

Nestlé Nigeria Plc

**Unaudited Condensed Interim Financial Statements --
30 June 2015**

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Directors, Officers and Professional Advisers

Board of Directors: Mr. David Ifezulike - Chairman
Mr. Dharnesh Gordhon (South African) - Managing Director/Chief Executive
Mr. Syed Saiful Islam (Bangladeshi)
Mrs. Iquo Ukoh
Mr. Kais Marzouki (German)
Mr. Giuseppe Bonanno (Italian)
Mr. Gbenga Oyebode
Mrs. Ndidi Okonkwo Nwuneli

Company Secretary/

Legal Adviser: Mr. Bode Ayeku

Registered Office: 22-24 Industrial Avenue
Ilupeju, Lagos
Tel: 01 – 2798184, 2798188, 2790707

Registrars: GTL Registrars Limited
2 Burma Road,
Apapa, Lagos
Tel: 5803369, 5451399, 5803367

Auditors: Akintola Williams Deloitte,
235 Ikorodu Road, Ilupeju
P.O .Box 965,
Lagos
Nigeria

Members of the

Audit Committee: Mr. Matthew Akinlade Chairman
Alhaji Kamorudeen Danjuma
Mr. Christopher Nwaguru
Mrs. Iquo Ukoh
Mr. Giuseppe Bonanno
Mr. Gbenga Oyebode

Directors' Report

For the period ended 30 June 2015

1. Financial Statements

The directors present their first quarter report on the affairs of Nestlé Nigeria Plc ("the Company") together with the financial statements for the period ended 30 June 2015.

2. Principal Activities

The principal activities of the Company continue to be the manufacturing, marketing and distribution of food products including purified water throughout the country. The company also exports some of its products to other countries within Africa.

3. Operating Results

The following is a summary of the Company's operating results:

	Period ended June 2015 N'000	Period ended June 2014 N'000
Revenue	65,924,104	67,200,021
Result from operating activities	13,564,819	14,802,656
Profit before tax	10,606,610	13,931,583
Profit after tax	8,887,192	11,835,989

4. Directors and Their Interests

(a) The directors who served during the period and their interests in the shares of the Company at the end of Reporting period 30 June 2015 were as follows:

	Interest in the Ordinary Shares of the Company	
	<u>2015</u>	<u>2014</u>
Mr. David Ifezulike - Chairman	56,255	76,255
Mr. Dharnesh Gordhon (South African) - MD/CEO	Nil	Nil
Mr. Syed Saiful Islam (Bangladeshi)	Nil	Nil
Mr. Kais Marzouki (German)	Nil	Nil
Mr. Giuseppe Bonanno (Italian)	Nil	Nil
Mrs. Iquo Ukoh	37,500	37,500
Mr. Gbenga Oyebode	Nil	Nil
Mrs. Ndidi Okonkwo Nwuneli	Nil	Nil

(b) In accordance with Section 277 of the Companies and Allied Matters Act of Nigeria, none of the directors has notified the Company of any declarable interests in contracts with the Company.

5. Property, Plant and equipment

Information relating to changes in property, plant and equipment is disclosed in Note 11 to the financial statements.

6. Nestlé Nigeria Trust (CPFA) Limited (“NNTL”)

Nestlé Nigeria Trust (CPFA) Limited (‘NNTL’) previously called Nestlé Nigeria Provident Fund Limited was incorporated by the Company and is a duly registered closed pension fund administrator whose sole activity is the administration of the pension and defined contribution gratuity scheme for both employees and former employees of Nestlé Nigeria Plc.

7. Local Sourcing of Raw Materials

On a continuing basis, the Company explores the use of local raw materials in its production processes and has successfully introduced the use of locally produced items such as soya bean, maize, cocoa, palm olein and sorghum in a number of its products. As a very recent development, the company substituted imported corn starch with locally produced cassava starch

8. Major Distributors

The Company’s products are distributed through various distributors that are spread across the whole country.

9. Suppliers

The Company procures all of its raw materials on a commercial basis from overseas and local suppliers. Amongst the overseas suppliers are companies in the Nestlé Group.

10. General Licence Agreement

The Company has a general licence agreement with Societe des Produits Nestlé S.A. Nestec S.A. and Nestlé S.A., all based in Switzerland. Under the agreement, technological, scientific and professional assistance are provided for the manufacture, marketing, quality control and packaging of the Company’s products, development of new products and training of personnel abroad. Access is also provided to the use of patents, brands, inventions and know-how.

The National Office for Technology Acquisition and Promotion has approved the licence agreement for the remittance of the General licence fees of 3.5% of the net sales to Societe des produits Nestlé SA for the period of January 1st 2015 to 31st December 2017

11. Acquisition of Own Shares

The Company did not purchase any of its own shares during the period.

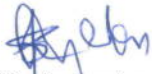
12 Effectiveness of Internal Control System

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders’ investment and the assets of the Company. The system of internal control is to

provide reasonable assurance against material misstatement, prevent and detect fraud and other irregularities.

There is an effective internal control function within the Company which gives reasonable assurance against any material misstatement or loss. The responsibilities include oversight functions of internal audit and control risk assessment and compliance, continuity and contingency planning, and formalisation and improvement of the Company's business processes.

BY ORDER OF THE BOARD



Bode Ayeku
Company Secretary/Legal Adviser
FRC/2012/NBA/00000000637
22-24, Industrial Avenue
Ilupeju,
Lagos.

Date 29/7/2015

Statement of Directors' Responsibilities

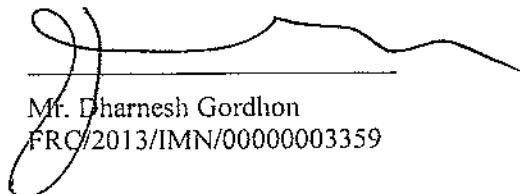
For the period ended 30 June 2015

The directors accept responsibility for the preparation of the financial statements set out on pages 6 to 33 that give a true and fair view in accordance with International Financial Reporting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria.

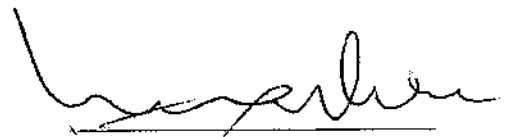
The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Mr. Dharnesh Gordhon
FRC/2013/IMN/00000003359



Mr. David Ifezulike
FRC/2013/NIM/00000003355

Condensed statements of financial position

<i>In thousands of naira</i>	<i>Note</i>	30 June 2015	31 Dec 2014
Assets			
Property, plant and equipment	11	66,715,055	67,514,854
Intangibles assets			
Long term receivables		1,500,000	1,157,883
Total non-current assets		68,215,055	68,672,737
Inventories	12	11,264,735	10,956,010
Trade and other receivables	13	23,604,160	22,330,813
Prepayments		1,160,541	398,002
Cash and cash equivalents		8,737,270	3,704,505
Total current assets		44,766,706	37,389,330
Total Assets		112,981,761	106,062,067



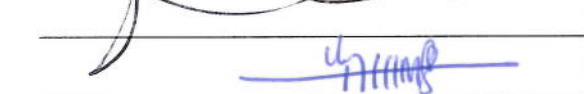
The notes on pages 12 to 33 are an integral part of these financial statements.

Condensed statements of financial position (continued)

<i>In thousands of naira</i>	<i>Note</i>	30 June 2015	31 Dec 2014
Equity			
Share capital		396,328	396,328
Share premium		32,262	32,262
Reserves		44,637	44,637
Retained earnings		30,417,825	35,466,416
Total equity		30,891,052	35,939,643
Liabilities			
Loans and borrowings – Long term		19,763,936	18,385,876
Other long term employee benefits		1,976,529	1,827,773
Deferred tax liabilities		5,692,210	5,270,723
Total non-current liabilities		27,432,675	25,484,372
Bank overdraft		5,261,802	1,237,606
Current tax liabilities		4,760,807	3,478,733
Loans and borrowings		18,445,120	12,730,126
Trade and other payables		25,662,858	26,656,779
Provisions		527,447	534,808
Total current liabilities		54,658,034	44,638,052
Total liabilities		82,090,709	70,122,424
Total equity and liabilities		112,981,761	106,062,067

The notes on pages 12 to 33 are an integral part of these financial statements.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

	David Ifezulike	(Chairman)
	Dharnesh Gordhon	(Managing Directors)
	Musibau Makanjuola	(Chief Accountant)

FRC/2013/NIM/00000003355
 FRC/2013/IMN/00000003359
 FRC/2013/ICAN/00000000640

These financial statements were approved by the Board of Directors on 29/7/ 2015.
 The notes on pages 12 to 33 form an integral part of these financial statements.

Condensed statement of comprehensive income

For the three months ended 31 March.

In thousands of naira

	<i>Note</i>	<u>June 15</u>	<u>June 14</u>
Revenue	7	65,924,104	67,200,021
Cost of sales		<u>(37,253,810)</u>	<u>(37,918,879)</u>
Gross profit		<u>28,670,294</u>	<u>29,281,142</u>
Other income			
Marketing and Distribution expenses		(10,865,007)	(11,433,999)
Administrative expenses		<u>(4,240,468)</u>	<u>(3,044,487)</u>
Other expenses			
Results from operating activities		<u>13,564,819</u>	<u>14,802,656</u>
Finance income	10	268,713	205,100
Finance costs	10	<u>(3,226,922)</u>	<u>(1,076,173)</u>
Net finance costs		<u>(2,958,209)</u>	<u>(871,073)</u>
Profit before income tax	8	10,606,610	13,931,583
Income tax expense	9	<u>(1,719,418)</u>	<u>(2,095,594)</u>
Profit for the period		<u>8,887,192</u>	<u>11,835,989</u>

Condensed Statement of Changes in Equity

<i>In thousands of naira</i>	<u>Share capital</u>	<u>Share premium</u>	<u>Share based payment reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at 1 January 2015	396,328	32,262	44,637	35,466,416	35,939,643
Profit for the year					
Profit or loss	-	-	-	8,887,192	8,887,192
Other Comprehensive income Defined benefit plan actuarial loss, net of tax	-	-	-		
Total comprehensive income	-	-	-	44,353,608	44,826,835
Transactions with owners, recorded directly in equity					
Dividend to equity holders	-	-	-	(13,871,484)	(13,871,484)
Unclaimed dividend written back	-	-	-		
Share based payment charge	-	-	-	(64,299)	(64,299)
Share based payment recharge	-	-	-		
Balance as at 31 March 2015	396,328	32,262	44,637	30,417,825	30,891,052
Balance at 1 January 2014	396,328	32,262	26,585	40,139,626	40,594,801
Profit or loss	-	-	-	22,235,640	22,235,640
Other Comprehensive income Defined benefit plan actuarial loss, net of tax	-	-	-		
Total comprehensive income	-	-	-	22,235,640	22,235,640
Transactions with owners, recorded directly in equity					
Dividend to equity shareholders	-	-	-	(26,950,313)	(26,950,313)
Unclaimed dividend witten back	-	-	-	41,463	41,463
Share based payment contribution	-	-	32,978		32,978
Share based payment recharge	-	-	(14,926)		(14,926)
Balance as at 31 December, 2014	396,328	32,262	44,637	35,466,416	35,939,643

Statement of Cash Flows

For the year ended 30 June 2015

In thousands of naira

	Note	June 2015	Dec 2014
Cash flows from operating activities			
Profit for the year		8,887,192	22,235,640
Adjustments for:			
Depreciation		3,232,496	5,796,278
Amortization of intangible assets			-
Impairment loss on PPE			362,635
Loss on foreign exchange transactions		(1,716,000)	(3,036,101)
Impact of foreign exchange difference on intercompany loans		1,716,000	2,803,245
Net finance cost		2,958,209	4,754,243
Equity settled share based payment transactions		62,499	32,978
Provisions for other long term employee benefits		230,793	170,637
Loss (profit) on sale of property, plant and equipment		317	30,698
Income tax expense		1,719,418	2,210,338
		<u>17,090,924</u>	<u>35,360,591</u>
Changes in long term receivables		(342,117)	(584,636)
Change in inventories		(308,725)	(1,102,117)
Change in trade and other receivables		(1,273,347)	(4,446,038)
Change in prepayments		(762,539)	(97,365)
Change in trade and other payables (excluding dividend payable and short term financing)*		334,747	1,541,867
Changes in provisions		(7,361)	119,195
Cash generated from operating activities		14,731,582	30,791,499
Value Added Tax (VAT) paid		(1,607,638)	(4,765,856)
Income tax paid			(2,350,986)
Other long term employee benefit paid		(82,037)	(164,693)
Share based payment recharge paid			(14,926)
Net cash inflow from operating activities		<u>13,041,907</u>	<u>23,495,038</u>

Cash flow from investing activities

Finance income	268,713	551,594
Proceeds from sale of property, plant and equipment	42,322	-
Acquisition of property, plant and equipment	(1,587,711)	(7,815,132)
Net cash used in investing activities	(1,276,676)	(7,263,538)

Cash flow from financing activities

Proceeds from loans obtained-- Intercompany loan		-
-- Bank loan	7,093,054	8,000,000
Repayments of borrowings -- Intercompany loan		-
-- Bank loan	(751,310)	(7,106,327)
Change in import finance loan		
Finance cost	(3,226,922)	(2,269,735)
Dividends paid	(13,871,484)	(26,105,042)
Net cash used in financing activities	(10,756,662)	(27,481,104)

Net increase in cash and cash equivalents	1,008,569	(11,249,604)
Cash and cash equivalent at January 1	2,466,899	13,716,503
Effect of exchange rate fluctuations on cash held		
Cash and cash equivalent at June 30	3,475,468	2,466,899

*Change in trade and other payables have been adjusted for the effect of Value added tax (VAT) paid shown separately on the statement of cash flows.

The accompanying notes and significant accounting policies form an integral part of these financial statements.

The notes on pages 12 to 33 are an integral part of these financial statements.

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Notes to the financial statements

1. Reporting entity

Nestlé Nigeria Plc ("the Company") is a company domiciled in Nigeria. The address of the Company's registered office is 22-24 Industrial Avenue, Ilupeju, Lagos. The Company is a public Company listed on the Nigerian Stock Exchange.

The principal activities of the Company continue to be the manufacturing, marketing and distribution of food products including purified water throughout the country and West Africa.

The financial statements of the Company as at and for the period ended 31 March 2013, which were prepared under the International financial reporting standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, are available upon request from the Company's registered office.

2. Basis of preparation

(a) Statement of compliance

The condensed interim financial statements have been prepared in accordance with international Financial reporting standards (IFRS)

(b) Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis.

(b) Functional and presentation currency

These condensed interim financial statements are presented in naira, which is the Company's functional currency. All financial information presented in naira has been rounded to the nearest thousand.

(c) Use of estimates and judgement

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, liabilities, income and expenses. 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 are expected to be the same as those that apply to the first annual IFRS financial statements.

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statement as at and for the year ended 31 December 2013.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements..

a) Foreign currency

Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the rates of exchange prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

b) Financial instruments

I. Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company's non-derivative financial assets are classified as loans and receivables.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial

recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise intercompany receivables and trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

II. *Non-derivative financial liabilities*

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: loan and borrowings, bank overdrafts, intercompany payables and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Bank overdrafts that are payable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

III. *Share capital*

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

c) *Property, plant and equipment*

I. *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of certain items of property, plant and equipment at 1 January 2011, the company's date of transition to IFRS was determined with reference to its fair value at that date.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Items of property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Cost also includes transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant

and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

II. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

III. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative periods are as follows:

- land – Over lease period/99 years, whichever is lower
- buildings – 25 -35 years
- plant and machinery – 10 – 25 years
- motor vehicles – 5 years
- furniture and equipment – 5 years
- IT equipment – 3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

d) Intangible assets

I. Software

Purchased software with finite useful life is measured at cost less accumulated amortization and accumulated impairment losses.

II. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

III. Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life for the current and comparative periods is as follows:

- Computer software – 5 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

e) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Company's statement of financial position.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost incurred in bringing each product to its present location and condition is based on:

Raw and packaging materials and purchased finished goods	purchase cost on a first-in, first-out basis including transportation and clearing costs
Products-in-process and manufactured finished goods	weighted average cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity
Engineering spares	purchase cost on a weighted average cost basis, including transportation and clearing costs
Goods-in-transit	purchase cost incurred to date

Weighted average cost is reviewed periodically to ensure it consistently approximates historical cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Allowance is made for obsolete, slow moving or defective items where appropriate.

g) Impairment

I. *Financial assets (including receivables)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

II. *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit, or CGU”).

The Company’s corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

h) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured in accordance with the Company’s accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets which continue to be measured in accordance with the Company’s accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

i) Employee benefits

I. *Defined contribution plans*

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company has the following defined contribution plans: defined contribution gratuity scheme and pension fund scheme.

1. Defined contribution gratuity scheme

The Company has a defined contribution gratuity scheme for its Nigerian employees, which is funded. Under this scheme, a specified amount in accordance with the Gratuity Scheme Agreement is contributed by the Company and charged to the profit and loss account over the service life of the employees. These employees' entitlements are calculated based on their actual salaries and paid to Nestlé Nigeria Trust (CPFA) Limited ("NNTL") each month.

NNTL previously called Nestlé Nigeria Provident Fund Limited was incorporated by the Company and is a duly registered closed pension fund administrator whose sole activity is the administration of the pension and defined benefit contribution gratuity scheme for both employees and former employees of Nestlé Nigeria Plc.

2. Pension fund scheme

In line with the provisions of the Pension Reform Act 2004, the Company instituted a defined contribution pension scheme for its entire Nigerian Staff. Staff contributions to the scheme are funded through payroll deductions while the Company's contributions are charged to the profit and loss account. The Company's contribution ranges between 8.3% and 12.5% for management and non-management staff respectively while employees contribute 7.5% of their insurable earnings (basic, housing and transport).

II. *Other long term employee benefits - long service awards*

Long service awards accrue to employees based on graduated periods of uninterrupted service. These benefits are accrued over the life of the employees. The charge to the profit and loss account is based on independent actuarial valuation performed using the projected unit credit method. Actuarial gains or losses arising are charged to the profit and loss account in the year in which they arise.

III. *Termination benefits*

Termination benefits are recognised as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

IV. *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive

obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

V. *Share-based payment transactions*

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services and has no obligation to settle the share-based payment transaction are accounted for as equity-settled share-based payment transactions, regardless of the equity instrument awarded.

j) *Provisions*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

k) *Revenue*

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, sales returns, trade discounts and volume rebates. The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue and included in finance income.

Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discount will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

l) *Government grants*

Government grants relating to export sales are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for the expenses incurred are recognised in profit or loss as deduction to the related expenses on a systematic basis in the same periods in which such expenses are recognised. Grant that

compensate the company for the cost of an asset is recognised in profit or loss on a systematic basis over the useful life of the asset.

m) Finance income and finance costs

Finance income comprise of interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise of interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets as well as the devaluation on foreign denominated loans. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been statutorily enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred taxation is provided for using the liability method, which represents taxation at the current rate of corporate tax on all timing differences between the accounting values and their corresponding tax values. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

o) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

p) **Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

Segment results, assets and liabilities, that are reported to the BOD includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's head office), head office expenses and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

4. **Determination of fair values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) **Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short term trade receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value

b) **Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

c) **Share based payment transactions**

The fair value of the restricted stock unit plan is measured based on market prices of the awarded shares on the grant date discounted at a risk free interest rate and adjusted for the dividends that participants are not entitled to receive during the restricted period of 3 years.

5. **Financial risk management**

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

• **Credit risk**

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

The Company's principal exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Management has established a customer/distributor activation process under which each new customer is analysed individually for credit worthiness before the Company's distributorship agreement standard payment and delivery terms and conditions are offered to seal the

distributorship arrangement. The Company's review includes external ratings, when available, and in some cases bank references.

Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the National Sales Manager (NSM); these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a cash or prepayment basis. The Company's payment and delivery terms and conditions offered to customers provide various credit limits based on individual customers.

The Company also initiated a financing tripartite agreement with the Company's bankers and some selected customers. The objective of this agreement is to ensure consistent cash inflow from customers for goods purchased. More than 70 percent of the Company's customers have been activated on this financing scheme for over two years and no losses has occurred since then.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Company's wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the NSM, and future sales are made on a cash or prepayment basis.

The Company has no significant concentration of credit risk, with exposure spread over a large number of parties. Cash and cash equivalents are placed with banks and financial institutions which are regulated.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The carrying amount of financial assets represents the maximum credit exposure.

- **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the

potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

- **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company manage market risks by keeping costs low to keep prices within profitable range, foreign exchange risks are managed by maintaining foreign denominated bank accounts and keeping Letters of Credit (LC) facility lines with the Company's bankers. Also interest rates are benchmarked to NIBOR (for local loans) and LIBOR (for foreign denominated loans) with a large margin thereof at fixed rates while not foreclosing the possibility of taking interest rate hedge products should there be need to do so. The Company is not exposed to any equity risk.

- **Currency risk**

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of Company, primarily the Naira. The currencies in which these transactions primarily are denominated are Euro, US Dollars (USD), Pounds Sterling (GBP) and Swiss Francs (CHF). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Company monitors the movement in the currency rates on an ongoing basis. The Company has measures to mitigate the risk that the movements in the exchange rates may adversely affect the Company's income or value of their holdings of financial instruments.

- **Interest rate risk**

The Company adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into loan arrangements with mixed interest rate sources. Variable interest rates are checked against the ruling LIBOR rates to hedge the risk arising from interest rates.

- **Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risks is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for the appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliations and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remediation action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance when it is effective

Compliance with the Company's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Company.

- **Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Company's approach to capital management during the three month period ended 31 March 2014. The Company is not subject to externally imposed capital requirement.

6. **Operating segments**

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Company's CEO reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Company's reportable segments:

Segment	Description
Food	This includes the production and sale of MAGGI, CERELAC, NUTREND, NAN, LACTOGEN and GOLDEN MORN
Beverages	This includes the production and sale of MILO, CHOCOMILO, NIDO, NESCAFÉ and Nestlé PURE LIFE.

The accounting policies of the reportable segments are the same as described in notes 3

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's Board of directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segment

<i>In thousands of naira</i>	Food		Beverages		Unallocated		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
External revenues	39,440,125	39,108,012	26,484,979	28,092,009			65,925,104	67,200,021
Interest revenue					268,713	205,100	268,713	205,100
Interest expense					(3,226,922)	(1,076,173)	(3,226,922)	(1,076,173)
Depreciation and amortisation	(2,359,722)	(1,773,644)	(872,744)	(1,284,364)			(3,232,466)	(3,058,008)
Reportable segment profit before income tax		8,080,319		5,851,264				13,931,583

Assets and liabilities by reportable segments are not presented to the Chief operating decision maker (Board of Directors) on regular basis. Therefore, information on segment assets and liabilities has not been presented

7 **Revenue**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, sales returns, trade discounts and volume rebates

8. **Profit before taxation:**

Profit before taxation is stated after charging:

Profit before taxation is stated after charging:

	<i>Note</i>	<u>June 2015</u>	<u>June 2014</u>
<i>In thousands of naira</i>			
Depreciation of property, plant and equipment		(3,232,496)	(3,058,008)
Personnel expenses		(8,908,665)	(7,826,326)
Loss on property, plant and equipment disposed		317	398
Gain/(Loss) on foreign exchange transactions		(1,716,000)	(339,581)
General license Fees		<u>2,310,929</u>	<u>2,439,001</u>
Welfare and other Personnel expenses		<u>June 2015</u>	<u>June 2014</u>
Salaries and Wages		4,696,932	4,620,429
Welfare and end of service benefit		<u>4,211,732</u>	<u>3,205,896</u>
		<u>8,908,665</u>	<u>7,826,326</u>

9. **Taxation**

(a) **Income tax expense**

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

<i>In thousands of naira</i>	<i>Note</i>	<u>June 2015</u>	<u>June 2014</u>
Current tax expense			
Current period income tax		1,239,972	1,595,125
Current period education tax		57,958	150,444
Additional provision for tax exposures		421,487	350,025
Adjustment for prior periods		<u>1,719,418</u>	<u>2,095,594</u>

10: **Finance income and finance cost**

Interest income represents income earned on bank deposits while interest expense represents charges paid on loans and overdraft facilities utilised during the period.

<i>In thousands of naira</i>	<i>Note</i>	June 2015	June 2014
Interest income on bank deposits		268,713	205,100
Interest income on loan re measurement			
Interest income on financed revenue			
Net foreign exchange gain			
Finance Income		268,713	205,100
Interest expense on financial liabilities measured at amortised cost		(1,510,922)	(736,592)
Net foreign exchange gain/(loss)		(1,716,000)	(339,581)
Finance costs		(3,226,922)	(1,076,173)
Net Finance costs		(2,958,209)	(871,073)

11. **Property, Plant and Equipment**

In thousands of Naira	Leasehold Land and Building	Plant and Machinery	IPP	Motor Vehicles	Furniture and Fitting	IT Equipment	Capital Work in Progress	Total
	N	N		N	N	N	N	N
COST								
Balance As 1st January 2015	25,049,314	46,702,292	4,216,804	1,382,342	6,318,788	1,068,030	7,188,058	91,925,627
Additions	1,070	176,695		112,127	44,969	6,599	1,750,081	2,091,542
Transfers	96,417	1,032,437	-	330,151	453,736	9,405	(1,922,147)	0
Disposals		(287,589)		(14,319)	(71,453)	(1,453)		(374,814)
Balance At 30th June 2015	25,146,801	47,623,835	4,216,804	1,810,301	6,746,040	1,082,581	7,015,992	93,642,355
DEPRECIATION								
Balance As 1st January 2015	(3,309,994)	(14,609,116)	(695,992)	(778,671)	(3,727,317)	(906,523)	-	(24,027,612)
Depreciation for the period	(347,553)	(2,059,789)	(95,567)	(138,542)	(540,851)	(50,193)	-	(3,232,496)
Disposals		248,622		11,292	71,453	1,442	-	332,809
Balance At 30th June 2015	(3,657,548)	(16,420,283)	(791,558)	(905,921)	(4,196,715)	(955,275)	-	(26,927,300)
Balance At 30th June 2015	21,489,253	31,203,552	3,425,246	904,380	2,549,325	127,307	7,015,992	66,715,055

12. **Inventories**

<i>In thousands of naira</i>	<u>June 2015</u>	<u>Dec 2014</u>
Raw and packaging materials	2,750,080	4,151,911
Product in process	388,776	487,579
Finished products	5,417,657	3,840,003
Engineering spares	1,907,972	1,745,945
Goods in transit	<u>800,250</u>	<u>730,542</u>
	<u>11,264,735</u>	<u>10,956,010</u>

13. **Trade and other receivables**

<i>In thousands of naira</i>	<i>Note</i>	<u>June 2015</u>	<u>Dec 2014</u>
Trade receivables		16,030,606	16,818,900
Loans to key management personnel		2,570	2,792
Staff loans and advances		2,060,265	1,763,360
Due from related parties		1,695,002	969,210
Dep.with Comp..registrar for Dividend		1,328,668	920,011
Loans and Receivables		<u>21,117,111</u>	<u>20,474,273</u>
Advance payment to suppliers		2,974,067	2,855,711
Foreign currencies purch.for imports		426,862	32,113
Other receivables		<u>586,120</u>	<u>126,599</u>
		<u>25,104,160</u>	<u>23,488,696</u>

14. **Provision for other long term employee benefits**

The movement on provision for other long term employee benefits was as follows:

	<u>June 2015</u> N'000	<u>Dec 2014</u> N'000
Balance, beginning of year	1,827,773	1,821,829
Charged to profit and loss	230,793	170,639
Payments during the year	(82,037)	(164,693)
Balance, end of Period	<u>1,976,529</u>	<u>1,827,773</u>

15. Nestlé Nigeria Trust (CPFA) Limited

Nestlé Nigeria Trust (CPFA) Limited ('NNTL') previously called Nestlé Nigeria Provident Fund Limited was incorporated by the Company and is a duly registered Closed Pension Fund Administrator whose sole activity is the administration of the pension and defined contribution gratuity scheme for both employees and former employees of Nestlé Nigeria Plc.

The activities of NNTL are, since 2006, regulated by the National Pension Commission (PENCOM) when PENCOM approved the issuance of the relevant license to NNTL. The benefit arising from the activities of NNTL accrue principally to members of the pension and gratuity schemes and the Company's residual interest in NNTL is immaterial.

16. Export to affiliate companies

Included in the reported turnover is an export of finished goods amounting to =N=1.6 Bio to some other Affiliate companies.