



Unilever Nigeria Plc
Unaudited Interim Financial Statements
For the Nine Months Ended 30 September 2020

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Income Statement For three months ended

	Note	30 September 2020 N'000	30 September 2019 N'000
Continuing operations			
Revenue	6	17,395,466	8,970,284
Cost of sales		<u>(13,666,837)</u>	<u>(10,681,974)</u>
Gross profit/ (loss)		3,728,629	(1,711,690)
Selling and distribution expenses		(821,643)	(644,573)
Marketing and administrative expenses		(3,913,832)	(2,170,826)
Impairment loss on trade receivables		(429,386)	(99,005)
Other income		<u>(12,371)</u>	<u>(14,908)</u>
Operating loss		(1,448,603)	(4,641,002)
Finance income		34,640	645,981
Finance costs		<u>(618,802)</u>	<u>(85,410)</u>
Loss before taxation		(2,032,765)	(4,080,432)
Taxation		<u>491,664</u>	<u>1,076,509</u>
Loss from continuing operations		<u>(1,541,101)</u>	<u>(3,003,923)</u>
Loss for the period		<u><u>(1,541,101)</u></u>	<u><u>(3,003,923)</u></u>
Attributable to:			
Equity holders		<u><u>(1,541,101)</u></u>	<u><u>(3,003,923)</u></u>
Earnings per share for profit attributable to equity holders:			
Basic and diluted earnings per share (Naira)		<u><u>(0.27)</u></u>	<u><u>(0.52)</u></u>

The notes on pages 11 to 22 form an integral part of these financial statements.

Income Statement
For nine months ended 30 September

	Note	2020 N'000	2019 N'000
Continuing operations			
Revenue	6	44,732,803	51,627,783
Cost of sales		<u>(34,848,094)</u>	<u>(41,993,385)</u>
Gross profit		9,884,709	9,634,398
Selling and distribution expenses		(2,075,239)	(2,552,466)
Marketing and administrative expenses	7	(9,629,411)	(7,566,927)
Impairment loss on trade receivables		(1,075,819)	(316,808)
Other income	8	<u>36,173</u>	<u>43,818</u>
Operating loss		(2,859,587)	(757,985)
Finance income	9	560,808	1,847,892
Finance costs	10	<u>(300,786)</u>	<u>(442,726)</u>
(Loss)/ profit before taxation		(2,599,565)	647,180
Taxation	11	<u>539,356</u>	<u>(106,491)</u>
(Loss)/ profit from continuing operations		(2,060,209)	540,689
(Loss)/ profit for the period		<u><u>(2,060,209)</u></u>	<u><u>540,689</u></u>
Attributable to:			
Equity holders		<u><u>(2,060,209)</u></u>	<u><u>540,689</u></u>
Earnings per share for profit attributable to equity holders:			
Basic and diluted earnings per share (Naira)		<u><u>(0.36)</u></u>	<u><u>0.09</u></u>

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Statement of Other Comprehensive Income For three months ended

	30 September 2020 N'000	30 September 2019 N'000
Other comprehensive income	-	-
Loss for the period	<u>(1,541,101)</u>	<u>(3,003,923)</u>
Total comprehensive loss	<u><u>(1,541,101)</u></u>	<u><u>(3,003,923)</u></u>
Attributable to:		
Equity holders	<u><u>(1,541,101)</u></u>	<u><u>(3,003,923)</u></u>

Statement of Other Comprehensive Income For nine months ended 30 September

	30 September 2020 N'000	30 September 2019 N'000
Other comprehensive income	-	-
(Loss)/ profit for the period	<u>(2,060,209)</u>	<u>540,689</u>
Total comprehensive (loss)/ income	<u><u>(2,060,209)</u></u>	<u><u>540,689</u></u>
Attributable to:		
Equity holders	<u><u>(2,060,209)</u></u>	<u><u>540,689</u></u>

The notes on pages 11 to 22 form an integral part of these financial statements.

Statement of Financial Position
As at

	Note	30 September 2020	31 December 2019
		N'000	N'000
Assets			
Non-current assets			
Property, plant and equipment	12	30,217,964	31,957,420
Intangible assets		59,371	225,933
Retirement benefit surplus	17	38,864	35,292
		<u>30,316,199</u>	<u>32,218,645</u>
Current assets			
Inventories	13	12,438,292	11,869,295
Trade and other receivables	14	22,383,068	24,131,026
Cash and bank balances	15	33,536,311	35,458,553
		<u>68,357,671</u>	<u>71,458,874</u>
Total assets		<u><u>98,673,870</u></u>	<u><u>103,677,519</u></u>
Liabilities			
Current liabilities			
Trade and other payables	16	32,571,824	34,719,709
Income tax		224,984	88,375
		<u>32,796,808</u>	<u>34,808,084</u>
Non-current liabilities			
Deferred tax liabilities		134,802	894,439
Retirement benefit obligations	17	414,079	422,830
Long service award obligations	17	365,910	318,096
Loans and borrowings	18	494,130	705,720
		<u>1,408,921</u>	<u>2,341,085</u>
Total liabilities		<u><u>34,205,729</u></u>	<u><u>37,149,169</u></u>

Statement of Financial Position (continued)

As at

	Note	30 September 2020 N'000	31 December 2019 N'000
Equity			
Ordinary share capital	21	2,872,503	2,872,503
Share premium	21	56,812,810	56,812,810
Retained earnings		4,782,828	6,843,037
Total equity		64,468,141	66,528,350
Total equity and liabilities		98,673,870	103,677,519

The financial statements on pages 3 to 22 were approved for issue by the Board of Directors on 21 October 2020 and signed on its behalf by:



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



Carl Cruz *
 Managing Director



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

*The Financial Reporting Council (FRC) granted a waiver to the Managing Director to sign the financial statements without indicating any FRC registration number. His FRC number will be obtained in due course.

The notes on pages 11 to 22 form an integral part of these financial statements.

Statement of Changes in Equity

Nine Months Ended 30 September 2020

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2019	2,872,503	56,812,810	23,104,230	82,789,543
Total comprehensive income for the				
Profit for the period	-	-	540,689	540,689
Other comprehensive income				
Remeasurement on post employment benefit obligations, net of tax	-	-	-	-
	-	-	540,689	540,689
Transactions with owners				
Dividend declared	-	-	(8,617,508)	(8,617,508)
Balance at 30 September 2019	<u>2,872,503</u>	<u>56,812,810</u>	<u>15,027,411</u>	<u>74,712,724</u>
Balance at 1 January 2020	2,872,503	56,812,810	6,843,037	66,528,350
Total comprehensive income for the period				
Loss for the period	-	-	(2,060,209)	(2,060,209)
Other comprehensive income				
Remeasurement on post employment benefit obligations, net of tax	-	-	-	-
	-	-	(2,060,209)	(2,060,209)
Transactions with owners				
Dividend declared	-	-	-	-
Balance at 30 September 2020	<u>2,872,503</u>	<u>56,812,810</u>	<u>4,782,828</u>	<u>64,468,141</u>

The notes on pages 11 to 22 form an integral part of these financial statements.

Statement of Cash Flows
For nine months ended 30 September

	Note	2020 N'000	2019 N'000
Cash flows from operating activities			
Cash outflow from operations	19	(1,532,390)	(9,898,083)
Retirement benefits paid		(48,476)	(1,831,320)
Long service award obligations paid		(12,042)	(41,645)
Tax paid		(83,670)	(4,168,785)
Net cash used in operating activities		<u>(1,676,578)</u>	<u>(15,939,834)</u>
Cash flows from investing activities			
Interest received		349,218	1,847,892
Purchase of property, plant and equipment	12	(594,882)	(3,986,912)
Proceeds from sale of property, plant and equipment			-
Net cash used in investing activities		<u>(245,664)</u>	<u>(2,139,020)</u>
Cash flows from financing activities			
Repayment of long-term loan		-	(274)
Interest payment		-	(442,726)
Dividend paid		-	(8,617,508)
Net cash used in financing activities		<u>-</u>	<u>(9,060,508)</u>
Decrease in cash and cash equivalents		(1,922,242)	(27,139,362)
Cash and cash equivalents at the beginning of the period		<u>35,458,553</u>	<u>57,144,182</u>
Cash and cash equivalents at the end of the period	15	<u><u>33,536,311</u></u>	<u><u>30,004,820</u></u>

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Unilever Nigeria Plc
Unaudited Interim Financial Statements for the Nine Months Ended 30 September 2020

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 Stock Exchange (NSE).

The company is principally involved in the manufacture and marketing of Foods and refreshments, Home care and 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 Stock Exchange.

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 Stock Exchange and in the Unilever Nigeria Plc code of conduct regarding securities transactions by directors.

3. Basis of preparation

These interim financial statements for the the period ended 30 September 2020 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 2019, 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.

4.1 New Accounting Standards

The Company initially applied IFRS 16 Leases from 1 January 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the definition of a lease.

Definition of a lease (Continued)

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

As a lessee, the Company leases consist mainly of warehouses. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

However, for leases of property, the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under IAS 17

Previously, the Company classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate of 17.5% as at 1 January 2019. Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application: the Company applied this approach to its largest property lease; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Company applied this approach to all other leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

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 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 2019.

6. 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 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 2019. 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 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 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 N33.5 billion (2019: N30.0billion).

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 Foods – including sale of tea and savoury.

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 98% 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	Home & Personal Care	Total
3 months ended 30 September 2020	N'000	N'000	N'000
Revenue	9,827,906	7,567,560	17,395,466
Depreciation and amortisation	(494,088)	(380,451)	(874,539)
Segmental operating loss	(818,416)	(630,187)	(1,448,603)
Finance income	19,571	15,069	34,640
Finance cost	(349,604)	(269,198)	(618,802)
Loss before taxation			<u>(2,032,765)</u>
3 months ended 30 September 2019	N'000	N'000	N'000
Revenue	5,319,549	3,650,735	8,970,284
Depreciation and amortisation	431,832	296,360	728,192
Segmental operating loss	(2,752,203)	(1,888,800)	(4,641,002)
Finance income	383,079	262,902	645,981
Finance cost	(50,650)	(34,760)	(85,410)
Loss before taxation			<u>(4,080,432)</u>
9 months ended 30 September 2020	N'000	N'000	N'000
Revenue	25,095,554	19,637,249	44,732,803
Depreciation and amortisation	1,357,698	1,062,397	2,420,095
Segmental operating loss	(1,604,257)	(1,255,330)	(2,859,587)
Finance income	314,619	246,189	560,808
Finance cost	(168,744)	(132,042)	(300,786)
Profit before taxation			<u>(2,599,565)</u>

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	Food Products N'000	Home & Personal Care N'000	Total N'000
9 months ended 30 September 2019			
Revenue	26,675,348	24,952,435	51,627,783
Depreciation and amortisation	1,096,073	1,025,280	2,121,353
Segmental operating loss	(391,640)	(366,345)	(757,985)
Finance income	954,780	893,112	1,847,892
Finance cost	(228,750)	(213,976)	(442,726)
Profit before taxation			<u>647,180</u>

Turnover over by geographical location

	Domestic (within Nigeria) N'000	Export (outside Nigeria) N'000	Total N'000
3 months ended 30 September 2020	17,137,750	257,716	17,395,466
3 months ended 30 September 2019	<u>8,536,624</u>	<u>433,660</u>	<u>8,970,284</u>
9 months ended 30 September 2020	<u>43,851,323</u>	<u>881,480</u>	<u>44,732,803</u>
9 months ended 30 September 2019	<u>50,670,661</u>	<u>957,122</u>	<u>51,627,783</u>

The Company recognises revenue at a point in time when it transfers control over a product or service to a customer.

7. Marketing and administrative expenses

	2020 N'000	2019 N'000
Brand and marketing	2,699,058	2,073,030
Overheads	6,031,683	4,497,420
Service Fees	898,670	996,477
	<u>9,629,411</u>	<u>7,566,927</u>

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8. Other income

	2020	2019
	N'000	N'000
Gain/ (loss) on sale of property plant and equipment	-	(4,870)
Transitional Service/ Toll Manufacturing Agreement income	36,173	48,688
	<u>36,173</u>	<u>43,818</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.

9. Finance income

	2020	2019
	N'000	N'000
Interest on call deposits and bank accounts	349,218	1,545,950
Net gain on re-measurement of foreign currency balances	-	301,942
Unwinding of lease liability	211,590	-
	<u>560,808</u>	<u>1,847,892</u>

10. Finance cost

	2020	2019
	N'000	N'000
Net gain on re-measurement of foreign currency balances	300,786	442,726
	<u>300,786</u>	<u>442,726</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 2020 is 22%.

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							
1 January 2019	4,248,206	433,640	9,796,890	29,425,228	2,106,118	1,311,067	47,321,149
Additions	5,378,115	-	1,132,956	-	-	-	6,511,071
Transfers	(4,110,144)	-	625,758	3,063,745	214,960	205,681	-
Write-offs	-	-	-	(1,553,600)	(57,231)	(11,006)	(1,621,837)
Disposals	-	-	-	(639)	(324,499)	(145,578)	(470,715)
At 31 December 2019	5,516,177	433,640	11,555,604	30,934,734	1,939,348	1,360,164	51,739,667
Additions	594,882	-	-	-	-	-	594,882
Disposals	-	-	-	(62,059)	(152,798)	(54,736)	(269,592)
Transfers	(4,691,973)	-	1,332,622	3,286,908	62,141	10,302	-
At 30 September 2020	1,419,085	433,640	12,888,226	34,159,584	1,848,692	1,315,730	52,064,956
Depreciation / impairment							
1 January 2019	-	3,190	1,580,429	14,354,314	934,953	727,313	17,600,199
Depreciation charge for the year	-	-	663,347	3,183,082	169,555	249,798	4,265,782
Write-offs	-	-	-	(1,553,600)	(57,231)	(11,006)	(1,621,837)
Disposals	-	-	-	(37)	(322,305)	(139,555)	(461,897)
At 31 December 2019	-	3,190	2,243,776	15,983,759	724,972	826,550	19,782,247
Depreciation charge for the period	-	3,345	672,250	1,263,069	131,446	183,424	2,253,534
On disposals	-	-	-	(53,837)	(80,217)	(54,736)	(188,789)
At 30 September 2020	-	6,535	2,916,027	17,192,992	776,202	955,237	21,846,993
Net book value:							
At 1 January 2019	4,248,206	430,450	8,216,461	15,070,914	1,171,165	583,754	29,720,950
At 31 December 2019	5,516,177	430,450	9,311,828	14,950,975	1,214,376	533,614	31,957,420
At 30 September 2020	1,419,085	427,105	9,972,199	16,966,592	1,072,489	360,493	30,217,964

Included in the cost of building is right-of-use assets of ₦1.13bn related to leased properties that do not meet the definition of investment property.

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13. Inventories

	2020	2019
	N'000	N'000
Raw and packaging materials	7,958,677	7,706,608
Work in progress	652,032	439,648
Goods in transit	128,688	738,405
Finished goods	3,009,974	1,882,189
Engineering spares and other inventories	688,921	841,131
Right to recover returned goods	-	261,314
	<u>12,438,292</u>	<u>11,869,295</u>

14. Trade and other receivables

	2020	2019
	N'000	N'000
Trade receivables: gross	6,253,070	11,125,550
Less impairment	<u>(2,461,254)</u>	<u>(1,389,939)</u>
Trade receivables: net	3,791,816	9,735,611
Advances and prepayments	4,728,520	1,973,480
Unclaimed dividend held with registrar	-	991,333
Interest receivable	13,608	152,015
Other receivables	942,146	1,631,827
Due from related parties (Note 20(iii))	7,872,207	5,548,419
Deposit for imports	<u>5,034,771</u>	<u>4,098,341</u>
	<u>22,383,068</u>	<u>24,131,026</u>

Advances and prepayments include insurance premium and advances to vendors.

15. Cash and cash equivalents

	2020	2019
	N'000	N'000
Cash at bank and in hand	25,155,406	13,505,227
Fixed deposit	8,380,905	21,953,326
Cash and bank balances	<u>33,536,311</u>	<u>35,458,553</u>

16. Trade and other payables

	2020	2019
	N'000	N'000
Trade payables	11,500,078	10,396,263
Amount due to related companies (Note 20(iii))	7,072,224	9,773,293
Dividend payable	5,492,526	6,599,665
Accrued liabilities	2,052,334	2,123,247
Accrued brand and marketing expenses	1,953,281	649,680
Accrued shipping and freight charges	1,977,389	1,471,248
Refund liabilities	-	373,305
Minimum tax payables	317,670	317,670
Non trade payables	<u>2,206,322</u>	<u>3,015,338</u>
	<u>32,571,824</u>	<u>34,719,710</u>

17. Retirement benefit obligations

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

	2020 N'000	2019 N'000
Present value of funded retirement benefit obligations	(1,811,519)	(1,854,537)
Fair value of plan assets	<u>1,850,383</u>	<u>1,889,829</u>
Retirement benefit surplus	38,864	35,292
Present value of unfunded retirement benefit obligations	(414,079)	(422,830)
Long service award obligations	<u>(365,910)</u>	<u>(318,096)</u>
Net liability in the statement of financial position	<u><u>(741,125)</u></u>	<u><u>(705,634)</u></u>

18. Loans and borrowings

Loans and borrowings represent recognised lease liability relating to the present value of future lease payment on the Company's rented properties.

	N'000	N'000
19. Cash flows from operating activities		
	2020 N'000	2019 N'000
(Loss)/ profit before tax	(2,599,565)	647,180
Adjustment for non-cash items:		
- Depreciation of property, plant and equipment	2,253,534	1,954,366
- Loss on disposal of property, plant and equipment	80,803	64,434
- Amortisation of intangible assets	166,561	166,987
- Unwinding of lease liability	(211,590)	-
- Finance income	(349,218)	(1,847,892)
- Finance expense	-	442,726
- Net change in retirement benefit obligations	36,153	109,095
- Change in employee loan receivable	-	105,640
- Long service award obligations	59,856	63,044
- Other employee benefits	-	42,263
Changes in working capital:		
- Decrease/ (increase) in trade and other receivables	1,747,958	(4,577,657)
- (Increase)/ decrease in inventory	(568,997)	377,129
- Decrease in trade and other payables	(2,147,885)	(7,493,752)
- Decrease in other non-current assets	-	48,353
Cash flows generated from operating activities	<u><u>(1,532,390)</u></u>	<u><u>(9,898,083)</u></u>

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20. Related party transactions

(i) Sale of finished goods to related parties

	2020	2019
	N'000	N'000
Unilever Ghana Limited	103,197	124,831
Unilever Cote D'Ivoire	778,282	832,290
	<u>881,480</u>	<u>957,121</u>

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

	2020	2019
	N'000	N'000
Unilever Gulf Free Zone Establishment	11,526	-
Unilever Ghana Limited	-	1,350,347
Unilever Asia Private Limited	-	1,998,741
	<u>11,526</u>	<u>3,349,088</u>

(iii) Outstanding related party balances were:

	2020	2019
	N'000	N'000
<i>Receivables from related parties:</i>		
Unilever Cote D'Ivoire	4,271,034	3,068,317
Unilever Ghana Limited	3,435,834	2,543,944
Other related parties	812,272	583,091
	<u>8,519,140</u>	<u>6,195,352</u>
Less impairment	(646,933)	(646,933)
Total amount due from related parties per note 14	<u>7,872,207</u>	<u>5,548,419</u>

	2020	2019
	N'000	N'000
<i>Payables to related parties:</i>		
Unilever UK Plc	4,526,653	4,272,620
Unilever Cote D'Ivoire	204,765	254,807
Unilever Ghana Limited	176,748	-
Unilever Asia Private	1,730,704	2,277,023
Unilever NV	179,918	2,625,093
Other related parties (settlement on behalf of the Company)	253,436	343,750
Amount due to related companies per note 16	<u>7,072,224</u>	<u>9,773,293</u>
Unilever Overseas Holding (Dividend payable)	2,796,534	2,796,534
Total amount due to related parties	<u>9,868,758</u>	<u>12,569,827</u>

21. Share capital and share premium

	Number of ordinary shares (thousands)	Ordinary shares N'000	Share premium N'000
Balance as at 31 December 2019 and 30 September 2020	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.

(a) Shareholding Pattern as at 30 September, 2020

Shareholders	Number of Ordinary Shares	Percentage Holdings
Unilever Overseas	4,252,964,194	74.03
Director's Direct Holding	55,976	0.00
Free float	1,491,985,247	25.97
Total	5,745,005,417	100.00

Compliance with Free float Requirements

Unilever Nigeria Plc. as at 30 September, 2020 is compliant with the Free float requirement for the Main Board of the Nigerian Stock Exchange.

22. 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 30th September 2020 that have not been adequately provided for or disclosed in these interim financial statements.

Impact of Coronavirus (Covid-19) Pandemic

Countries of the world including Nigeria is constantly addressing the continued increase in recorded cases of COVID-19 and the implications to the economy.

COVID-19 is an evolving situation, the company is monitoring closely any material impact to the going concern of the business. Our priority is to protect the health, safety and welfare of our employees, customers, and partners, as well as support the Government and its agencies as they work to reduce the impact of the outbreak. At this stage, the company is unable to reliably estimate the future impact of COVID-19, given the lack of an indication of a possible end date of the pandemic or on how long it would continue to impact the Nigerian economy.

However, the company is constantly monitoring the situation through its instituted Incident Management Team (IMT) saddled with the responsibility to constantly access developing events, mitigate as much as possible negative impact and steer the organisation towards adapting to current realities.