



Unilever Nigeria Plc
Unaudited Interim Financial Statements

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Statement of Profit or Loss and Other Comprehensive Income
 For the quarter ended 30 September

	Note	2024 N'000	2023 N'000
Revenue		39,939,641	25,855,813
Cost of sales		<u>(23,265,191)</u>	<u>(16,186,343)</u>
Gross profit		16,674,450	9,669,471
Selling and distribution expenses		(1,786,742)	(923,983)
Marketing and administrative expenses		(8,560,208)	(3,971,756)
Impairment write back / (loss) on trade & other receivables		288,715	(61,816)
Other income		<u>58,142</u>	<u>44,807</u>
Operating profit		6,674,357	4,756,722
Finance income		2,670,245	860,462
Finance costs		<u>(1,667,058)</u>	<u>(772,526)</u>
Net finance (costs) / Income		1,003,187	87,936
Profit before taxation		<u>7,677,544</u>	<u>4,844,658</u>
Taxation		<u>(1,105,842)</u>	<u>(1,481,092)</u>
Discontinued operations			
Loss from discontinued operations		<u>-</u>	<u>(4,455,359)</u>
Profit for the period		<u><u>6,571,702</u></u>	<u><u>(1,091,792)</u></u>
Attributable to:			
Equity holders		<u><u>6,571,702</u></u>	<u><u>(1,091,792)</u></u>
Earnings per share for profit attributable to equity holders:			
Basic and diluted earnings per share (Naira) - continuing operations		<u><u>1.14</u></u>	<u><u>0.59</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 25.1).

The accompanying notes from pages 11-25 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income
For the period ended 30 September

	Note	2024 N'000	2023 N'000
Revenue	7	103,848,328	71,206,235
Cost of sales	8	<u>(60,955,483)</u>	<u>(48,444,789)</u>
Gross profit		42,892,845	22,761,446
Selling and distribution expenses		(4,490,245)	(2,722,702)
Marketing and administrative expenses	9	(25,556,943)	(10,444,341)
Impairment loss on trade & other receivables	10	(2,878,072)	(1,722,918)
Other income	11	<u>163,423</u>	<u>93,087</u>
Operating profit		10,131,008	7,964,571
Finance income	12	6,772,726	5,305,596
Finance costs	12	<u>(2,943,096)</u>	<u>(2,572,193)</u>
Net finance Income/(cost)	12	<u>3,829,630</u>	<u>2,733,403</u>
Profit before taxation		13,960,638	10,697,974
Taxation	13	<u>(2,951,595)</u>	<u>(3,237,907)</u>
Profit from continuing operations		11,009,043	7,460,067
Discontinued operations			
Loss from discontinued operations	25		<u>(5,790,126)</u>
Profit for the period		<u>11,009,043</u>	<u>1,669,942</u>
Attributable to:			
Equity holders		<u>11,009,043</u>	<u>1,669,942</u>
Earnings per share for profit attributable to equity holders:			
Basic and diluted earnings per share (Naira) - continuing operations		<u>1.92</u>	<u>1.30</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 25.1)

The accompanying notes from pages 11-25 form an integral part of these financial statements.

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

For the quarter ended 30 September

	2024	2023
	N'000	N'000
Other comprehensive income	-	-
Profit /(loss) for the period	<u>6,571,702</u>	<u>(1,091,792)</u>
Total comprehensive income/(loss)	<u><u>6,571,702</u></u>	<u><u>(1,091,792)</u></u>
Attributable to:		
Equity holders	<u><u>6,571,702</u></u>	<u><u>(1,091,792)</u></u>

For the period ended 30 September

	2024	2023
	N'000	N'000
Other comprehensive income	-	-
Total comprehensive income	<u><u>11,009,043</u></u>	<u><u>1,669,942</u></u>
Attributable to:		
Equity holders	<u><u>11,009,043</u></u>	<u><u>1,669,942</u></u>

The accompanying notes from pages 11-25 form an integral part of these financial statements.


Statement of Financial Position
As at 30 September 2024

		30 September 2024	31 December 2023
	Note	N'000	N'000
Assets			
Non-current assets			
Property, plant and equipment	14	19,505,376	18,770,920
Intangible assets		2,407	2,696
Investment property	14.1	196,682	209,257
Other financial assets		1,450,331	1,240,056
		<u>21,154,796</u>	<u>20,222,929</u>
Current assets			
Inventories	15	31,407,738	13,021,361
Trade and other receivables	16	14,644,638	12,284,377
Advance and prepayments	17	14,590,763	14,030,577
Cash and cash equivalents	18	52,381,774	56,698,640
Other financial assets		50,684	44,460
		<u>113,075,597</u>	<u>96,079,415</u>
Total assets		<u><u>134,230,393</u></u>	<u><u>116,302,344</u></u>
Liabilities			
Current liabilities			
Current tax liabilities		3,473,956	1,493,572
Trade and other payables	19	41,077,926	32,075,796
Deferred income		5,864	227,678
		<u>44,557,746</u>	<u>33,797,046</u>
Non-current liabilities			
Loans and borrowings	21	2,995,403	1,539,968
Unfunded retirement benefit obligations	20	398,275	380,449
Retirement benefit obligations	20	45,994	425,988
Long service award obligations	20	627,611	558,955
Deferred income		216,056	216,056
Deferred tax liabilities		4,179,916	4,874,779
		<u>8,463,255</u>	<u>7,996,195</u>
Total liabilities		<u>53,021,001</u>	<u>41,793,241</u>

Statement of Financial Position (continued)
As at 30 September 2024

	Note	30 September 2024	31 December 2023
		N'000	N'000
Equity			
Ordinary share capital	24	2,872,503	2,872,503
Share premium	24	56,812,810	56,812,810
Retained earnings		21,524,079	14,823,790
Total equity		<u>81,209,392</u>	<u>74,509,103</u>
Total equity and liabilities		<u><u>134,230,393</u></u>	<u><u>116,302,344</u></u>

The financial statements were approved for issue by the Board of Directors on 17 October 2024 and signed on its behalf by:



Bolaji Balogun
Chairman
 FRC/2013/CISN/00000004945



Tim Kleinebenne
Managing Director
 FRC/2024/PRO/DIR/008/723464



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

The accompanying notes from pages 11-25 form an integral part of these financial statements.

Statement of Changes in Equity
For the period ended 30 September

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2023	2,872,503	56,812,810	7,879,403	67,564,716
Total comprehensive income for the period				
Profit for the period		-	8,439,895	8,439,895
Other comprehensive income				
Remeasurement on post employment benefit obligations, net of tax			(88,444)	(88,444)
Tax effect			29,187	29,187
	-	-	<u>8,380,638</u>	<u>8,380,638</u>
Transactions with owners				
Dividend declared	-	-	(1,436,251)	(1,436,251)
Balance at 31 December 2023	<u>2,872,503</u>	<u>56,812,810</u>	<u>14,823,790</u>	<u>74,509,103</u>
Balance at 1 January 2024	2,872,503	56,812,810	14,823,790	74,509,103
Total comprehensive income for the period				
Other comprehensive income				
Remeasurement on post employment benefit obligations.	-	-	-	-
Profit for the period	-	-	11,009,043	11,009,043
Transactions with owners				
Dividend declared	-	-	(4,308,754)	(4,308,754)
			<u>(4,308,754)</u>	<u>(4,308,754)</u>
Balance at 30 September 2024	<u>2,872,503</u>	<u>56,812,810</u>	<u>21,524,079</u>	<u>81,209,392</u>

The accompanying notes from pages 11-25 form an integral part of these financial statements.

Statement of Cash Flows
For the period ended 30 September

	Note	2024 N'000	2023 N'000
Cash flows from operating activities			
Cash generated from operations	22	1,415,585	8,618,559
Retirement benefits paid		(219,083)	(203,073)
Long service award obligations paid		(46,249)	(46,665)
Tax paid		(1,500,332)	(1,661,055)
Net cash flow (utilized) / generated from operating activities		<u>(350,079)</u>	<u>6,707,766</u>
Cash flows from investing activities			
Interest received	12	1,626,276	2,731,573
Purchase of property, plant and equipment	14	(2,494,020)	(1,347,932)
Proceeds from sale of property, plant and equipment		51,213	17,101
Net cash flows from investing activities		<u>(816,530)</u>	<u>1,400,742</u>
Cash flows from financing activities			
Interest paid on employee benefits		(160,016)	(115,894)
Interest paid on trade obligations with banks		(2,783,080)	-
Dividend paid		(3,882,027)	(508,121)
Net cash used in financing activities		<u>(6,825,123)</u>	<u>(624,015)</u>
Net (decrease)/increase in cash and cash equivalents		(7,991,733)	7,484,493
Impact of foreign exchange movement on cash balance		3,674,867	-
Cash and cash equivalents at the beginning of the period		56,698,640	66,317,783
Cash and cash equivalents at the end of the period	18	<u>52,381,774</u>	<u>73,802,276</u>

The accompanying notes from pages 11-25 form an integral part of these financial statements.

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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 Food, 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 30 September 2024 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 2023, 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 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 2023.

6. Financial risk management

Financial risk factors

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 at N52.4 billion (31 December 2023: N56.6 billion).

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).

Food Products – includes sale of savoury.

Personal Care - includes sale of oral care and deodorant products

Beauty & Wellbeing - includes sales of skin care products.

There are no intersegmental sales and Nigeria is the company's primary geographical segment as it comprises 97% of the company's sales.

3 months ended 30 September 2024

	Food Products	Personal Care	Beauty & Wellbeing	Total
	N'000	N'000	N'000	N'000
Revenue	24,276,443	12,464,723	3,198,476	39,939,642
Depreciation and amortisation	(366,995)	(184,765)	(48,721)	(600,481)
Operating profit/ (loss)	3,982,171	2,181,261	510,925	6,674,357
Finance income	1,621,290	835,670	213,285	2,670,245
Finance cost	(998,896)	(539,201)	(128,961)	(1,667,058)
Profit before taxation				<u>7,677,544</u>

3 months ended 30 September 2023

	Food Products	Personal Care	Beauty & Wellbeing	Total
	N'000	N'000	N'000	N'000
Revenue	15,132,957	8,673,555	2,049,302	25,855,813
Depreciation and amortisation	(322,588)	(53,024)	(17,313)	(392,925)
Operating profit	251,681	3,721,756	783,286	4,756,723
Finance income	538,247	(2,229,494)	(369,570)	(2,060,817)
Finance cost	(530,155)	2,280,236	398,672	2,148,753
Profit before taxation				<u>4,844,658</u>

9 months ended 30 September 2024

	Food Products	Personal Care	Beauty & Wellbeing	Total
	N'000	N'000	N'000	N'000
Revenue	61,403,655	34,670,587	7,774,087	103,848,328
Depreciation and amortisation	(1,037,847)	(586,004)	(131,398)	(1,755,249)
Operating profit/ (loss)	5,990,283	3,382,317	758,407	10,131,008
Finance income	4,004,591	2,261,128	507,006	6,772,726
Finance cost	(1,740,200)	(982,576)	(220,320)	(2,943,096)
Profit before taxation				<u>13,960,638</u>

9 months ended 30 September 2023

	Food Products N'000	Personal Care N'000	Beauty & Wellbeing N'000	N'000
Revenue	43,182,331	23,411,771	4,612,133	71,206,235
Depreciation and amortisation	(888,120)	(350,176)	(68,985)	(1,307,280)
Operating profit/ (loss)	914,846	5,889,492	1,160,234	7,964,571
Finance income	1,445,946	783,935	154,436	2,384,317
Finance cost	237,156	93,508	18,421	349,086
Profit before taxation				<u>10,697,974</u>

Turnover by geographical location

	Domestic (within Nigeria) N'000	Export (outside Nigeria) N'000	Total N'000
3 Months ended 30 September 2024	<u>37,485,771</u>	<u>2,453,871</u>	<u>39,939,642</u>
3 Months ended 30 September 2023	<u>25,194,211</u>	<u>661,603</u>	<u>25,855,813</u>
9 Months ended 30 September 2024	<u>100,610,275</u>	<u>3,238,053</u>	<u>103,848,328</u>
9 Months ended 30 September 2023	<u>69,244,577</u>	<u>1,961,658</u>	<u>71,206,235</u>

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

The Company has 85 key distributors, and one key distributor accounted for more than 4% of the Company's revenue.

8. Cost of Sales

	2024 N'000	2023 N'000
Cost of goods sold	65,901,612	38,872,424
Revaluation (Gain)/Loss (Note 8.1)	(4,732,526)	6,297,594
Restructuring (Writeback)/ Cost (Note 8.2)	(213,603)	3,274,771
	<u>60,955,483</u>	<u>48,444,789</u>

8.1. Revaluation (gain)/ loss arising from foreign currencies denominated balances.

8.2. Write back on restructuring cost provision.

9. Marketing and administrative expenses

	2024	2023
	N'000	N'000
Brand and marketing (Note 9.1)	11,986,979	3,109,386
Overheads (Note 9.2)	11,053,174	5,820,599
Royalties and Service Fees (Notes 9.3)	2,516,790	1,514,356
	<u>25,556,943</u>	<u>10,444,341</u>

- 9.1 The 2024 brand and marketing is driven by increase in media expense for personal care and nutrition categories to support various projects and campaign. Costs also include investment across brands to improve product visibility in trade.
- 9.2 The 2024 overheads is driven by impact of naira devaluation on foreign denominated obligations, investment in capability development and general inflation on goods and services.
- 9.3 In previous years, Unilever Nigeria Plc had agreements with Unilever Plc United Kingdom for Technology and Trade Mark licences. In consideration of this, a royalty of 2% of net sales value and 0.5% of net sales value was payable by Unilever Nigeria Plc to Unilever Plc, United Kingdom for Technology and Trade Mark licenses respectively. Effective February 2023, the exclusive intellectual property (IP) rights for Trademark and Technology licenses, previously held by Unilever Plc, are now vested in Unilever Global IP Limited and Unilever IP Holdings B.V. Amount recognised in the period are in line with approval obtained from NOTAP.

Also, Unilever Nigeria has a central support and management services agreement with Unilever Europe Business Centre B.V 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. The agreement expired on 31 December 2022, renewal is in progress.

10. Impairment on trade & other receivables

	2024	2023
	N'000	N'000
Impairment loss on trade & other receivables	2,878,072	1,722,918
	<u>2,878,072</u>	<u>1,722,918</u>

Movement in impairment loss on trade and other receivables is driven by additional impairment provision on trade and other receivables.

11. Other income

	2024	2023
	N'000	N'000
Transitional Service Agreement income (Note 11.1)	-	93,087
Manufacturing Services Agreement (Note 11.1)	131,897	-
Rental income	17,595	-
Others	13,931	-
	<u>163,423</u>	<u>93,087</u>

- 11.1 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 (MSA) for production of tea with Ekaterra Plant based Ltd in exchange for a fee.

Unilever Nigeria Plc
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12 Net Finance income / (cost)

	2024	2023
Finance income (Note 12.1)	6,772,726	5,305,596
Finance cost (Note 12.2)	<u>(2,943,096)</u>	<u>(2,572,193)</u>
	<u><u>3,829,630</u></u>	<u><u>2,733,403</u></u>

12.1 Finance income

	2024	2023
	N'000	N'000
Interest on call deposits and bank accounts	1,626,276	2,384,317
Exchange difference on bank accounts - Gain	5,146,450	2,921,279
	<u><u>6,772,726</u></u>	<u><u>5,305,596</u></u>

12.2 Finance cost

	2024	2023
	N'000	N'000
Interest on third-party bank loans	2,783,080	2,456,299
Employee benefit charge	160,016	115,894
	<u><u>2,943,096</u></u>	<u><u>2,572,193</u></u>

13. Taxation

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

14. 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 2023	1,779,628	433,640	12,952,741	25,909,091	1,436,741	1,383,610	43,895,452
Additions	2,209,979	-	-	35,895	-	-	2,245,874
Disposals	-	-	-	(85,499)	(118,219)	(115,819)	(319,537)
Transfers	(2,223,703)	-	184,642	830,362	403,256	805,443	-
Reclassification to investment propertie	-	-	(326,318)	-	-	-	(326,318)
				(2,599,280)	(144,075)		(2,743,355)
At 31 December 2023	1,765,905	433,640	12,811,065	24,090,569	1,577,703	2,073,234	42,752,116
Additions	2,494,020						2,494,020
Disposals			(351)	(2,428,449)	(136,785)	(144,036)	(2,709,621)
Transfers	(3,505,239)		182,252	1,815,978	493,253	1,013,755	-
Reclassification to investment properties							-
Reclassification to lease receivables							-
At 30 September 2024	754,686	433,640	12,992,966	23,478,098	1,934,171	2,942,953	42,536,515
<u>Depreciation / impairment</u>							
1 January 2023	-	3,190	4,146,872	16,131,765	1,176,331	946,725	22,404,883
Depreciation charge for the period	-	49,095	369,499	1,753,740	371,189	265,608	2,809,131
On disposals	-	-	-	(85,428)	(118,040)	(115,522)	(318,990)
Asset write down			24,099	1,348,977	4,818	1,520	1,379,414
Transfer between classes		4,461	(4,461)				-
Reclassification to investment properties			(115,797)				(115,797)
Reclassification to lease receivables				(2,033,370)	(144,075)		(2,177,445)
Depreciation charge for the period	-	3,345	273,782	1,065,845	66,883	345,104	1,754,960
On disposals	-		(180)	(2,425,867)	(134,934)	(144,036)	(2,705,017)
At 30 September 2024	-	60,091	4,693,815	15,755,662	1,222,173	1,299,398	23,031,140
<u>Net book value:</u>							
At 1 January 2023	1,779,628	430,450	8,805,869	9,777,326	260,410	436,886	21,490,568
At 31 December 2023	1,765,905	376,894	8,390,852	6,974,886	287,479	974,904	18,770,920
At 30 September 2024	754,686	373,549	8,299,150	7,722,436	711,998	1,643,555	19,505,376

14.1 Investment Property

	Factory Building	Total
	N'000	N'000
Cost:		
1 January 2023		
Reclassification from property, plant and equipment	326,318	326,318
At 31 December 2023	<u>326,318</u>	<u>326,318</u>
Additions	-	-
At 30 September 2024	<u>326,318</u>	<u>326,318</u>
Accumulated depreciation and impairment:		
1 January 2023		
Reclassification from property, plant and equipment	(115,797)	(115,797)
Charge for the year	(1,264)	(1,264)
At 31 December 2023	<u>(117,061)</u>	<u>(117,061)</u>
Charge for the year	(12,575)	(12,575)
At 30 Spetember 2024	<u>(129,636)</u>	<u>(129,636)</u>
Carrying amount:		
At 31 December 2023	<u>209,257</u>	<u>209,257</u>
At 30 Spetember 2024	<u>196,682</u>	<u>196,682</u>
	-	

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

Subsequent to the company's exit from the Home Care 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.

14.2 Other financial assets

Non current

	30 September 2024	31 December 2023
	N'000	N'000
Non current net investment in lease (See note 14.2.a)	355,875	362,099
Other non current receivables (See note 14.2.b)	1,094,456	971,567
	<u>1,450,331</u>	<u>1,333,666</u>

Current

	30 September 2024	31 December 2023
	N'000	N'000
Non current net investment in lease (See note 14.2.a)	50,684	44,460
	<u>50,684</u>	<u>44,460</u>

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

14.2.b Movement in other non current receivables is driven by revaluation of foreign denominated receivables.

15. Inventories	30 September 2024 N'000	31 December 2023 N'000
Raw and packaging materials (Note 15.1)	24,474,423	9,663,241
Work in progress	303,922	193,391
Finished goods	5,349,111	2,173,688
Engineering spares and other inventories	1,280,282	829,238
Right to recover returned goods	-	161,803
	<u>31,407,738</u>	<u>13,021,361</u>
15.1	Increase in raw and packaging materials is driven by build up stocks to leverage favorable pricing opportunities for raw and packaging materials.	
16 Trade and other receivables	30 September 2024 N'000	31 December 2023 N'000
Trade receivables: gross	9,746,511	8,309,456
Less: rebate accruals	(1,482,271)	(707,697)
Less impairment	(1,346,547)	(1,258,856)
Trade receivables: net	6,917,693	6,342,903
Cash with registrar	936,713	419,455
Interest receivable	187,554	304,552
Other receivables	713,596	452,446
Due from related parties (Note 23 (ii))	5,889,082	4,765,021
	<u>14,644,638</u>	<u>12,284,377</u>
17. Advance and prepayments	30 September 2024 N'000	31 December 2023 N'000
Advances and prepayments (Note 17.1)	11,601,211	12,524,790
Deposit for imports (Note 17.2)	3,271,148	1,505,787
Less impairment	(281,596)	-
	<u>14,590,763</u>	<u>14,030,577</u>
17.1	An amount of N11.6 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.	
17.2	Deposit for imports represents foreign currencies purchased for funding letters of credit in respect of imported raw materials.	
18. Cash and cash equivalents	30 September 2024 N'000	31 December 2023 N'000
Cash at bank and in hand	30,747,328	25,609,620
Fixed deposit	21,634,446	31,089,019
Cash and bank balances	<u>52,381,774</u>	<u>56,698,640</u>
19. Trade and other payables	30 September 2024 N'000	31 December 2023 N'000
Trade payables	13,904,524	12,037,626
Trade finance facility (Note 19.2)	1,511,114	2,022,651
Amount due to related companies (Note 23)	7,859,253	4,986,002
Dividend payable (Note 19.1)	3,994,336	3,689,040
Accrued liabilities	8,276,192	5,044,027
Accrued brand and marketing expenses	2,447,062	1,062,994
Accrued shipping and freight charges	1,865,927	736,513
	<u>39,858,408</u>	<u>29,578,852</u>

19. Trade and other payables (continued)

	30 September 2024 N'000	31 December 2023 N'000
<i>Other payables:</i>		
Statutory deductions	118,590	1,448,533
Non trade payables	1,100,928	1,048,411
	1,219,518	2,496,944
Total trade and other payables	41,077,926	32,075,796
	30 September 2024 N'000	31 December 2023 N'000
19.1 Dividend payable		
As at 1 January	3,689,040	8,543,166
Dividend declared	4,308,754	1,436,251
Withholding tax payable	(426,727)	(115,223)
Cash paid to registrar in maintaining statutory minimum balance	-	(208,811)
Dividend unclaimed by shareholders	305,296	169,644
Dividend paid	(3,882,027)	(6,135,987)
As at period/ year end	3,994,336	3,689,040

19.2 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 receive settlement from the Company at a later date. The principal purpose of the arrangement is to facilitate efficient payment processing to foreign vendors. 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.

20. Retirement benefit obligations

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

	30 September 2024 N'000	31 December 2023 N'000
Present value of funded retirement benefit obligations	(1,524,516)	(1,561,320)
Fair value of plan assets	1,478,522	1,135,332
Retirement benefit deficit	(45,994)	(425,988)
Present value of unfunded retirement benefit obligations	(398,275)	(380,449)
Long service award obligations	(627,611)	(558,955)
Net liability in the statement of financial position	(1,071,880)	(1,365,392)

21 Loans and borrowings

Loans and borrowings relate to investment in foreign currency 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.

22 Cash flows from operating activities

	30 September 2024	30 September 2023
	N'000	N'000
Profit before tax	13,960,638	4,907,849
Adjustment for non-cash items:		
- Depreciation of property, plant and equipment	1,754,960	1,677,480
- Depreciation of Investment properties	9,948	-
- Amortisation of intangible assets	289	289
- Loss on disposal of property, plant and equipment	4,604	368
- Net impairment charge on receivables	2,878,072	-
- Finance income	(1,626,276)	(2,731,573)
- Employee benefit charge	(160,016)	115,894
- Interest expense on trade obligations with banks	(2,783,080)	-
- Net change in retirement benefit obligations	(143,085)	252,539
- Long service award obligations	114,905	59,432
- Foreign exchange loss on loan and borrowing	136,047	-
Changes in working capital:		
- (Increase)/decrease in trade and other receivables	(2,920,447)	(2,875,237)
- (Increase)/decrease in advance and prepayments	-	-
- Increase in inventory	(18,386,377)	(138,698)
- Increase in trade and other payables	8,575,403	7,350,216
Cash flows generated from operating activities	<u>1,415,585</u>	<u>8,618,559</u>

23 Related party transactions

(i) Sale of finished goods to related parties

	30 September 2024	30 September 2023
	N'000	N'000
Unilever Asia Private Limited	55,978	19,066
Unilever Cote D'Ivoire Limited	3,182,075	1,498,685
	<u>3,238,053</u>	<u>1,517,752</u>

(ii) Outstanding related party balances as at:

	30 September 2024	31 December 2023
	N'000	N'000
<i>Receivables from related parties:</i>		
Unilever Cote D'Ivoire Limited	7,398,242	4,380,711
Unilever Ghana Limited	209,619	189,761
Unilever Asia Private Limited	116,949	327,815
Unilever Europe Business Center BV	708,196	543,249
Unilever Ethiopia Plc	144,855	-
Other related parties	652,815	115,485
Gross receivables	9,230,676	5,557,021
Less impairment	(3,341,594)	(792,000)
Amount due from related companies	<u>5,889,082</u>	<u>4,765,021</u>

23 Related party transactions continued

	30 September 2024	31 December 2023
	N'000	N'000
<i>Payables to related parties:</i>		
Unilever Plc	914,399	1,314,425
Unilever Europe IT Limited	31,066	351,639
Unilever Cote D'Ivoire Limited	599,771	945,443
Unilever Ghana Limited	221,411	33,669
Unilever Supply Chain Company AG	218,729	-
Unilever Industries Private Limited	117,969	-
Unilever Global IP Limited	848,893	-
Unilever Europe Business Center BV	2,977,958	2,166,837
Other related parties	393,149	173,989
Unilever Overseas IP Holdings	1,535,908	-
Amount due to related parties	<u>7,859,253</u>	<u>4,986,002</u>

24 Share capital and share premium

	Number of ordinary shares N'000	Ordinary shares N'000	Share premium N'000
Balance as at 31 December 2023 and 30 September 2024	5,745,005	2,872,503	56,812,810

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 30 September, 2024

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

Compliance with Free float Requirements

Unilever Nigeria Plc as at 30 September, 2024 is compliant with the Free float requirement of the Nigerian Exchange Group.

25 Discontinued Operations

On the 17th of March, 2023, Unilever Nigeria Plc announced its intention to exit the Home care business categories in Nigeria. The Company exited homecare business category in September 2023. All production of Home Care products ceased in June 2023 and sales ceased in September 2023, following a strategic decision to place greater focus on the Company's margin accretive products. The business categories have been evaluated by management for reporting in line with IFRS 5, Non-current assets held for Sale and Discontinued Operations. The Home care segment does not meet the requirement for a disposal group or held for sale, as the assets were not sold but leased out. However, it represents a separate major line of business and has been reported as discontinued operations. The home care segment was not previously classified as a discontinued operation. The comparative statement of profit or loss and OCI has been re-presented to show the discontinued operation separately from continuing operations. The financial information relating to the discontinued operations for the period ended 30 September 2024 is set out below:

25.1 Results of Discontinued Operations

Income Statement

	30 September 2024 N'000	30 September 2023 N'000
Turnover	-	10,370,587
Cost of sales	-	<u>(13,729,467)</u>
Gross Profit	<u>-</u>	<u>(3,358,880)</u>
		-
Selling and distribution expenses	-	(1,015,866)
Marketing and administrative expenses	-	(1,866,493)
Other income	-	4,925
Operating loss	<u>-</u>	<u>(6,236,314)</u>
Finance income	-	347,256
Finance cost	-	98,932
Loss before taxation	<u>-</u>	<u>(5,790,126)</u>
Taxation	-	-
Loss for the year from discontinued operations (net of tax)	<u><u>-</u></u>	<u><u>(5,790,126)</u></u>
Earnings per share for profit attributable to equity holders:		
Basic and diluted earnings per share (Naira) - discontinued operations	<u><u>-</u></u>	<u><u>(1.01)</u></u>