



**Unilever Nigeria Plc**  
**Unaudited Interim Financial Statements**  
**For the Year Ended 31 December 2023**

**Unilever Nigeria Plc**  
**Unaudited Interim Financial Statements for the Twelve Months Ended 31 December**  
**2023**

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**Statement of Profit or Loss and Other Comprehensive Income**  
*For three months ended december*

	Note	2023 N'000	2022 N'000
Revenue	7	30,547,877	18,657,092
Cost of sales		<u>(19,802,593)</u>	<u>(6,817,076)</u>
<b>Gross profit</b>		10,745,284	11,840,016
Selling and distribution expenses		(1,361,865)	(779,333)
Marketing and administrative expenses		(2,933,066)	(3,965,822)
Impairment write back / (loss) on trade & other receivables		5,508,454	(2,798)
Other income / (loss)		<u>895,328</u>	<u>(58,879)</u>
<b>Operating profit</b>		12,854,136	7,033,184
Finance income		1,334,600	737,187
Finance costs		<u>(3,955,855)</u>	<u>318,282</u>
Net finance (costs) / Income		<u>(2,621,255)</u>	<u>1,055,469</u>
<b>Profit before taxation</b>		<u>10,232,881</u>	<u>8,088,653</u>
Taxation		<u>(1,896,056)</u>	<u>(3,049,759)</u>
<b>Profit from continuing operations</b>		8,336,825	5,038,894
<b>Discontinued operations</b>			
(Loss)/Profit from discontinued operations		<u>(1,463,000)</u>	<u>1,301,702</u>
<b>Profit for the period</b>		<u><u>6,873,825</u></u>	<u><u>6,340,596</u></u>
<b>Attributable to:</b>			
Equity holders		<u><u>6,873,825</u></u>	<u><u>6,340,596</u></u>
<b>Earnings per share for profit attributable to equity holders:</b>			
Basic and diluted earnings per share (Naira)		<u><u>1.20</u></u>	<u><u>1.10</u></u>

The prior year comparative figures have been restated to reflect the impact of discontinued operations as a single amount in the income statement.

The accompanying notes from page 10-26 form an integral part of these financial statements.

**Statement of profit or loss and other comprehensive income**  
*For twelve months ended december*

	Note	2023 N'000	2022 N'000
Revenue	7	97,437,811	64,642,967
Cost of sales	8	<u>(67,566,046)</u>	<u>(38,309,769)</u>
<b>Gross profit</b>		29,871,766	26,333,198
Selling and distribution expenses		(3,894,830)	(2,618,515)
Marketing and administrative expenses	9	(13,338,060)	(14,120,775)
Impairment (loss)/write back on trade & other receivables		3,508,551	(322,083)
Other income	10	<u>986,913</u>	<u>(161,852)</u>
<b>Operating profit</b>		17,134,341	9,109,973
Finance income	11	3,427,638	1,338,884
Finance costs	11	<u>(3,157,815)</u>	<u>(1,143,971)</u>
Net finance Income	11	<u>269,823</u>	<u>194,914</u>
<b>Profit before taxation</b>		17,404,164	9,304,887
Taxation	12	<u>(5,133,963)</u>	<u>(3,344,820)</u>
<b>Profit from continuing operations</b>		12,270,201	5,960,067
<b>Discontinued operations</b>			
Loss from discontinued operations	23	<u>(3,726,434)</u>	<u>(1,492,983)</u>
<b>Profit for the period</b>		<u><u>8,543,767</u></u>	<u><u>4,467,084</u></u>
<b>Attributable to:</b>			
Equity holders		<u><u>8,543,767</u></u>	<u><u>4,467,084</u></u>
<b>Earnings per share for profit attributable to equity holders:</b>			
Basic and diluted earnings per share (Naira)		<u><u>1.49</u></u>	<u><u>1.04</u></u>

The prior year comparative figures have been restated to reflect the impact of discontinued operations as a single amount in the income statement (Note 23)

The accompanying notes from page 10-26 form an integral part of these financial statements.

## Statement of Profit or Loss and Other Comprehensive Income (Continued)

*For three months ended december*

	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>Items that will not be reclassified to income statement:</b>		
Remeasurement on post employment benefit obligations	(331,416)	308,841
Tax effect	109,367	(100,373)
	<u>                    </u>	<u>                    </u>
<b>Other comprehensive (Loss) / income</b>	(222,049)	208,468
<b>Profit for the period</b>	<u>6,873,825</u>	<u>6,340,596</u>
<b>Total comprehensive income</b>	<u><u>6,651,776</u></u>	<u><u>6,549,064</u></u>
<b>Attributable to:</b>		
Equity holders	<u>6,651,776</u>	<u>6,549,064</u>

*For twelve months ended december*

	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>Items that will not be reclassified to income statement:</b>		
Remeasurement on post employment benefit obligations	(331,416)	308,841
Tax effect	109,367	(100,373)
	<u>                    </u>	<u>                    </u>
<b>Other comprehensive (Loss) / income</b>	(222,049)	208,468
<b>Profit for the period</b>	<u>8,543,767</u>	<u>4,467,084</u>
<b>Total comprehensive income</b>	<u><u>8,321,718</u></u>	<u><u>4,675,552</u></u>
<b>Attributable to:</b>		
Equity holders	<u>8,321,718</u>	<u>4,675,552</u>

The accompanying notes from page 10-26 form an integral part of these financial statements.

**Statement of Changes in Equity**  
*For twelve months ended december*

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2022	2,872,503	56,812,810	6,076,355	65,761,668
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	4,467,084	4,467,084
<b>Other comprehensive income</b>				
Remeasurement on post employment benefit obligations, net of tax			308,841	308,841
Tax effect			(100,374)	(100,374)
	-	-	4,675,551	4,675,551
<b>Transactions with owners</b>				
Dividend declared	-	-	(2,872,503)	(2,872,503)
Balance at 31 December 2022	<u>2,872,503</u>	<u>56,812,810</u>	<u>7,879,403</u>	<u>67,564,716</u>
Balance at 1 January 2023	2,872,503	56,812,810	7,879,403	67,564,716
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	8,543,767	8,543,767
<b>Other comprehensive income</b>				
Remeasurement on post employment benefit obligations, net of tax			(222,049)	(222,049)
	-	-	8,321,718	8,321,718
<b>Transactions with owners</b>				
Dividend declared	-	-	(1,436,251)	(1,436,251)
			(1,436,251)	(1,436,251)
Balance at 31 December 2023	<u>2,872,503</u>	<u>56,812,810</u>	<u>14,764,870</u>	<u>74,450,183</u>

The accompanying notes from page 10-26 form an integral part of these financial statements.

**Statement of Financial Position**  
*As at 31 December 2023*

	Note	31 December 2023 N'000	31 December 2022 N'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	18,665,353	21,490,568
Intangible assets		2,696	3,081
Investment property	13.1	170,919	-
Non current receivables	13.2	1,269,588	-
		<u>20,108,556</u>	<u>21,493,649</u>
<b>Current assets</b>			
Inventories	14	12,898,408	16,331,854
Trade and other receivables	15	31,297,498	21,246,606
Cash and bank balances	16	56,605,904	66,317,783
		<u>100,801,810</u>	<u>103,896,243</u>
<b>Total assets</b>		<u>120,910,366</u>	<u>125,389,892</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	37,610,740	52,404,796
Current tax liabilities		4,308,985	2,972,361
		<u>41,919,725</u>	<u>55,377,157</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,782,994	1,473,440
Unfunded retirement benefit	18	380,448	363,826
Retirement benefit obligations	18	445,513	291,205
Long service award obligations	18	558,953	319,548
Other long term payables	19	1,372,551	-
		<u>4,540,459</u>	<u>2,448,019</u>
<b>Total liabilities</b>		<u>46,460,183</u>	<u>57,825,176</u>

**Statement of Financial Position (continued)**  
**As at 31 December 2023**

	Note	31 December 2023 N'000	31 December 2022 N'000
<b>Equity</b>			57,825,176
Ordinary share capital	22	2,872,503	2,872,503
Share premium	22	56,812,810	56,812,810
Retained earnings		14,764,870	7,879,403
<b>Total equity</b>		<u>74,450,183</u>	<u>67,564,716</u>
<b>Total equity and liabilities</b>		<u>120,910,366</u>	<u>125,389,892</u>

The financial statements were approved for issue by the Board of Directors on 18 January 2024 and signed on its behalf by:



Mr. Michael Ikpoki  
**Chairman**  
 FRC/2014/NBA/00000005740



Tim Kleinebenne\*  
**Managing Director**



Folake Ogundipe  
**National Finance Director**  
 FRC/2019/ICAN/00000019604

\*FRC has granted a waiver for Tim Kleinebenne to sign the quarter 4 unaudited interim financial statements without FRC Number under special considerations.

The accompanying notes from page 10-26 form an integral part of these financial statements.



**Statement of Cash Flows**  
*For twelve months ended december*

	Note	2023 N'000	2022 N'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	2,398,672	12,899,120
Retirement benefits paid		(294,554)	(276,518)
Long service award obligations paid		(49,534)	(72,048)
Tax paid		(4,741,247)	(519,211)
<b>Net cash flow (utilized) / generated from operating activities</b>		<u>(2,686,662)</u>	<u>12,031,342</u>
<b>Cash flows from investing activities</b>			
Interest received	11	3,427,638	1,834,478
Purchase of property, plant and equipment	13	(2,209,979)	(1,559,536)
Proceeds from sale of assets held for sale		-	387,000
Proceeds from sale of property, plant and equipment		26,647	7,487
<b>Net cash flows from investing activities</b>		<u>1,244,305</u>	<u>669,429</u>
<b>Cash flows from financing activities</b>			
Interest paid on employee benefits		(149,632)	(90,136)
Interest paid on trade obligations with banks		(984,073)	(1,113,934)
Dividend paid		(6,135,987)	(623,767)
<b>Net cash used in financing activities</b>		<u>(7,269,693)</u>	<u>(1,827,837)</u>
Net increase in cash and cash equivalents		(8,712,049)	10,872,935
Impact of foreign exchange movement on cash balance		(999,830)	(252,690)
Cash and cash equivalents at the beginning of the period		<u>66,317,783</u>	<u>55,697,537</u>
<b>Cash and cash equivalents at the end of the period</b>	16	<u><u>56,605,904</u></u>	<u><u>66,317,782</u></u>

The accompanying notes from page 10-26 form an integral part of these financial statements.

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**2023**

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**1. General information**

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

The Company is principally involved in the manufacture and marketing of Foods and refreshments, Home care, Beauty and personal care products. It has manufacturing sites in Oregun, Lagos State and Agbara, Ogun State.

**2. Dealings in Unilever Nigeria Plc. Shares**

The Company has adopted a code of conduct regarding securities transactions by its directors on terms no less exacting than the required standard set out in the rules of the Nigerian Exchange Group.

Having made specific enquiry of all directors, Unilever Nigeria Plc directors have complied with the required standard set out in the rules of the Nigerian Exchange Group and in the Unilever Nigeria Plc code of conduct regarding securities transactions by directors.

**3. Basis of preparation**

These financial statements for the the period ended 31 December 2023 have been prepared in accordance with IAS 1, and other IFRS guidelines. The financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

**4. Significant accounting policies**

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

**5. 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 Company'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 2022.

## **6. Financial risk management**

### **Financial risk factors**

Unilever's activities exposes 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.

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 2023. There have been no changes in the risk management structure since year end or in any risk management policy.

### **6.1. Financial risk factors**

#### *(a) Market risk*

##### **(i) Currency risk - Transactions in foreign currency**

Unilever is exposed to foreign exchange risk arising from various currency exposures. The currencies in which these transactions are primarily denominated are US dollars, Pound sterling, Euro and Rand. The currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company manages this risk mainly by hedging through foreign exchange currency contracts.

##### **(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.

*(b) Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

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.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

*(c) Liquidity risk*

Liquidity risk is the risk that Unilever will face difficulty in meeting its short-term 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 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 N56.6 billion (31 December 2022: N66.3 billion).

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**7. 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), Beauty & Wellbeing (B&W) and Personal Care (PC), Home Care (HC) and Skin Cleansing (SC).

Foods – includes sale of savoury.

Beauty & Wellbeing and Personal Care - Includes sale of skin care and oral care products.

Home Care & Skin Cleansing – includes sale of fabric care, household cleaning and skin cleansing products.

There are no intersegmental sales and Nigeria is the company's primary geographical segment as it comprises 98% of the company's sales.

**3 months ended 31 December 2023**

	<b>Food Products</b>	<b>Beauty &amp; Wellbeing and Personal Care</b>	<b>Home Care &amp; Skin Cleansing</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Revenue	20,253,450	10,294,427	1,797,339	32,345,216
Depreciation and amortisation	(1,776,142)	(902,778)	(157,619)	(2,836,539)
Operating profit/ (loss)	8,522,379	4,331,756	(942,620)	11,911,516
Finance income	884,849	449,751	146,406	1,481,006
Finance cost	(2,622,759)	(1,333,096)	(666,786)	(4,622,641)
<b>Profit before taxation</b>				<b><u>8,769,881</u></b>

**3 months ended 31 December 2022**

	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Revenue	12,208,888	6,448,204	5,295,122	23,952,214
Depreciation and amortisation	(284,513)	(150,267)	(123,396)	(558,176)
Operating profit	4,602,398	2,430,787	1,000,490	8,033,674
Finance income	482,403	254,784	210,380	947,567
Finance cost	208,278	110,004	90,832	409,114
<b>Profit before taxation</b>				<b><u>9,390,355</u></b>

**12 months ended 31 December 2023**

	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Revenue	63,099,313	34,338,499	16,484,227	113,922,038
Depreciation and amortisation	(2,500,392)	(1,360,708)	(653,209)	(4,514,308)
Operating profit/ (loss)	11,095,950	6,038,390	(3,494,567)	13,639,774
Finance income	2,219,689	1,207,949	784,941	4,212,579
Finance cost	(2,044,955)	(1,112,860)	(1,016,808)	(4,174,623)
<b>Profit before taxation</b>				<b><u>13,677,730</u></b>

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**12 months ended 31 December 2022**

	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Revenue	43,360,939	21,282,027	23,927,859	88,570,826
Depreciation and amortisation	(1,195,247)	(586,641)	(659,573)	(2,441,461)
Operating profit/ (loss)	6,110,750	2,999,224	(1,565,131)	7,544,842
Finance income	898,091	440,793	495,594	1,834,478
Finance cost	(767,348)	(376,623)	(423,445)	(1,567,416)
<b>Profit before taxation</b>				<b><u>7,811,904</u></b>

The categories of Beauty & Wellbeing and Personal Care reported above do not include the Skin Cleansing segment. Skin Cleansing is consolidated with the Home Care category for the specific purpose of reporting discontinued operations.

**Turnover over by geographical location**

	<b>Domestic (within Nigeria) N'000</b>	<b>Export (outside Nigeria) N'000</b>	<b>Total N'000</b>
3 Months ended 31 December 2023	31,701,277	643,939	32,345,216
3 Months ended 31 December 2022	23,667,005	285,209	23,952,214
12 Months ended 31 December 2023	111,244,137	2,677,901	113,922,038
12 Months ended 31 December 2022	87,479,199	1,091,627	88,570,826

The Company recognises revenue at a point in time when it transfers control over a product or service to a customer. The Company has 88 key distributors, and one key distributor accounted for more than 5% of the Company's revenue.

**8. Cost of Sales**

	<b>2023 N'000</b>	<b>2022 N'000</b>
Cost of good sold	60,743,335	37,691,422
Revaluation Loss (Note 8.1)	6,945,995	271,460
Restructuring Cost (Note 8.2)	(123,285)	346,887
	<b><u>67,566,046</u></b>	<b><u>38,309,769</u></b>

8.1. Revaluation loss arising from foreign currencies denominated balances in respect of trade loan.

8.2. Write back on restructuring cost provision.

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**9. Marketing and administrative expenses**

	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
Brand and marketing	7,374,075	4,975,900
Overheads (Notes 9.1)	5,857,108	7,199,074
Royalties and Service Fees (Notes 9.2)	106,876	1,945,801
	<u>13,338,060</u>	<u>14,120,775</u>

9.1 Included in overheads is N1.6bn revaluation gains on foreign currency denominated receivables.

9.2 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, and Lifebuoy 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.

Also, Unilever Nigeria has a central support and management services agreement with Unilever Europe Business Centre B.V (previously Unilever Plc) 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 2% of profit before tax is payable as service fees.

Unilever Nigeria Plc enjoyed royalties and service fees holiday in 2023. N106 million reported in 2023 is a true-up from 2022 royalty and service fees due.

**10. Other income**

	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
Transitional Service Agreement income (Note 10.1)	138,398	123,683
Promissory Note (Note 10.2)	616,104	-
Rental income derived from investment properties	70,000	-
Others	162,410	(285,535)
	<u>986,913</u>	<u>(161,852)</u>

10.1 Subsequent to the disposal of the Tea business in October 2021, Unilever Nigeria entered into a Transitional Service Agreement ("the Agreement") with the new owner (Ekaterra Plant based Ltd) until June 2023. Effective 1st July, 2023, Unilever Nigeria entered into a Manufacturing Services Agreement for production of tea with Ekaterra Plant based Ltd in exchange for a fee. The amount reported represents fee earned on production of tea for Ekaterra Plant based Ltd in 2023.

10.2 Included under other income is the income derived from a discounted promissory note issued by the Federal Government of Nigeria, pertaining to prior-period Export Expansion Grants. In the year 2023, a total amount of N616 million was discounted.



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<b>11</b>	<b>Net Finance income / (cost)</b>		
		<b>2023</b>	<b>2022</b>
	Finance Income (Note 11.1)	3,427,638	1,338,884
	Finance Cost (Note 11.2)	<u>(3,157,815)</u>	<u>(1,143,971)</u>
		<u>269,823</u>	<u>194,914</u>
<b>11.1</b>	<b>Finance income</b>		
		<b>2023</b>	<b>2022</b>
		<b>N'000</b>	<b>N'000</b>
	Interest on call deposits and bank accounts	<u>3,427,638</u>	<u>1,338,884</u>
		<u>3,427,638</u>	<u>1,338,884</u>
<b>11.2</b>	<b>Finance cost</b>		
		<b>2023</b>	<b>2022</b>
		<b>N'000</b>	<b>N'000</b>
	Interest expense on lease liabilities	-	179
	Interest on third party bank loans	3,935,660	690,489
	Exchange difference on bank accounts (Gain)/Loss	(927,477)	363,167
	Employee benefit charge	<u>149,632</u>	<u>90,136</u>
		<u>3,157,815</u>	<u>1,143,971</u>
<b>12.</b>	<b>Taxation</b>		

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the period.

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13. 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
<b>Cost</b>							
<b>1 January 2022</b>	955,640	433,640	12,757,446	27,599,939	1,437,201	1,503,790	44,687,655
Additions	1,559,536	-	-	-	-	-	1,559,536
Disposals		-	(36,298)	(2,122,554)	(32,375)	(160,514)	(2,351,740)
Transfers	(735,548)	-	231,593	431,706	31,915	40,334	-
<b>At 31 December 2022</b>	<b>1,779,628</b>	<b>433,640</b>	<b>12,952,741</b>	<b>25,909,091</b>	<b>1,436,741</b>	<b>1,383,610</b>	<b>43,895,452</b>
Additions	2,209,979	-	-	-	-	-	2,209,979
Disposals + Write down	-	-	(326,318)	(2,684,779)	(262,294)	(115,819)	(3,389,210)
Transfers	(2,264,168)	-	184,642	954,977	403,256	805,443	-
Adjustment	(65,101)	(44,634)	(805,010)	3,112,668	(125,165)	11,008	2,083,766
<b>At 31 December 2023</b>	<b>1,660,338</b>	<b>389,006</b>	<b>12,006,055</b>	<b>27,291,957</b>	<b>1,452,538</b>	<b>2,084,242</b>	<b>44,799,987</b>
<b><u>Depreciation / impairment</u></b>							
<b>1 January 2022</b>	-	3,190	3,809,215	16,609,454	1,035,057	854,453	22,311,369
Depreciation charge for the year	-	4,461	369,004	1,639,099	160,153	247,582	2,420,298
Disposals	-	-	(35,807)	(2,116,788)	(18,878)	(155,310)	(2,326,784)
<b>At 31 December 2022</b>	<b>-</b>	<b>7,651</b>	<b>4,142,412</b>	<b>16,131,765</b>	<b>1,176,331</b>	<b>946,725</b>	<b>22,404,883</b>
Depreciation charge for the period	-	4,461	437,503	3,569,426	235,405	267,129	4,513,923
On disposals + write down	-	-	(153,304)	(2,118,798)	(262,115)	(115,522)	(2,649,739)
Adjustment			(811,407)	2,734,679	15,437	11,007	1,949,716
Transfer between classes		4,461	(4,461)				-
<b>At 31 December 2023</b>	<b>-</b>	<b>16,572</b>	<b>3,610,742</b>	<b>20,317,072</b>	<b>1,165,059</b>	<b>1,109,338</b>	<b>26,218,784</b>
<b><u>Net book value:</u></b>							
At 1 January 2022	955,640	430,450	8,948,231	10,990,485	402,143	649,338	22,376,287
At 31 December 2022	1,779,628	425,989	8,810,329	9,777,326	260,410	436,886	21,490,568
At 31 December 2023	1,660,338	372,434	8,395,313	6,974,885	287,479	974,904	18,665,353

**13.1 Investment Property**

	<b>Factory Building</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>
<b>Cost:</b>		
<b>1 January 2022</b>	-	-
Additions	-	-
<b>At 31 December 2022</b>	-	-
Additions	172,183	172,183
<b>At 31 December 2023</b>	<b>172,183</b>	<b>172,183</b>
<b>Accumulated depreciation:</b>		
<b>1 January 2022</b>	-	-
Charge for the year	-	-
<b>Closing balance as at 31 December 2022</b>	-	-
Charge for the year	1,264	1,264
<b>Closing balance as at 31 December 2022</b>	<b>1,264</b>	<b>1,264</b>
<b>Carrying amount:</b>		
At 31 December 2022	-	-
At 31 December 2023	<b>170,919</b>	<b>170,919</b>

Investment Property primarily comprises factory buildings owned by the Unilever Nigeria Plc, which were utilized for the Home Care and Skin Cleansing business categories now discontinued.

Subsequent to the company's exit from the Home Care and Skin Cleansing categories, the factory buildings have been leased to a third party for a duration of 10 years, with annual rental payments.

Income from operating leases, where the company serves as the lessor, are recognized in the income statement using a straight-line basis over the entire lease term.

### 13.2 Non Current Receivables

	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
Net investment in lease (See note 13.2.a)	562,031	-
Other non current receivables	708,065	-
Less impairment	(508)	-
	<u>1,269,588</u>	<u>-</u>

**13.2.a** The Company entered into Finance Lease contract for its Plants and Machinery with a third party. These plants and machineries were previously used in the Home Care and Skin Cleansing business categories. The lease term is for a period of 10 years after which ownership transfers to the lessee.

Set out below is the carrying amount of the net investment in lease and the movements during the period:

	<b>N'000</b>
<b>1 January 2022</b>	-
Additions	-
Finance income	-
Payments	-
<b>At 31 December 2022</b>	<u>-</u>
Additions	576,236
Finance income	24,859
Payments	(39,064)
<b>At 31 December 2023</b>	<u><b>562,031</b></u>
<b>At 31 December 2023</b>	
Non-current	562,031
Current	-
	<u><b>562,031</b></u>

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**14. Inventories**

	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
Raw and packaging materials	9,577,397	12,422,867
Work in progress	193,391	546,310
Finished goods	2,173,687	2,029,402
Engineering spares and other inventories	792,130	981,820
Right to recover returned goods	161,803	351,455
	<u>12,898,408</u>	<u>16,331,854</u>

**15. Trade and other receivables**

	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
Trade receivables: gross	8,525,512	5,243,534
Less: rebate accruals	(707,697)	(580,948)
Less impairment	(1,054,044)	(1,424,010)
Trade receivables: net	6,763,771	3,238,576
Advances and prepayments (Note 15.1)	14,531,020	9,673,972
Cash with registrar	419,455	529,497
Interest receivable	304,552	225,880
Other receivables	1,629,888	4,068,199
Due from related parties (Note 20(iii))	6,005,076	1,972,574
Deposit for imports (Note 15.2)	1,643,736	1,537,908
	<u>31,297,498</u>	<u>21,246,606</u>

15.1 An amount of N12.4 billion is included in advances and prepayments, representing advance payments made to suppliers. This aims to leverage favorable pricing opportunities for raw and packaging materials.

15.2 Deposit for imports represents foreign currencies purchased for funding letter of credits in respect of imported raw materials.

**16. Cash and cash equivalents**

	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
Cash at bank and in hand	28,816,293	29,639,295
Fixed deposit	27,789,611	36,678,488
Cash and bank balances	<u>56,605,904</u>	<u>66,317,783</u>

**17. Trade and other payables**

	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
Trade payables	15,758,967	14,757,595
Trade finance facility (Note 17.2)	857,169	13,556,275
Amount due to related companies (Note 20.2)	6,350,432	6,276,585
Dividend payable (Note 17.1)	3,689,039	8,543,165
Accrued liabilities	5,994,842	4,982,890
Accrued brand and marketing expenses	1,062,994	686,708
Accrued shipping and freight charges	729,393	1,103,981
	<u>34,442,836</u>	<u>49,907,199</u>

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**17. Trade and other payables (continued)**

	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
<i>Other payables:</i>		
Refund liabilities	204,218	442,313
Statutory deductions	1,804,910	1,414,196
Non trade payables	<u>1,158,776</u>	<u>641,088</u>
	<b><u>3,167,904</u></b>	<b><u>2,497,597</u></b>
<b>Total trade and other payables</b>	<b><u>37,610,740</u></b>	<b><u>52,404,796</u></b>
	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
17.1 Dividend payable		
As at 1 January	8,543,165	6,413,241
Dividend declared	1,436,251	2,872,503
Withholding tax payable	(115,223)	(230,310)
Cash paid to registrar in maintaining statutory minimum balance (Note 17.1 (a))	(208,811)	(61,410)
Dividend unclaimed by shareholders	169,644	172,909
Dividend paid	<u>(6,135,987)</u>	<u>(623,767)</u>
As at period/ year end	<u>3,689,039</u>	<u>8,543,165</u>

17.1.(a) Balance represents a refund of N208m being excess cash held with registrar.

17.2 The Company is involved in trade financing arrangements with some local banks where the banks agree to pay amounts to foreign vendors in respect of invoices owed by the Company and receives settlement from the Company at a later date. The principal purpose of the arrangement is to facilitate efficient payment processing to foreign vendors in view of the challenges being experienced with sourcing foreign currency in the Nigerian market. The arrangement enables the Company settle its foreign obligations in a timely manner to facilitate receipt of key input materials required in the production of finished goods.

**18. Retirement benefit obligations**

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

	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
Present value of funded retirement benefit obligations	(1,617,361)	(1,527,831)
Fair value of plan assets	<u>1,171,848</u>	<u>1,236,625</u>
Retirement benefit deficit	(445,513)	(291,205)
Present value of unfunded retirement benefit obligations	(380,448)	(363,826)
Long service award obligations	<u>(558,953)</u>	<u>(319,548)</u>
Net liability in the statement of financial position	<u>(1,384,914)</u>	<u>(974,579)</u>

**19 Other long term Payables**

Other long term payables relates to investment from Wecyclers outcomes partnership for the innovative "Development Impact Bond" structured by French investment bank Societe Generale which will allow Wecyclers to expand plastic waste collection in Nigeria.

**20 Cash flows from operating activities**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
Profit before tax	17,404,164	9,304,887
Loss before tax - discontinued operations (Note 23.1)	(3,726,434)	-
Adjustment for non-cash items:		-
- Depreciation of property, plant and equipment	4,513,923	2,420,298
- Depreciation of Investment properties	3,793	
- Amortisation of intangible assets	385	386
- Loss on disposal of property, plant and equipment	3,389,210	17,469
- Assets held for sales	-	(124,742)
- Net impairment charge on receivables	(4,118,547)	441,303
- Finance income	(4,212,579)	(1,834,478)
- Finance expense*	149,632	90,136
- Interest expense on trade obligations with banks	4,952,468	1,113,934
- Exchange loss/(gain) on intercompany loan		
- Interest on lease liabilities		179
- Net change in retirement benefit obligations	465,484	364,386
- Change in employee loan receivable	-	-
- Long service award obligations	288,939	21,826
- Other employee benefits		
Changes in working capital:		
- Increase in trade and other receivables	(10,050,892)	(6,695,254)
- Decrease/ (Increase) in inventory	3,433,446	(1,375,523)
- Increase / (Decrease) in trade and other payables	(10,094,320)	10,647,295
- Decrease in other non-current assets	-	-
Cash flows generated from operating activities	<u>2,398,672</u>	<u>14,392,103</u>

\* Finance expense relates employee benefit charge (Note 11.2)

**21 Related party transactions**

**(i) Sale of finished goods to related parties**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
Unilever Asia Private Limited	72,305	-
Unilever Ghana Limited	-	220,360
Unilever Cote D'Ivoire	2,605,597	871,267
	<u>2,677,901</u>	<u>1,091,627</u>

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**(ii) Outstanding related party balances as at:**

	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
<i>Receivables from related parties:</i>		
Unilever Cote D'Ivoire	4,917,572	3,119,662
Unilever Ghana Limited	202,528	1,258,195
Other related parties	1,004,761	16,296
Gross receivables	<u>6,124,862</u>	<u>4,394,155</u>
Less impairment	<u>(119,785)</u>	<u>(4,103,235)</u>
Amount due from related companies (Note 15)	<u><u>6,005,076</u></u>	<u><u>290,920</u></u>

**21 Related party transactions continued**

	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
<i>Payables to related parties:</i>		
Unilever UK Plc	1,528,595	3,123,966
Unilever Asia Private	-	(42)
Unilever Cote D'Ivoire	1,070,093	526,963
Unilever Ghana Limited	38,018	201,166
Unilever Europe Business Center BV	3,236,876	-
Other related parties	476,849	694,465
Amount due to related companies per note 17	<u>6,350,432</u>	<u>4,546,518</u>
Unilever Overseas Holding (Dividend payable)	<u>-</u>	<u>4,814,959</u>
<b>Total amount due to related parties</b>	<u><u>6,350,431</u></u>	<u><u>9,361,477</u></u>

**22 Share capital and share premium**

	<b>Number of ordinary shares (thousands)</b>	<b>Ordinary shares N'000</b>	<b>Share premium N'000</b>
Balance as at 31 December 2022 and 31 December 2023	<u>5,745,005</u>	<u>2,872,503</u>	<u>56,812,810</u>

The share capital of the Company is Two Billion, Eight Hundred and Seventy-Two Million, Five Hundred and Two Thousand, Seven Hundred and Eight Naira, Fifty Kobo (N2,872,502,708.50) divided into Five Billion, Seven Hundred and Forty-Five Million, Five Thousand, Four Hundred and Seventeen (5,745,005,417) Ordinary shares of 50 Kobo each



**(a) Shareholding Pattern as at 31 December, 2023**

<b>Shareholders</b>	<b>Number of Ordinary Shares</b>	<b>Percentage Holdings</b>
Unilever Overseas	4,364,161,812	75.96
Stanbic Nominees Limited	252,259,044	4.39
Free float	1,128,584,561	19.64
<b>Total</b>	<b>5,745,005,417</b>	<b>100.00</b>
Total Free Float	1,380,843,605	24.04

**Compliance with Free float Requirements**

Unilever Nigeria Plc. as at 31 December, 2023 is compliant with the Free float requirement for the Main Board of the Nigerian Exchange Group.

**23 Discontinued Operations**

On 17th March, 2023, Unilever Nigeria Plc made a decision to exit Homecare and Skin Cleansing categories. Production and Sales for Home care and Skin cleansing business categories ceased in December 2023.

The statement of profit or loss and OCI has been presented to show the discontinued operation separately from continuing operations.

**23.1 Results of Discontinued Operations**

*Income Statement*

	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
Turnover	16,484,227	23,927,859
Cost of sales	<u>(17,044,363)</u>	<u>(19,084,530)</u>
Gross (loss)/ Profit	<u>(560,137)</u>	<u>4,843,329</u>
Selling and Distribution expenses	(1,212,890)	(2,178,948)
Marketing and administrative expenses	(2,323,411)	(4,395,827)
Impairment release (loss) on trade and other receivables	609,996	(119,220)
Other (loss)/income - Gain on Sales	<u>(8,124)</u>	<u>285,535</u>
<b>Operating loss</b>	<b><u>(3,494,567)</u></b>	<b><u>(1,565,131)</u></b>
Finance income	784,941	495,594
Finance cost	<u>(1,016,808)</u>	<u>(423,445)</u>
<b>Loss Before tax</b>	<b><u>(3,726,434)</u></b>	<b><u>(1,492,983)</u></b>
Taxation	<u>-</u>	<u>-</u>
<b>Loss for the year from discontinued operations</b>	<b><u><u>(3,726,434)</u></u></b>	<b><u><u>(1,492,983)</u></u></b>

The numbers reported reflect the results of the Home Care and Skin Cleansing business categories from the beginning of 2023 to its discontinuation in September and December respectively. The comparative figures represents the full year results of the business categories in 2022.

The profit from the discontinued operation is attributable entirely to the owners of the Company.

**23.1.1 Effect of disposal on the financial position of the company**

	<b>Dec' 2023</b>
	<b>₦'000</b>
Property, plant and equipment (Note 23.1.1.a)	(1,670,871)
Investment Property (Note 23.1.1.b)	170,919
Inventory (Note 23.1.1.c)	3,303,147
Net investment in lease (Note 23.1.1.b)	562,031
	<b><u>2,365,225</u></b>

Following managements review of the non-current assets held by the business categories, Four (4) actions were taken to adequately manage, recoup and mitigate possible losses from an outright write off.

1. Write off of low value assets that are of no use in other business categories.
  2. Appraisal of assets usefull lives.
  3. Reclassification of assets that are of benefit to other business categories.
- Building with carrying amounts and substantial remaining useful lives.

	<b>₦'000</b>
<b>23.1.1.a Carrying amount of HC &amp; SC PPE</b>	<b>1,828,364</b>
Assets written off (i)	(216,002)
Assets written down (see note 13)	(706,516)
Assets Reclassified to other business categories (ii)	(157,493)
Assets on lease (see note 1.1b and 13.2)	(748,353)

	<b>₦'000</b>
<b>(i) Carrying amount of assets written off</b>	
Office furniture and Equipment	132,070
Plants	83,933
	<b><u>216,002</u></b>

**(ii) Carrying amount of assets reclassified to other business categories**

	<b>₦'000</b>
Plant	132,259
Building	25,234
	<b><u>157,493</u></b>

**23.1.1.b**

As a result of the lease agreement, assets that qualified as operating lease where reclassified from PPE to investment property (N171 million) in accordance with the provisions of IAS 16 and IAS 40, while those that qualified for a finance lease, where reclassified from PPE to net investment in lease (N576 million) in accordance with the provisions of IFRS 16. See notes 13.1 and 13.2 for more details.

**23.1.1.c**

This includes raw and packaging materials written off due to exit from Home Care category and associated redundancy cost.