class		(1,514,563)	1,514,563	(8,370)	8,370	-	-
Reclassification from assets held for sale		20,350	326,744	-	-	-	347,094
At 31 December 2017	3,571,572	434,433	9,530,572	28,697,718	2,068,838	830,161	45,133,294
Additions	3,267,527	-	-	-	-	-	3,267,527
Transfers	(2,874,619)	17,584	313,602	2,048,350	99,354	395,729	-
Disposals			(497,436)	(2,438,863)	(227,788)	-	(3,164,087)
Reclassification between PPE heads	-	-	-	-	-	-	-
At 30 September 2018	3,964,480	452,017	9,346,738	28,307,205	1,940,404	1,225,890	45,236,734
Depreciation / impairment							
At 1 January 2017	-	27,777	1,012,250	9,160,439	513,890	544,165	11,258,521
Depreciation charge for the year	-	-	291,941	3,417,492	240,831	148,800	4,099,064
Reclassification between asset class	-	(24,587)	24,587	(4,544)	4,544	-	-
Reclassification from assets held for sale	-	12,341	163,340	-	-	-	175,681.00
Disposals	-	-	-	(125,809)	(3,817)	(151,050)	(280,676)
At 31 December 2017	-	15,531	1,492,118	12,447,578	755,448	541,915	15,252,590
Depreciation charge for the period	-	3,423	201,537	1,532,839	140,894	134,228	2,012,921
Disposals/write-off	-	-	(182,695)	(118,085)	(9,321)	-	(310,101)
At 30 September 2018	-	18,954	1,510,960	13,862,332	887,021	676,143	16,955,410
Net book value:							
At 1 January 2017	3,755,235	1,786,365	6,237,745	16,061,008	1,053,631	378,202	29,272,186
At 31 December 2017	3,571,572	418,902	8,038,454	16,250,140	1,313,390	288,246	29,880,704
At 30 September 2018	3,964,480	433,063	7,835,778	14,444,873	1,053,383	549,747	28,281,324

13. Inventories

	2018 N'000	2017 N'000
Raw and packaging materials	6,957,272	5,194,289
Work in progress	541,896	312,552
Finished goods	2,547,194	1,358,881
Engineering spares and other inventories	838,879	3,652,397
Goods in transit	1,190,943	960,413
	<u>12,076,184</u>	<u>11,478,532</u>

14. Trade and other receivables

	2018 N'000	2017 N'000
Trade receivables: gross	23,709,529	5,840,368
Less impairment	(614,306)	(287,672)
Trade receivables: net	23,095,223	5,552,696
Advances and prepayments	7,912,966	5,619,391
Unclaimed dividend held with registrar	195,051	195,051
Interest receivable	273,744	286,274
Other receivables	2,087,306	704,641
Due from related parties (Note 19(iii))	10,686,498	14,972,990
Deposit for imports	42,776	290,446
Derivative assets	-	285,740
	<u>44,293,564</u>	<u>27,907,229</u>

Advances and prepayments include insurance premium and advances to vendors.

15. Cash and cash equivalents

	2018 N'000	2017 N'000
Cash at bank and in hand	23,941,356	25,555,613
Fixed deposit	22,820,427	24,937,982
Cash and bank balances	<u>46,761,783</u>	<u>50,493,595</u>
Cash and cash equivalents	<u>46,761,783</u>	<u>50,493,595</u>

16. Trade and other payables

	2018 N'000	2017 N'000
Trade payables	10,929,863	8,135,087
Amount due to related companies (Note 19(iii))	18,667,392	17,870,489
Dividend payable (Note 16(i))	2,891,042	2,891,042
Accrued liabilities	1,497,116	853,639
Accrued brand and marketing expenses	125,584	358,144
Accrued shipping and freight charges	1,064,536	492,380
Non trade payables	5,022,175	2,808,039
	<u>40,197,708</u>	<u>33,408,820</u>

16. Trade and other payables (continued)

	2018 N'000	2017 N'000
(i) Dividend payable		
As at 1 January	2,891,042	2,990,997
Dividend declared	2,872,503	378,330
Dividend paid to Registrar	(2,872,503)	(378,330)
Payment made from cash with Registrar	-	(21,054)
Statute barred dividend	-	(78,901)
	<u>2,891,042</u>	<u>2,891,042</u>
As at 30 September/31 December		

17. Retirement benefit obligations

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

	2018 N'000	2017 N'000
Present value of funded retirement benefit obligations	(1,542,434)	(1,597,969)
Fair value of plan assets	<u>1,915,798</u>	<u>1,927,204</u>
Retirement benefit surplus	373,364	329,235
Present value of unfunded retirement benefit obligations	(1,831,865)	(3,454,370)
Long service award obligations	<u>(234,500)</u>	<u>(205,745)</u>
Net liability in the statement of financial position	<u>(1,693,001)</u>	<u>(3,330,880)</u>

The amounts recognised within the income statement were as follows:

	Current Service Cost N'000	Net Interest Cost N'000	Total N'000
3 Months Ended 30 September 2018	42,412	118,396	160,808
3 Months Ended 30 September 2017	<u>73,377</u>	<u>80,520</u>	<u>153,897</u>
9 Months Ended 30 September 2018	127,259	128,827	256,086
9 Months Ended 30 September 2017	<u>220,132</u>	<u>241,561</u>	<u>461,693</u>

18. Cash flows from operating activities

	2018 N'000	2017 N'000
Profit before tax	12,813,776	6,823,264
Adjustment for non-cash items:		
- Depreciation of property, plant and equipment	2,012,921	1,761,187
- Assets write off	-	2,656
- Amortisation of intangible assets	175,675	175,675
- (Gain)/loss on disposals of property, plant and equipment	(2,180,387)	17,741
- Finance income	(2,529,876)	(627,975)
- Finance expense	282,375	2,980,164
- Net change in retirement benefit obligations	213,084	977,381
- Change in employee loan receivable	105,274	12,617
- Long service award obligations	28,755	297,085
- Other employee benefits	(31,217)	32,553
- Deferred Income	(62,781)	(24,566)
Changes in working capital:		
- Increase in trade and other receivables	(16,392,826)	(13,146,478)
- (Increase)/decrease in inventory	(597,652)	636,945
- Increase in trade and other payables	6,788,888	12,229,067
- Decrease in other non-current assets	<u>44,523</u>	<u>43,221</u>
Cash flows generated from operating activities	<u>670,532</u>	<u>12,190,537</u>

19. Related party transactions

(i) Sale of finished goods to related parties

	2018 N'000	2017 N'000
Unilever Ghana Limited	682,401	373,915
Unilever Cote D'Ivoire	684,702	645,060
	<u>1,367,103</u>	<u>1,018,975</u>

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

	2018 N'000	2017 N'000
Unilever Ghana Limited	1,632,154	2,760,551
Unilever South Africa (Pty) Limited	-	593,611
Unilever Gulf Free Zone Establishment	18,461	-
Unilever Asia Private Limited	72,399	-
	<u>1,723,014</u>	<u>3,354,162</u>

(iii) Outstanding related party balances as at 30 September were:

	2018 N'000	2017 N'000
<i>Receivables from related parties:</i>		
Unilever Cote D'Ivoire	5,973,341	7,814,098
Unilever Ghana Limited	3,834,567	4,441,888
Unilever UK Plc	805,763	2,355,440
Other related parties	72,827	361,564
	<u>10,686,498</u>	<u>14,972,990</u>

	2018 N'000	2017 N'000
<i>Payables to related parties:</i>		
Unilever UK Plc	2,090,323	3,346,150
Unilever Cote D'Ivoire	119,498	144,963
Unilever Ghana Limited	6,827,857	5,943,665
Unilever Asia Private	6,025,824	4,596,274
Unilever NV	2,452,900	1,943,904
Unilever South Africa	788,437	826,399
Other related parties	362,553	1,069,134
	<u>18,667,392</u>	<u>17,870,489</u>

20. Share capital and share premium

	Number of ordinary shares (thousands)	Ordinary shares N'000	Share premium N'000
Balance as at 31 December 2017 and 30 September 2018	5,745,005	2,872,503	56,812,810

The authorised number of ordinary shares is 6,053,274,000 with a par value of 50kobo per share. Of these, 5,745,005,417 ordinary shares have been issued and fully paid.