



2016 ANNUAL REPORT & ACCOUNTS



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# CONTENT

Mission Statement	3
Directors & Other Corporate Information	4
Notice of Annual General Meeting	5
Board of Directors & Company Secretary's Profile	7
Company Profile	15
Mondelez International at a Glance	17
Financial Highlights	21
Chairman's Statement	25
Directors' Report	28
2016 in Pictures	43
Report of the Audit Committee	59
Independent Auditor's Report	61
Statement of Financial Position	67
Statement of Profit or Loss and other Comprehensive Income	69
Statement of Changes in Equity	70
Statement of Cash flows	72
Notes to the Financial Statements	75
Value Added Statement	127
Five-year Financial Summary	128
Cadbury's Distributors'	129
Proxy form	130
E-Bonus/E-Dividend Form	134



## MISSION STATEMENT

Our mission in Cadbury Nigeria Plc is to serve the consumer with products of consistently high quality, made readily available at prices which offer real value for the money spent.

In its relations with stakeholders and business associates, the Company is guided by an unwavering commitment to the pursuit of excellence as the basis for current success and future growth.

The Cadbury logo, featuring the word "Cadbury" in a white, elegant script font, is positioned in the top right corner of the page.



## Corporate Information

### Board of Directors

Mr. Atedo Peterside, CON  
 Mr. Roy Naaman (Israeli)  
 Mr. Amir Shamsi (Pakistani)  
 Mrs. Oyeyimika Adeboye  
 Mr. Romeo Lacerda (Brazilian)  
 Mr. Gawad Abaza (Egyptian)  
 Mr. Adedotun Sulaiman, MFR  
 Mrs. Ibukun Awosika  
 Mr. Charles Nelson (American)

Chairman/Non-Executive Director  
 Managing Director ( Resigned 31 January 2017)  
 Managing Director ( Appointed 1 February 2017)  
 Finance and Strategy Director (Executive)  
 Non-Executive Director ( Resigned 18 October 2016)  
 Non-Executive Director (Appointed 20 October 2016)  
 Non-Executive Director  
 Non-Executive Director  
 Non-Executive Director

### Company Secretary/Chief Counsel

Mrs. Fola Akande  
 Cadbury Nigeria Plc  
 Lateef Jakande Road  
 Agidingbi, Ikeja  
 Lagos  
 Tel: +234-1-2717777

### Independent Auditor

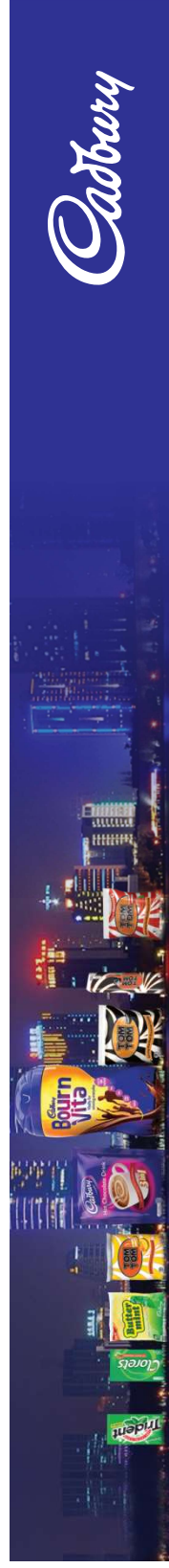
KPMG Professional Services  
 KPMG Tower  
 Bishop Aboyade Cole Street  
 Victoria Island  
 Lagos  
 Tel: +234-1-2718955

### Registered Office

Cadbury Nigeria Plc  
 RC 4151  
 Lateef Jakande Road  
 Agidingbi, Ikeja  
 Lagos  
 Tel: +234-1-2717777  
 Tollfree: (+234)08002232879  
 E-mail :cadbury.nigeria@mdlz.com  
 Website : www.cadburynigeria.com

### Registrar & Transfer Office

First Registrars & Investor Services Ltd  
 Plot 2, Abebe Village  
 Iganmu, Lagos  
 Tel: +234 (1) 2799880  
 E-mail: info@firstregistrarigeria.com  
 www.firstregistrarigeria.com



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## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 52nd Annual General Meeting of Members of Cadbury Nigeria Plc. will be held in the Banquet Hall of the Civic Centre, Ozumba Mbadiwe, Victoria Island, Lagos on Friday, 16th June 2017 at 10:00 am to transact the following business:

### ORDINARY BUSINESS

- 1) To lay before the meeting, the Audited Financial Statements of the Company for the year ended 31 December 2016, the Report of the Directors, together with the reports of the Auditors and the Audit Committee thereon;
- 2) To elect/re-elect Directors;)
- 3) To appoint a New Independent Auditor to replace the retiring Messrs KPMG Professional Services. Notice is hereby given that the proposed Independent Auditor to be appointed is PriceWaterhouse Coopers
- 4) To authorise the Directors to fix the remuneration of the Auditor;
- 5) To elect members of the Audit Committee;

### SPECIAL BUSINESS

- 6) To consider and if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

**“That,** subject to the issued provisions of the Nigerian Stock Exchange, namely, The Rules Governing Transactions with Related Parties or Interested Persons, a General Mandate be and is hereby given for the Company to enter into recurrent related party transactions of a value equal to or more than:

- 5% of the Company's latest audited net tangible assets; or
- 5% of the Company's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the financial year or
- 5% of the issued share capital.

Subject to the following:

- a. the transactions with the related companies are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- b. The class of interested persons with which the Company will be transacting with are subsidiaries of Mondelez International;
- c. The rationale for the transactions are that they are indispensable to the operations of the Company;
- d. The method or procedure for determining transaction prices is based on global transfer pricing policy;
- e. Disclosure will be made in the annual report of the aggregate value of transactions conducted pursuant to this



shareholders' mandate including amongst others the following information:

- i. the type of recurrent related party transaction; and
- ii. the names of the related parties involved in each related party transaction entered into and their relationship with the Company; and that

The Directors be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions as authorised by this Ordinary Resolution.

- 7) To approve the remuneration of the Directors.

## NOTES

### Proxies

A Member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. Such a proxy need not be a member of the Company. All instruments of proxy should be completed and deposited at the office of the Company's Registrar, First Registrars Nigeria Limited, Plot 2, Abebe Village Road, Iganmu, Lagos, NOT LATER than forty-eight (48) hours prior to the meeting.

### Closure of Register

The Register of Members and Transfer book will be

closed from 22nd May 2017 to 26th May 2017 (both days inclusive) for the purpose of updating the Register of Members.

### Election of the Audit Committee

In accordance with section 359 (5) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria 2004, any member or shareholder may nominate another shareholder as a member of the Audit Committee by giving written notice of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

### Rights of Shareholders To Ask Questions

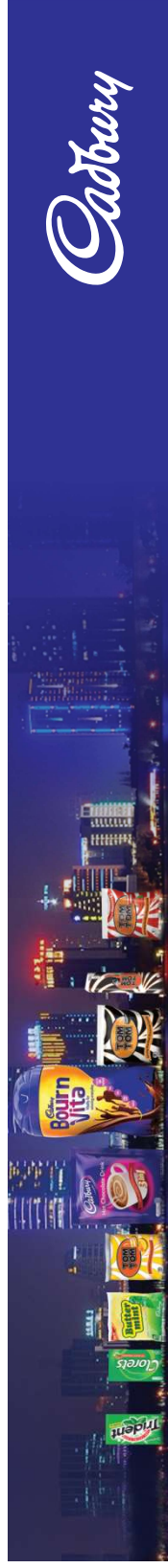
Pursuant to Rule 19.12 (c) of the Nigerian Stock Exchange's Rulebook 2015, please note that it is the right of every Shareholder to ask questions not only at the meeting but also in writing prior to the meeting. We urge that such questions be submitted to the Office of the Company Secretary not later than (one week) before the date of the meeting.

**Dated this 14th day of March 2017.**  
**By Order of the Board,**



**Fola Akande**  
Company Secretary  
FRC/2013/NBA/000000001060

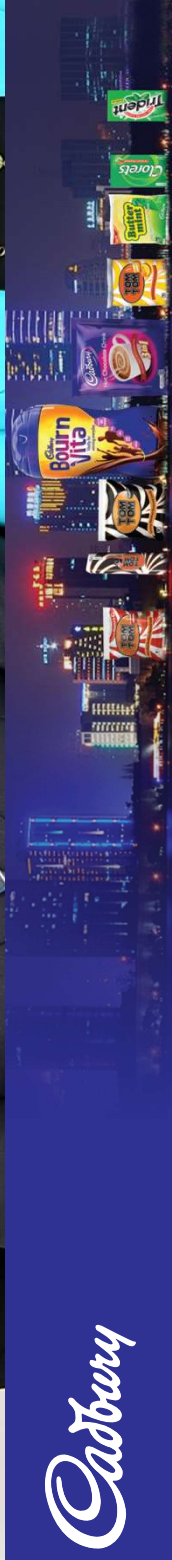
**Registered Office**  
Cadbury Nigeria Plc.  
Lateef Jakande Road,  
Agidingbi, Ikeja, Lagos



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# Board of Directors &



# Company Secretary



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## Board of Directors and Company Secretary's Profile



**Atedo Peterside, CON**

**Atedo N A Peterside CON** joined the Board of Cadbury Nigeria Plc as a Non-Executive Director in August 2009. He was appointed Chairman of the Board with effect from 21 April 2010. He is the founder of Stanbic IBTC Bank Plc. and is also the Chairman and Founder of ANAP Business Jets Limited. He was the Chairman of the Committee that crafted the first Corporate Governance Code for Public Companies in Nigeria.

Mr. Peterside also sits on the Boards of Flour Mills of Nigeria PLC, Nigerian Breweries Plc, Standard Bank Group Limited, The Standard Bank of South Africa Limited and Unilever Nigeria Plc.



**Roy Naaman**

**Roy Naaman** was appointed to the Board of Cadbury Nigeria Plc as Managing Director effective 1st January 2015. He is also the Chairman of Cadbury Ghana Limited. Mr. Naaman has had a long experienced career in Fast Moving Consumer Goods (FMCG) spanning Africa, the Middle East and the Caucasus. Before joining the Board of Cadbury Nigeria Plc, Mr. Naaman served as General Manager at Diplomat Distribution Co. in Israel, leading a 700-staff organization and developing strong commercial relationships with global manufacturers such as Mondel'z International, P&G and Heinz.

Mr. Naaman has a bachelor's degree in Business Administration with a major in finance from IDC Herzliya, Israel and has now resigned from Cadbury Nigeria Plc, effective 31st January 2017

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**Amir Shamsi**

**Amir Shamsi** was appointed to the Board of Cadbury Nigeria Plc as Managing Director, effective 1st February 2017. Mr. Amir Shamsi has a long and fruitful experienced career in Mondelez spanning 8 years where he worked as Marketing Director in Pakistan and West Africa and also did a Global role based in the US managing Innovation for Kids Wholesome.

Prior to joining Mondelez, Mr. Shamsi worked with other Multinationals including Imperial Chemicals Limited and GlaxoSmithkline. He has an MBA in Marketing and has work experience spanning continents of Asia Pacific, West Africa and North America.



**Charles Nelson**

**Charles Nelson** was appointed to the Board of Cadbury Nigeria Plc. as a Non-Executive Director in September 2010. Mr. Nelson, an American with over 25 years' experience in Corporate Finance, joined Kraft Foods Inc. in 1988 and has held a succession of senior finance roles across the Mondelez Group including Director of Controlling & Treasury, Mondelez Eastern Europe Middle East & Africa (EEMEA), Finance Director, Kraft Foods South East Asia and Financial Planning & Analysis Manager, Kraft Jacobs Suchard, Iberia. Mr. Nelson is currently the Director of Finance Projects, Asia Pacific Middle East & Africa (AMEA) and is based in Vienna Austria.

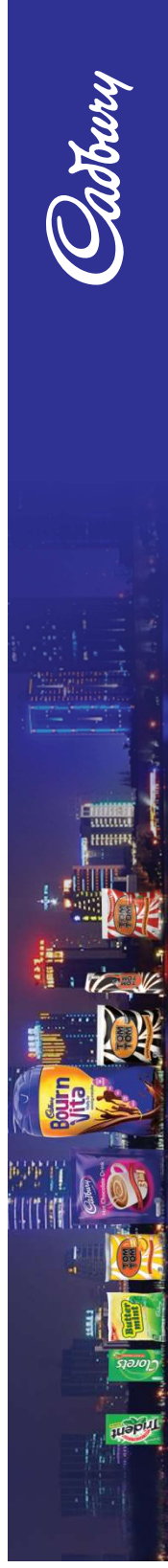


**Adedotun Sulaiman, MFR**

**Adedotun Sulaiman**, MFR was appointed to the Board of Cadbury Nigeria Plc. as a Non-Executive Director in August 2009. Mr. Sulaiman, a renowned management & strategy consultant, has over 35 years of experience in transformational engagements in Strategic Plan Development, Organization Design/Review, Human Resource Management, Technology Planning and Process Re-engineering.

Mr. Sulaiman, a past Country Managing Director and Chairman of Accenture Nigeria, currently sits on and/or chairs the board of several companies and not-for-profit organisations including Barclays Nigeria, UTC Nigeria Plc, SecureID Ltd, Interswitch Ltd, Arian Capital Management Ltd, New Horizons Systems Solutions Ltd, Parthian Partners Limited, Sundry Foods Limited, Nextzon Business Services Limited, the Corona Schools Trust, Greensprings Schools, Lagos Angel Network and the University of Lagos Advancement Board of which he is Vice Chairman.

Mr Sulaiman was appointed as the Chairman of the Financial Reporting Council of Nigeria (FRCN) on January 9 2017.



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**Oyeyimika Adeboye**

**Oyeyimika Adeboye** joined the Board of Cadbury Nigeria Plc. in November 2008 as Finance and Strategy Director and Chief Financial Officer for the West Africa area. Prior to joining Cadbury Nigeria Plc., Mrs Adeboye was the Director of Finance and Chief Financial Officer of Nigerian Bottling Company Plc. She had previously worked for the Nigerian Accounting and Tax Practice of Arthur Andersen & Co as well as the United Kingdom practice of Midgley Snelling & Co., Chartered Accountants. Mrs Adeboye has an impressive track record in finance, strategy and business administration both in Nigeria and the United Kingdom. She is a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants of Nigeria. Mrs Adeboye has a Bachelor of Science degree in Economics and Accounting from the University College Cardiff, Wales.

Mrs. Adeboye, is a director on the Board of Cadbury Ghana Limited.

Mrs Adeboye is member of the Board of Trustees of the Timothy Adeola Odutola Foundation, a family owned philanthropic foundation set up for the purpose of providing educational, industrial and technological development of Nigerian youths who may be unable to gain admission into higher education. As part of her philanthropic work, she also worked with Freedom Foundation an NGO created to carry out the mandate of pioneering social reformation within our communities in Nigeria.





**Ibukun Awosika**

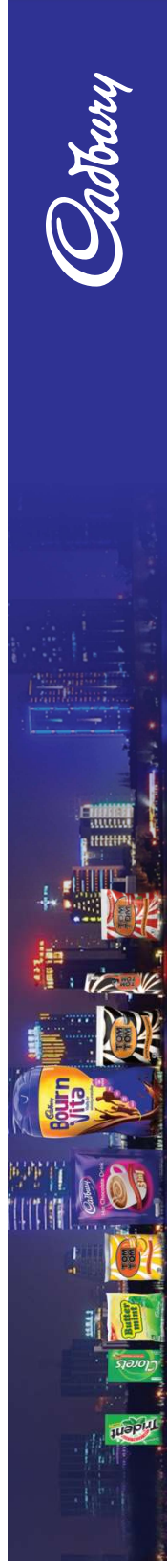
**Ibukun Awosika** was appointed to the Board of Cadbury Nigeria Plc. as a Non-Executive Director in October 2009. Mrs Awosika is the Chairman, Board of Directors, First Bank of Nigeria Limited as well as the founder and CEO of The Chair Centre Group. Mrs Awosika chairs a number of corporate and not-for-profit boards amongst which are: House of Tara International and Afterschool Graduate Development Centre (AGDC), a facility which she promoted to help address youth employability and enterprise issues in Nigeria. She also sits on the boards of Digital Jewel Limited, Convention on Business Integrity (CBI) and the Nigerian Sovereign Investment Authority. She is the former Chairman, FBN Life Assurance Limited, FBN Capital Limited and Kakawa Discount House Limited.

Mrs Awosika is a graduate of Chemistry from University of Ife, Nigeria; an alumna of the Chief Executive Programme of Lagos Business School; the Global Executive MBA of IESE Business School, Barcelona-Spain; and Global CEO Programme of Wharton, IESE and China European International Business School (CEIBS).

With high interest in social issues, including women, she is a co-founder and past chairperson of Women in Business, Management and Public Service (WIMBIZ). An ordained Pastor and founder of the Christian Missionary Fund.

Mrs Awosika is a fellow of the African Leadership Initiative, Aspen Global Leadership Network, Institute of Directors and Society for Corporate Governance Nigeria. She is also a member of the Nigerian Economic Summit Group (NESG), served on National Job Creation Committee (NJCC), and sits on the International Advisory Board of IESE Business School, Barcelona-Spain.

Mrs Awosika is a multiple award-winning entrepreneur and the first Nigerian recipient of the prestigious International Women Entrepreneurial Challenge (IWEC) Award as a nominee of the US Department of State in 2008.





**Romeo Lacerda**

**Romeo Lacerda** was appointed to the Board of Cadbury Nigeria Plc. as a Non-Executive Director, effective 1st January 2015. He is the President, Markets & Sales in Eastern Europe, the Middle East and Africa at Mondel'z International, the world's leading snacks group.

A Brazilian national from Porto Alegre in Southern Brazil, Mr. Lacerda has a degree in business from the Universidade Federal do Rio Grande do Sul and later an MBA from the Universidade de Sao Paulo. Mr. Lacerda started his career with Mondel'z International, then Kraft Foods, in 1995 as Regional Sales Manager in Rio de Janeiro. Progressively, he advanced through the organization to positions such as VP Sales Latin America, Category Director Snacks Brazil and General Manager Central America operations.

Later, as Managing Director Iberia, Mr. Lacerda achieved strong business results and inspired great teamwork during the integration of Cadbury's gum and candy business. He demonstrated strong leadership on strategic initiatives and in the 2000s, used his extensive business acumen to take on and overcome recessionary challenges in Southern Europe. In 2012, Mr. Lacerda moved to Moscow to manage Mondel'z International, Russia. In 2014, he relocated to Dubai to take up his current role. Mr Lacerda resigned from the Board on the 18th October 2016.

**Gawad Abaza**

**Gawad Abaza** was appointed to the Board of Cadbury Nigeria Plc. as a Non-Executive Director on 20 October 2016. He is presently the Area Vice President, Middle East Asia & Africa (AMEA).

Mr Abaza is a Biochemist by qualification with a Bachelor in science, and holds an MBA in Marketing.

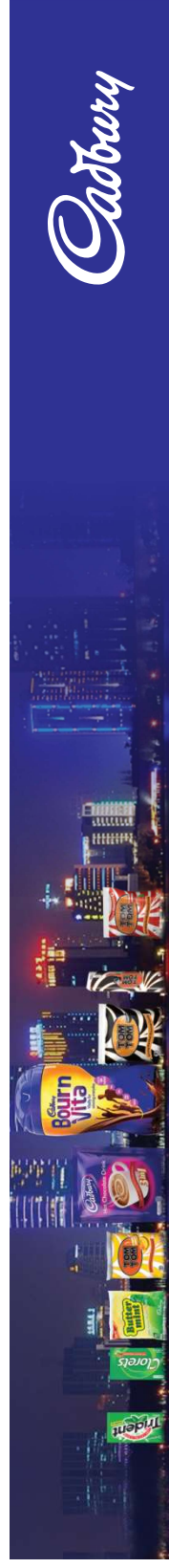
He was previously President Chocolate, Eastern Europe, Middle East & Africa (EEMEA), from January 1st, 2015. Before that, he held the roles of Managing Director of Kraft Foods' Mashreq cluster in Cairo from 2010, and then Area VP, South, Central & Eastern Africa until December 2014. Mr Abaza worked for the Cadbury Group for seven years, where initially, he was made MD of the Cadbury Adams Egypt Group in 2003, Mr Abaza later became Cadbury MD for the Middle East and North Africa. He began his current role on October 1st, 2016.



**Fola Akande**

**Fola Akande** joined Cadbury Nigeria Plc. as Company Secretary/Chief Counsel West Africa in July 2012. Mrs. Akande comes into the role with an impressive background in Compliance, Corporate Governance, Commercial and Finance Law. She has over 25 years of working experience and prior to joining Cadbury, she worked for Standard Chartered Bank Nigeria Limited as Company Secretary/Legal Adviser/Chief Compliance Officer.

Mrs. Akande is a special member (MClarb) of the Chartered Institute of Arbitrators UK and on the Governing Board of The Eye Bank for Restoring Sight Nigeria.

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## CADBURY NIGERIA PLC PROFILE

### Creating Brands People Love

The origins of Cadbury Nigeria Plc. date back to the 1950s when the business was founded as an operation to source cocoa beans from Nigeria and as a precursor to enable the Company's founders to tap opportunities for serving the local consumer market with world-famous, Cadbury-branded products.

In the early 1960s, an initial operation was established to re-pack imported bulk products. This packing operation grew rapidly into a fully-fledged manufacturing operation and resulted in the incorporation of Cadbury Nigeria Limited in January 1965. In 1976, the firm became a publicly quoted company with shares traded locally on the Nigerian Stock Exchange.

Cadbury Nigeria has grown to become a household name providing consumers with much-loved brands.

#### Rich Portfolio of High Quality Brands

Introduced in 1960, Cadbury Bournvita, the Company's flagship brand, was initially imported and re-packed locally on the current site at Agidingbi, Ikeja, Lagos. After consolidation in the Food Drinks market in Nigeria, Cadbury Bournvita became in 1965 the first food drink to be manufactured locally.

In 2011, Cadbury Bournvita was re-launched in a world-class, environmentally friendly polypropylene jar and today remains a market leader in the Food Drinks category. In 2013, the Nutrition Society of Nigeria (NSN) endorsed Cadbury Bournvita as a Food Drink rich in energy and essential micronutrients, the only Food Drink Brand to be so endorsed at that time.

Bournvita was re-launched in 2016 with changes in product, logo and packaging. The re-launch campaign was designed to establish the brand assets to resonate with the consumer and win at point of purchase.

#### Other Brands in the Portfolio

Cadbury Nigeria also developed other product-categories, most notably Candy. Introduced in 1970, TomTom—the big, black and white sweet for soothing relief which has sustained market leadership for over 40 years—remains the most iconic brand in the Nigerian Candy market. It now comes in three variants: Classic, HoneyLemon and Strawberry. The other brand in the company's Candy portfolio is Cadbury Buttermint, with an exclusive blend of butter and mint. Another brand in the company's cocoa beverage category is Cadbury Hot Chocolate Drink 3in1, a delicious-tasting, rich and creamy cocoa-based hot-chocolate drink that is best in class, and produced with the finest cocoa, and optimum blend of milk and sugar.






The most recent products in the Company's portfolio are its GUM brands – Trident and Clorets. Trident is a sugar free chewing gum, it comes in spearmint, strawberry and peppermint variants with long lasting flavours. Clorets is a breath freshener chewing gum that comes in original mint flavour.

#### **Ancillary Business**

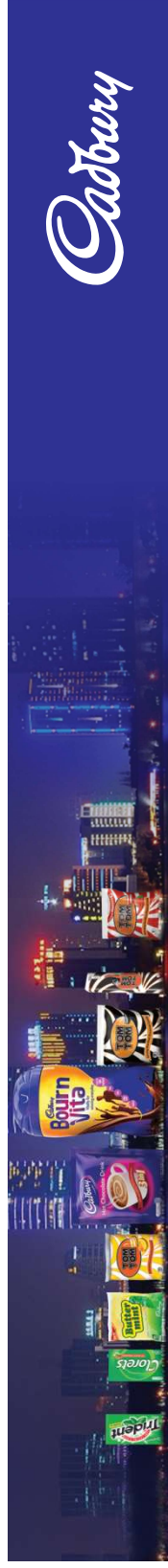
Cadbury Nigeria has a cocoa-processing plant located in Ondo Town in Ondo State, Nigeria. The Plant provides all the cocoa powder required for manufacturing Cadbury Bournvita and processes cocoa beans into several high-quality cocoa by-products (such as cocoa butter, cocoa powder, cocoa cake and cocoa liquor) for local and export markets.

#### **People are Our Greatest Asset**

We have the right people who help make Cadbury Nigeria a great place to work. From our initial staff-strength of 200 in 1965, Cadbury Nigeria Plc currently employs about 800 people who have chosen to build their careers with the Company.

#### **Shareholding Structure**

Mondelez International has a majority equity-interest of 74.97% in Cadbury Nigeria through its holding in Cadbury Schweppes Overseas Limited. The remaining 25.03% equity-ownership is held by a diverse group of Nigerian individuals and institutional shareholders.



## Mondelez International at a Glance

### Unleashing a Global Snacking Powerhouse

Mondelez International, Inc. (NASDAQ: MDLZ) is one of the world's largest snacks companies, with 2015 net revenues of approximately \$30 billion.

Our dream is to create delicious moments of joy in everything we do. Nearly 100,000 employees support this dream by manufacturing and marketing delicious food and beverage products for consumers in approximately 165 countries around the world.

We are the world's pre-eminent maker of snacks, with leading market shares in every category in which we compete. Mondelez International holds the No. 1 position globally in Biscuits, Chocolate and Candy as well as the No. 2 position in Gum. (source: Euromonitor)

About 85 percent of our annual revenue is generated in fast-growing snacks categories, and nearly 75 percent of our sales come from outside of North America (see pie charts at right).

\* Pro Forma Adjusted Net Revenues exclude Venezuela operations. See GAAP to Non-GAAP reconciliations under Events & Webcasts tab of the investors' section of our website at <http://bit.ly/1KYhs2E>.

\*\* Does not foot to 100% due to rounding.

### Significant Competitive Advantages

At Mondelez International, we have all the ingredients in place to deliver sustainable, profitable growth.

- Focused Snacks Portfolio
- Leading Snack Shares
- Favorite Snack Brands
- Advantage Geographic Footprint
- Strong Routes to Market
- World-Class Talent & Capabilities

Because of our advantaged platform, we're one of the few industry players positioned to deliver strong sales and profitability growth over the long term. We're focused on accelerating our core business, addressing key consumer trends and further developing sales and distribution capabilities.

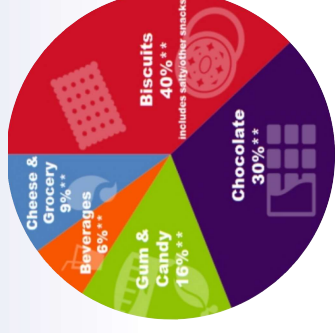
### A Portfolio of the World's Favorite Brands

Our portfolio features seven billion-dollar brands: Cadbury, Cadbury Dairy Milk and Milka chocolate; LU, Nabisco and Oreo biscuits; and Trident gum.

In addition, our portfolio includes another 44 brands that each generates annual revenues of more than \$100 million.

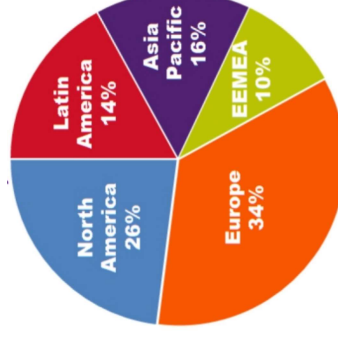
#### Sales by Category

Percentage of 2015  
Pro Forma Adjusted Net Revenues



#### Sales by Geography

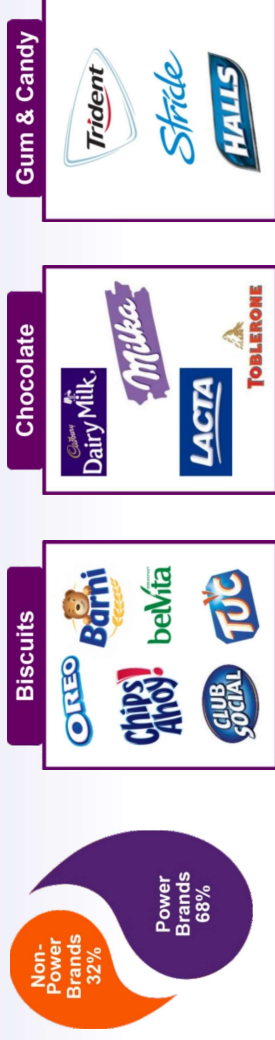
Percentage of 2015  
Pro Forma Adjusted Net Revenues



Cadbury

## Our Categories & Power Brands

In 2015, our Power Brands, which represent nearly 70 percent of our Pro Forma Adjusted Net Revenues\*, continued to drive our top line and grew at a rate more than twice that of the total company.



\* Pro Forma Adjusted Net Revenues exclude Venezuela operations. See GAAP to Non-GAAP reconciliations under Events & Webcasts tab of the Investors' section of our website at <http://bit.ly/1KYhs2E>.

## Our Strategies

As a global snacks powerhouse, we leverage our competitive advantages to achieve two primary goals: deliver top-tier financial performance and be a great place to work.

We plan to achieve these goals by executing the following five strategies:



## Continued Investments to Fuel Growth

We continue to invest in our Power Brands, innovation platforms, technologies and infrastructure to drive growth over the long-term. Since 2012, we've invested more than \$1.5 billion in new or existing manufacturing sites to better meet our growth needs.



1. Excludes Cheese & Grocery

Cadbury

## The call for well-being



The growth of our business is directly linked to the well-being of the people who make and enjoy our products and the communities we serve. As the world's largest snack company, we want to help people lead healthier lives and support their quest for well-being. Our Call For Well-being focuses on four areas that are critical to the world and where we can make the greatest impact:

### 2016 Fact Sheet

• **Well-being Choices:** We intend to be the global leader in well-being snacks, with 50 percent of our portfolio in the Well-being space by 2020. To achieve our goal, we will simplify and improve the ingredient and nutritional profile of our current portfolio by reducing sodium and saturated fats by 10 percent; increasing whole grains by 25 percent; and looking to remove artificial colors and flavors in key brands. Secondly, we will expand the Well-being options within our portfolio. By 2020, we'll deliver 25 percent of our revenue from our Better Choice products; increasing the availability of portion control options by 25 percent; as well as expand our offering of products that meet consumers lifestyle needs. We plan to focus 70 percent of our new product development efforts on Well-Being platforms. Finally, we will continue to inspire consumers to snack mindfully and put calories on the front of packaging globally by the end of 2016 to help them make informed choices.

• **Sustainability:** Our ability to create delicious tasting snacks starts with the community of farmers who grow our ingredients. We aim to create a sustainable cocoa supply by transforming the lives of smallholder cocoa farmers and communities at scale and will continue to invest and expand our signature Cocoa Life program to empower 200,000 cocoa farmers in six key origins. At the end of 2015, 21 percent of our cocoa was sustainably sourced through Cocoa Life. We also partnered with over 2,000 European wheat farmers to better preserve the environment and local biodiversity through Harmony, our European wheat-sourcing program, which now covers 75% of our biscuits sold in Western Europe. Our new Sustainability 2020 targets build on the reductions achieved in 2015 and place us at the forefront in the fight against climate change. Specifically, by 2020, we will reduce our absolute CO2 emissions from manufacturing by 15 percent; reduce deforestation within our agricultural supply chain; and focus our water-reduction efforts in high-priority locations, reducing our usage by 10 percent. We will also eliminate 65,000 tons of packaging material and reduce total manufacturing waste by 20 percent.

• **Safety:** By the end of 2015, all of our internal manufacturing facilities achieved third-party food safety certification. And we continue to improve employee safety performance in all areas of the business year over year.

• **Communities:** We're investing \$50 million in community partnerships over the next several years to support healthy lifestyle programs that will reach more than 1 million children and families across 14 countries. The programs are focused on nutrition education, active play and access to fresh foods, and align with the UN's Sustainable Development Goals of addressing malnutrition and promoting good health and well-being. To measure progress, we teamed up with the Yale School of Public Health to develop common KPIs for all programs. Our learnings are published in the Food & Nutrition Bulletin available to public health professionals in over 125 countries.

We recognize we don't have all the answers to these global societal challenges. But through our Call for Well-being, we're partnering with experts to bring together powerful ideas and help execute solutions at the local level. Check out our progress in the Well-Being section of our website.

*Cadbury*





**For more information:****Corporate Headquarters:**

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F: [facebook.com/mondelezinternational](https://facebook.com/mondelezinternational)

T: [twitter.com/MDLZ](https://twitter.com/MDLZ)

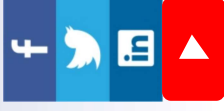
[www.linkedin.com/company/mondelezinternational](https://www.linkedin.com/company/mondelezinternational)

[www.youtube.com/mdlz](https://www.youtube.com/mdlz)

Listed on the NASDAQ Global Select Market Ticker: MDLZ

Member of Standard & Poor's 500, NASDAQ-100 Indices and Dow Jones Sustainability Index

[www.mondelezinternational.com](https://www.mondelezinternational.com)



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[www.linkedin.com/company/mondelezinternational](https://www.linkedin.com/company/mondelezinternational)

[www.youtube.com/mdlz](https://www.youtube.com/mdlz)

This fact sheet contains a number of forward-looking statements. Words, and variations of words, such as "will," "intend," "plan," "position," "target" and similar expressions are intended to identify our forward-looking statements, including, but not limited to, statements about: our financial performance, including our sales and profitability growth; our Well-being portfolio and goals; and our 2020 sustainability targets. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause our actual results to differ materially from those indicated in our forward-looking statements. Such factors include, but are not limited to, risks from operating globally including in emerging markets; changes in currency exchange rates, controls and restrictions; continued volatility of commodity and other input costs; weakness in economic conditions; weakness in consumer spending; pricing actions; unanticipated disruptions to our business; competition; our global workforce; the restructuring program and our other transformation initiatives not yielding the anticipated benefits; changes in the assumptions on which the restructuring program is based; and tax law changes. Please also see our risk factors, as they may be amended from time to time, set forth in our filings with the SEC, including our most recently filed Annual Report on Form 10-K. Mondelez International disclaims and does not undertake any obligation to update or revise any forward-looking statement in this fact sheet, except as required by applicable law or regulation.



## Financial Highlights

<i>In thousands of naira</i>	2016	2015	Change %
Revenue	29,979,410	27,825,194	8
Gross profit	6,860,403	8,930,227	(23)
Results from operating activities	(732,852)	1,420,616	(152)
(Loss)/profit before tax	(562,870)	1,577,412	(136)
(Loss)/profit for the year	(296,402)	1,153,295	(126)
Share capital	939,101	939,101	-
Total equity	11,056,734	12,285,297	(10)
<b>Data per 50k share</b>			
Basic (loss) earnings per share (kobo)	(16)	61	(126)
Net assets per share (kobo)	588.69	654.10	(10)
Stock exchange quotation 31 December (Naira per share)	10	17	(42)
Market capitalization at 31 December	18,782,020	31,929,433	(41)



NEW GUM

# NEED FRESH BREATH? CHOOSE CLORETS



*Cadbury*

**Rich taste of butter...**



**Freshness of mint.**

*Exclusive blend*





# ATEDO N.A. PETERSIDE<sup>CON</sup>

Chairman's Statement



## Chairman's Statement

### Introduction

It is with great pleasure that I welcome you fellow Shareholders, my Colleagues on the Board, Gentlemen of the Media, Distinguished Ladies and Gentlemen to the 52nd Annual General Meeting of our Company. I am delighted to present to you the Annual Report and Accounts of our company for the year ended [31st December, 2016](#).

### Socio-Economic Environment

2016 was another challenging year in which the Nigerian economy went into recession and this impacted on the business environment as well as our operations. The manufacturing sector faced myriads of challenges ranging from government fiscal restraint occasioned by the collapse of oil prices and crude oil export volumes, monetary squeeze and higher interest rates, insecurity, weak consumer purchasing power, fierce competition, depreciation of the Naira, scarcity of foreign exchange and other high costs of operations as a result of poor transportation and power infrastructure, to mention a few. In spite of these enormous challenges, our brands remained strong in their market categories.

### Major Milestones

Although last year was really challenging for our business, there are still a few significant milestones to celebrate. They include – the re-launch of our flagship brand – Cadbury Bournvita with changes in product, logo and packaging; introduction of TomTom Pocket Pack; introduction of our GUM brands – Trident and Clorets into our product portfolio, Cadbury pioneered within our parent company the Winning-in-Sales-

Execution (WiSE) initiative intended to harmonize Mondelez International systems and processes by equipping our sales force with best-in-class tools and cutting edge technology; Ikeja Plant picked up the Mondel'z International's Qudos Award for "Best Quality Audit Performance/Improvement." The crowning achievement for the year 2016 was our flagship brand – Cadbury Bournvita gaining an entry into the Guinness Book of Records for producing the World's Largest Inflatable Jar. This is a testament to our commitment towards ground breaking innovations and continued commitment and determination to satisfy our consumers.

### Change of Guard in Top Management

Mr. Roy Naaman, then Managing Director exited the business end of January 2017 at the expiration of his contract-of-employment and was succeeded by Mr. Muhammad Amir Shamsi. I would like to seize this opportunity to thank Roy for his contribution to the growth of our Company. I warmly welcome Amir and wish him successful tenure in office.

### Driving Operational Efficiencies

There were continued improvements in operational efficiency. As part of our cost cutting measures, we launched various internal tools (CONCUR, COUPA) to innovatively manage and streamline corporate expenses, simplify our processes and speed up approvals, whilst reinforcing our zero-based budgeting cost management initiative.

*Cadbury*



## Our Brands, Our Future

We made huge investments in our brands portfolio in 2016 through unique combination of daring and innovative marketing initiatives. From unveiling the world's largest inflatable Bournvita jar to massive wall brandings within the market place, to unique Bournvita race cars, BRT bus branding, to the in-market launch of our Gum brands – Trident & Clorets and the various promotions to endear consumers to our brands. Also, it was another impressive year for our candy business with the launch of TomTom Pocket Pack. Our flagship brand, Bournvita also sponsored the Run for Cure Africa Breast Cancer Awareness event.

## Corporate Social Responsibility

To mark our Global Employee Volunteering month of service, employees visited the Vocational Training Centre of the Nigerian Society for the Blind where they cleaned, tidied up facilities, donated food, our products, cleaning materials and household items. Thereafter, they interacted and engaged with visually impaired students and teachers of the Centre.

Also, our employees sustained the annual Voluntary Blood Donation to the Lagos State Blood Transfusion Service as part of our Wellness agenda. Our Company continued to support our Ikeja host community, Agidingbi by supplying her with piped water all-year-round.

## Dividend Payment

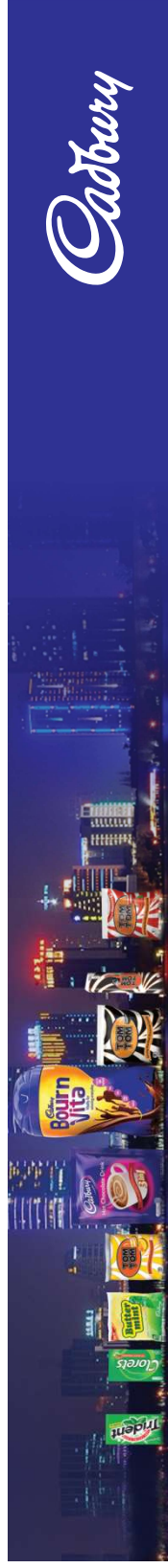
Following the difficulties witnessed in the year under review and the negative impact on our financial performance as earlier enumerated, the Directors are not recommending to shareholders at this meeting the declaration of a dividend.

## Unclaimed Dividend

I would like to use this opportunity to remind shareholders that several dividend warrants from prior years remain unclaimed or are yet to be presented for payment, or returned to the company for revalidation, members affected are advised to write or call at the office of the Company's Registrars; First Registrars & Investors Services Limited.

## Governance, Ethics & Compliance

Our Company remains deeply committed to the principles of good governance and adherence to high standards of business integrity, ethics and professionalism in every aspect of our operations. We have placed enormous emphasis on governance at the Board level, and consistently embedded processes and policies to ensure full awareness by all employees in this respect, such that our employees become ambassadors for the high standards of ethics we require in our business. Our employees are regularly exposed to classroom and online training on core and general policies (whether local or global), including weekly pep talks.



*Cadbury*



### Priorities for 2017

In 2017 the focus would be on the following strategic areas to drive growth:

- Sustain our focus on quality, drive improvements in productivity and reinforce operational efficiencies.
- Invest in the equity of our brands.
- Continue to cut costs and improve bottom-line
- Continue building a strong, sustainable business and develop a top-talent organization.

### Conclusion.

Again, I thank my colleagues on the Board for their support, understanding and co-operation over the years. My sincere appreciation to the immediate past Managing Director, Mr. Roy Naaman who left in January 2017 and his Executive Management Team for their hard work and commitment during the year under review. To the Employees, many thanks for your dedication through difficult and lean times. I also thank the Regional and Global Leadership Teams of Mondelez International, our Parent Company, for their continued support in all aspects of our business. To you fellow Shareholders, your continued support has been tremendous and I thank you for your continuing confidence in our Company.



Atedo N A Peterside CON  
Chairman



## Directors' Report

### For the year ended 31 December 2016

The Directors are pleased to present to the members, their Annual Report of Cadbury Nigeria Plc ("the Company") together with the audited financial statements for the year ended 31 December 2016.

#### **Directors' Responsibilities in relation to the financial statements**

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act CapC.20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act, 2011.

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.

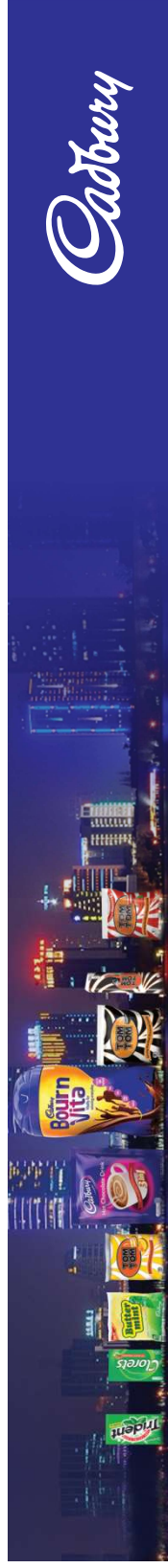
The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern for at least twelve months from the date of this statement.

#### **Principal Activities**

Cadbury Nigeria Plc was incorporated in Nigeria on 9 January 1965 as a Company limited by shares. It became a publicly listed Company with its shares traded locally on the Nigerian Stock Exchange in 1976. The Company's registered address is Lateef Jakande Road Agidingbi, Ikeja. The Company is principally engaged in the manufacture and sale of branded fast moving consumer goods mostly to the Nigerian market, but also for exports in West Africa. The Company also produces a wide range of intermediate products such as cocoa butter, liquor, cake and powder. The cocoa butter, cake and liquor are exported to a wide range of international customers while the cocoa powder is consumed locally.

#### **The Product Range**

The Company's brands fall into three principal categories, namely Refreshment Beverages, Confectionery and Intermediate Cocoa Products. CADBURY BOURNVITA, CADBURY 3-in-1 HOT CHOCOLATE, are the main brands in the refreshment beverage category, while TOMTOM CLASSIC, TOMTOM HONEY LEMON, TOMTOM STRAWBERRY, BUTTERMINT, CLORETS AND TRIDENT are the main brands in the confectionery stable. COCOA POWDER, COCOA CAKE AND COCOA BUTTER are the main products for the Intermediate Cocoa Products.



*Cadbury*

The relative contributions of the Company's brands to the Company's result in 2016 are as follows:

	Brands	2016	2015
1	Refreshment Beverages	55%	60%
2	Confectionary	34%	32%
3	Intermediate Cocoa Products	11%	8%

### Shareholding

Cadbury Nigeria Plc. is owned 74.97% (2015: 74.97%) by Cadbury Schweppes Overseas Limited ("CSOL"), a company incorporated in the United Kingdom and 25.03% (2015: 25.03%) by a highly diversified spread of Nigerian individual and institutional shareholders. CSOL is owned by Mondelez International. Other than CSOL, no other shareholder held more than 5% of the issued share capital of the Company as at 31 December 2016. (2015: Nil).

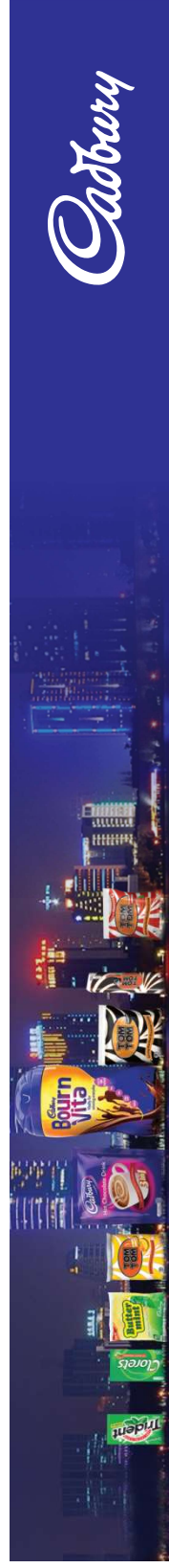
*Cadbury*





The Registrars have advised that the range of shareholding as at 31 December 2016 was as follows:

RANGE	No of Shareholders	% Holders	Units	% Units
1 - 1000	40,757	56.53	14,024,713	0.75
1001 - 5000	20,872	28.95	48,749,659	2.6
5001 - 10000	5,749	7.97	40,555,741	2.16
10001 - 50000	3,887	5.39	75,960,600	4.04
50001 - 100000	442	0.61	31,074,465	1.65
100001 - 500000	324	0.45	65,656,732	3.5
500001 - 1000000	37	0.05	24,844,100	1.32
1000001 - 5000000	21	0.03	46,301,906	2.47
5000001 - 10000000	7	0.01	48,861,799	2.6
10000001 - 50000000	3	0.00	74,040,594	3.94
50000001 - 1878201962	1	0.00	1,408,131,653	74.97
	72,100	100	1,878,201,962	100



*Cadbury*

## Operating Results

The following is a summary of the Company's operating results as at 31 December:

	2016	2015
<b>Revenue</b>	29,979,410	27,825,194
Results from operating activities:	(732,852)	1,420,616
(Loss)/profit before income tax	(562,870)	1,577,412
Income tax credit/(expense)	266,468	(424,117)
(Loss)/profit for the year	(296,402)	1,153,295

## Dividend

The Directors are not recommending to shareholders the declaration of a dividend, in light of the performance of the business during the year under review (2015: N1,220,831,275).

## Board of Directors

The Board is currently made up of seven (7) Directors, two (2) of whom are Executive Directors (the Managing Director and Finance & Strategy Director) and 5 are Non-Executive Directors (including the Chairman). The Board has a formal schedule of meetings each year and met nine (9) times during the year under review. Typically, Board meetings include consideration of a broad range of matters, including but not limited to financial performance, risk management assessment, corporate governance, compliance and internal control, and matters relating to the oversight and management of the business as a whole. In line with its responsibilities for the performance and affairs of the company, the Board also holds an annual Strategy session to consider the strategic goals of the business and ensure that the Company's human and financial resources are effectively deployed towards attaining those goals.




### Record of Directors' Attendance at Meetings

Pursuant to and in accordance with section 258 (2) of the Companies and Allied Matters Act, CapC. 20 Laws of the Federation of Nigeria, 2004, the record of Directors' attendance at Board meetings during the year under review will be made available for inspection at the Annual General Meeting (AGM).

The table below shows the number of meetings attended by the Directors during the period 1 January 2016 to 31 December 2016 as against the number of meetings held during their Board/Committee membership.

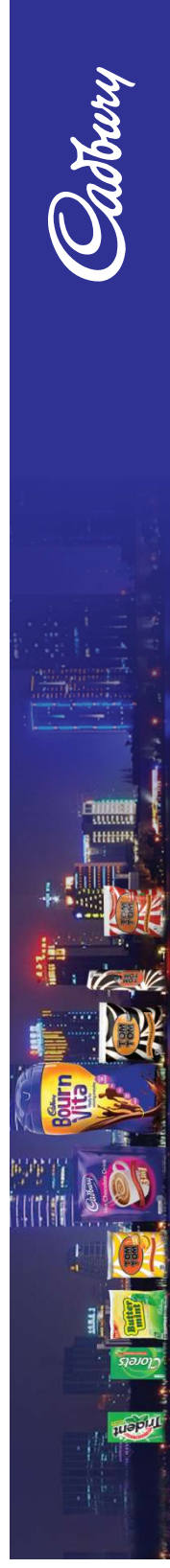
Names of Directors	Board Meetings	Governance & Risk Committee	Remuneration & Compensation Committee
Atedo Peterside, CON	9/9	2/2	N/A
Roy Naaman	9/9	N/A	N/A
Oyeyimika Adeboye	9/9	N/A	N/A
Ibukun Awosika	9/9	N/A	2/2
Adedotun Sulaiman, MFR	9/9	2/2	2/2
Charles Nelson	9/9	N/A	N/A
Romeo Lacerda*	5/9	1/2	0/2
Gawad Abaza**	0/9	0/2	0/2

**Dates of Board Meetings held in 2016:** 27th January 2016, 15th March 2016, 18th April 2016, 14th June 2016, 27th June 2016, 19th July 2016, 18th October 2016 (Board Strategy Meeting), 19th October 2016 and 22nd December 2016.

\* Mr. Romeo Lacerda resigned from the Board and its Committees effective 18th October 2016.

\*\* Mr Gawad Abaza was subsequently appointed effective 20 October 2016 to fill the casual vacancy as a result of Mr. Lacerda's resignation.

**Date of Board Committee meetings held in 2016:** 27th January 2016, March 15th 2016 and 18th & 19th October 2016



*Cadbury*

### Board Appointment

Since the last AGM, Mr. Romeo Lacerda resigned from the Board with effect from 18th October 2016. On your behalf we wish to thank Mr. Romeo Lacerda for his invaluable contributions to the growth of the Company during his tenure.

Mr. Gawad Abaza was subsequently appointed effective 20th October 2016 to fill the casual vacancy as a result of Mr. Lacerda's resignation.

### Directors Retiring by Rotation

The Directors to retire by rotation at the AGM in conformity with the Articles of Association of the Company and section 259(1) of CAMA and who, being eligible, have offered themselves for re-election at the meeting are: Mr. Gawad Abaza and Mr. Charles Nelson.

### Interests of Directors

The interests of Directors in the issued share capital of the Company as recorded in the Register of Members and/or notified by them for the purpose of Section 275 of the Companies and Allied Matters Act, CapC. 20 Laws of the Federation of Nigeria, 2004 and in compliance with the listing requirements of The Nigerian Stock Exchange are as follows:

Names	Indirect holdings as at 31/12/2016	As at: 31/12/2016	Indirect Holdings As at 31/12/2015	As at: 31/12/2015
Atedo Peterside CON*	9,000,000	Nil	9,000,000	Nil
Roy Naaman	Nil	Nil	Nil	Nil
Oyeyimika Adeboye	Nil	54,000	Nil	54,000
Ibukun Awosika	Nil	Nil	Nil	Nil
Adedotun Sulaiman, MFR	Nil	594,000	Nil	594,000
Charles Nelson	Nil	Nil	Nil	Nil
Romeo Lacerda	Nil	Nil	Nil	Nil
Gawad Abaza	Nil	Nil	Nil	Nil

\*Mr Atedo NA Peterside CON owns shares indirectly through The First ANAP Domestic Trust.

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### Directors' Interest in Contracts

Mr. Atedo Peterside was previously the Non-Executive Chairman of Stanbic IBTC Bank Plc, one of the Company's bankers. In accordance with the requirements of section 277 of the Companies and Allied Matters Act, CapC. 20 Laws of the Federation of Nigeria, 2004, Mr. Peterside declared his interest in Stanbic IBTC Bank to the Board of Directors sequel to his appointment as the Chairman of Stanbic IBTC Holdings Plc. He also sits on the Boards of Standard Bank Group Limited, the parent company of Standard Bank of South Africa.

Other than the above, no other Director has declared any interest in contracts with which the Company was involved as at 31 December 2016 (2015:Nil).

### Distributors

The Company's products are distributed nationally through an extensive network of 70 distributors, key accounts and institutional customers and the products reach their ultimate consumers through a chain of wholesalers and retailers across the nation. The names of the distributors by sales regions are listed as an appendix to the Annual Report.

### Employment and Employees

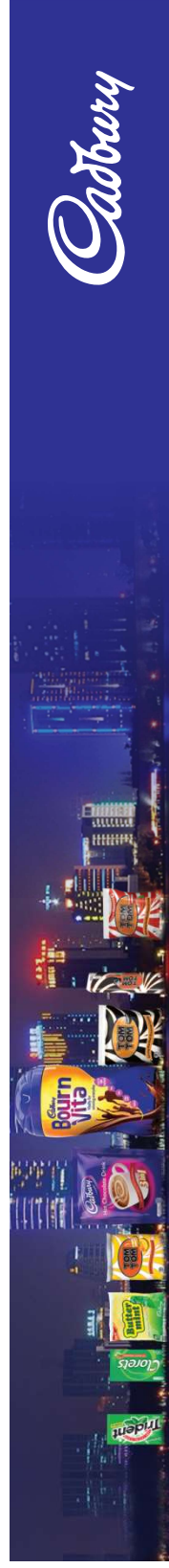
#### a. Our People

In Cadbury Nigeria Plc, our people are our number one asset. The collective commitment of our work force has been instrumental to the sustained improvement of our corporate performance. These dedicated, diversified and cross-functional talents in Cadbury Nigeria Plc are equally spread through our Executive Leadership team, Management level and Non-Management cadre.

To enable this talent pool deliver on current challenges and position our business for the future, we constantly endeavour to align our policies, processes and practices to the very best international standards in employment practices. To this end, we continue to receive support from the Mondelez International Group to ensure that our employees are empowered to achieve their best both for the Company and for themselves. In the year under review, several middle level managers were elevated into senior management positions. We were also able to infuse additional talents into our business by recruiting tested managers (locally and internationally) who have added extra impetus to our performance-driven, values-led culture.

#### b. Learning and Development

We realize that our Company's ability to sustain a competitive advantage in the long term is largely dependent on the continuous development, training and empowerment of a team of knowledgeable, experienced and motivated employees. Thus, we sustain a consistent policy of training our people, both locally and abroad, to



enhance their skills and competence as a key plank of our operational strategy.

We firmly believe that each individual employee must therefore also take the responsibility to drive his or her own learning and development. To ensure this beneficial shared ownership of learning, we insist that every staff must possess the drive, initiative and motivation to take advantage of the available learning and development opportunities.

#### c. **Employee Involvement**

The Company's success in achieving its commercial objectives depends on the contributions of employees throughout the business. Through our colleague engagement platforms, we deliberately solicit employee involvement and all our staff actively participate in the Company's affairs on a regular basis irrespective of wherever they work.

Several formal channels and consultative committees exist for participation in the Company's affairs. As part of the Company's commitment to transparent communication with its employees, Town Hall meetings are held quarterly, breakfast meetings with the Managing Director and quarterly meetings with a leader, are platforms provided for our employees to communicate in a face-to-face manner with the Company's Executive Management team and directly obtain clarifications and/or rationales behind the Company's performance, activities and future plans.

#### d. **Equal Opportunity**

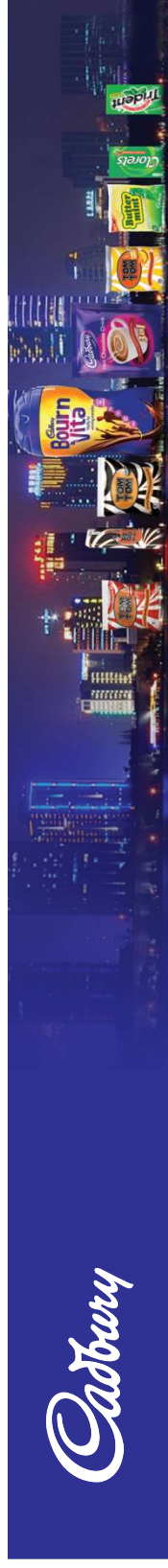
The Company is committed to providing equal opportunities to individuals within its business in all areas of employment. In support of this, policies, procedures and practices focus on capability and do not discriminate on any basis beyond merit and performance.

#### e. **Employment of Physically Challenged Persons**

It is the Company's policy to promote diversity and offer everyone equal opportunities for employment. We welcome applications for employment by physically challenged persons, bearing in mind the respective aptitude and abilities of the applicants concerned. In the event that a member of staff becomes physically challenged whilst in the employment of the Company, every effort is made to ensure that their employment with the Company continues and that appropriate training and support is given to them. It is the Company's policy that, as far as possible, all employees are treated alike in the areas of training, career development and promotion.

The Company has 1 physically challenged person in its employment as at 31 December 2016 (2015: 1).

*Cadbury*



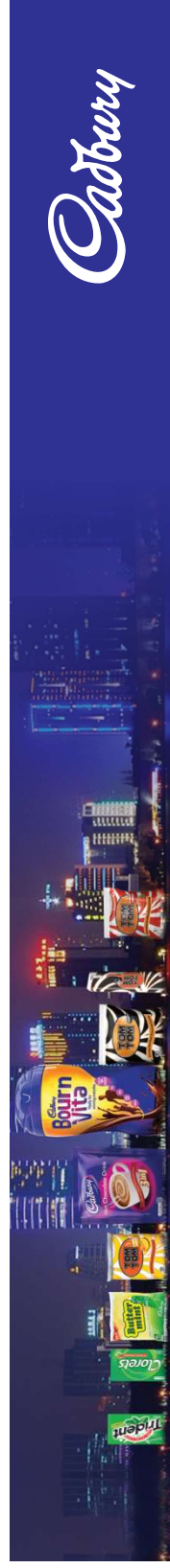
#### f. Employee Engagement

The company is committed to ensuring that our employees stay happy, positive and engaged. We celebrated our families on Children's day and used that platform to invite children of our employees to site for some fun activities and domestic safety training. The National Independence day was also celebrated with our employees coming to the office in their traditional attires and performed activities showcasing our rich cultural heritage, this brought glamour and fun to the workplace. We also engaged with ex-employees under the umbrella of the Cadbury Alumni Network. This is a way to demonstrate to our employees that they remain relevant to us even if they have exited from the core business.

#### g. Cadbury Nigeria Plc in the Community

As part of its corporate social responsibility, the Company made contributions amounting to N5.8 million (2015: N6.6 million) to the following institutions and organisations during the year: These figures exclude the value of employee time committed to volunteering in community programmes as well as

RECIPIENTS	Amount (N)
Run for a Cure Africa (Breast Cancer Awareness)	5,000,000
Nigeria Society for the Blind	219,930
Care Organisation Public Enlightenment	40,094
Christian Brothers Society	28,687
Rotary International District 9110	407,331
Ideal Royale Home Initiative	62,184
African Hope Organisation	41,352
<b>TOTAL</b>	<b>5,799,578</b>



related marketing activities or brand communications. In several cases, donations were given in the form of product donations where these were perceived to be necessary and the cash value of such contributions have been embedded in the above summary at the ex-factory price of the products.

In compliance with section 38(2) of the Companies and Allied Matters Act, CapC. 20 Laws of the Federation of Nigeria, 2004, the Company did not make any donation or gift to any political party, political association or for any political purpose in 2016.

#### **Know-How and Trademark License Agreements**

The Company has Know-How/Management Services and Trademark License Agreements with Mondelez Eastern Europe, Middle East and Africa FZE and Cadbury UK Limited respectively. Under the agreements, Cadbury Nigeria Plc receives technical, scientific and commercial support for its products and its operations.

#### **Property Plant and Equipment**

Information relating to changes in property, plant and equipment is given in Note 13 to the financial statements.

#### **Sustainability Report:**

The Company pays keen attention to the interest of its stakeholders, such as its employees, host community, consumers and the general public. The Company is sensitive and conscious of the Nigerian social and cultural diversity, thus promoting national interests and values, without compromising global aspirations.

The Company imbibes a strong work life balance and gender diversity.

The Company has a culture of integrity and zero tolerance to corruption and unethical practices. The company also encourages its employees, vendors and business partners to always ensure the highest standards of integrity and compliance with all relevant laws and regulations.

To further buttress the above, the Company has in place a confidential Whistle blowing system, which enables staff, suppliers and distributors to raise concerns in relation to its operations, report unethical conduct in breach of its Code of Conduct, illegal acts or omission by employees. Such concerns can be communicated to the company through [www.mdlzethics.com](http://www.mdlzethics.com) or a dedicated [Speak Up line](#).

The Company is committed to environmentally sustainable business practices. The company continuously improves on its environmental performance and uses natural resources efficiently, favouring the usage of sustainably managed renewable resources, thus targeting zero waste.






## Corporate Governance

The Company recognises the importance of adhering to best corporate governance principles and practices and the valuable contribution made by such adherence to its long term business profitability and accountability to its shareholders.

A strong focus on corporate governance is at the forefront of the Company's operations and in line with the Code of Best Practices on Corporate Governance in Nigeria. Examples of the Company's compliance with these corporate governance requirements during the year under review are as follows:

### i. Board of Directors – Composition and Independence

The Board has a total of seven Directors, five of whom are Non-Executive Directors. The Company recognizes the importance of the role of the Non-Executive Directors, all of whom increase the diversity of experience as well as bring objectivity and independence of thought to Board deliberations and decision making.

The position of the Chairman is held by Mr. Atedo Peterside CON, a Non-Executive Director appointed with effect from 21 April 2010. This is separate and distinct from the position of Managing Director which was held by Mr. Roy Naaman. Mrs. Ibukun Awosika and Mr Adedotun Sulaiman MFR are independent Non-Executive Directors.

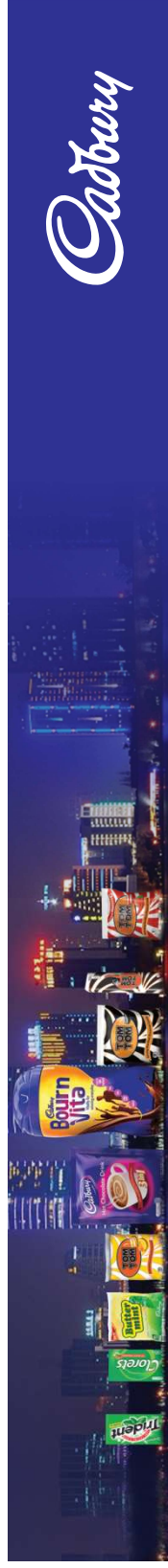
### ii. Board – Training and Access to Advisers

The Company has a structured and robust induction programme for new Directors in which the Company's business structure and operations are covered in depth and requisite information provided to assist new Directors in becoming knowledgeable about the company and discharging their duties effectively.

All the Directors have access to the advice and services of the Company Secretary and if required, to the advice and services of other professionals where such advice will improve the quality of their contribution to Board decision making.

### iii. Committees of the Board

In conformity with the Code of Best Practice in Corporate Governance, the Company has in place the following Committees:



The Cadbury logo, featuring the brand name in its signature script font.

**(a) Governance & Risk Committee**

The Governance & Risk Committee is guided by its Terms of Reference and has the responsibility of establishing and reviewing recommendations, qualifications and mitigating any potential risks, conflict of interest and otherwise, regarding the appointment of any proposed Executive or Non-Executive Director. Thus ensuring that a review of Board candidates is undertaken in a disciplined and objective manner. The Committee is also tasked with reviewing existing governance procedures and practices in light of current domestic and global developments in Corporate Governance and oversee the enforcement of the company code of conduct and ethics and the Non financial elements of risk. The members of the Governance & Risk Committee during the year were Mr. Romeo Larceda (Chair) resigned on 18th October 2016 and replaced by, Mr Gawad Abaza who joined 20th October 2016 Mr. Atedo Peterside, CON and Mr. Adedotun Sulaiman, MFR.

**(b) Remuneration and Compensation Committee (REMCO)**

The Remuneration & Compensation Committee is responsible for making recommendations to the Board on the remuneration of the Directors and senior executives of the Company, reviewing the ongoing appropriateness and relevance of the remuneration policy and ensuring that all provisions regarding disclosure for remuneration which apply to the company are complied with. The members of the Remuneration & Compensation Committee are Mrs. Ibukun Awosika (Chair), Mr. Romeo Larceda (resigned 18th October 2016), Mr Gawad Abaza (joined 20th October 2016) and Mr. Adedotun Sulaiman.

**(c) Executive Management Committee**

The Executive Management Committee comprises the functional directors who head the core business units of the Company. It meets on a bi-weekly basis and is responsible for setting overall corporate targets, reviewing the Company's performance and operational issues and overseeing the affairs of the Company on a day-to-day basis. As at 31 December 2016, the Executive Management Committee was comprised of the following members: Mr. Roy Naaman (Managing Director), Mrs. Oyeimika Adeboye (Finance & Strategy Director), Mr. Tope-Phillips Aikhuemelo (Human Resources Director), Mr. Atif Meraj (Director, Category Planning & Operation Mr. Peter Letsuwa (National Sales Manager who resigned 15th July 2016), Mr. Nasir Malik (Site Transformation Director), Mr. Amir Shamsi (Marketing Director who was redeployed to MDLZ U.S.A 30th April 2016), Mr. Munir Taufiq (Senior Category Manager Powdered Beverages), Mr. Bala Yesufu (Director, Corporate and Government Affairs) and Mrs. Fola Akande (Company Secretary/Chief Counsel)

**(d) Risk Assessment Committee**

The Risk Assessment Committee comprises the functional directors and designated Senior Managers of the



Company. It meets on a half-yearly basis and its report is forwarded to the Board of Directors for further guidance. It is responsible for the oversight, review and management of the entire business risk of the Company and for proposing steps to mitigate the effects of such business risks. As at 31 December 2016, the Risk Assessment Committee was comprised of the following members: Mr. Roy Naaman (Managing Director), Mrs. Oyeyimika Adeboye (Finance & Strategy Director), Mr. Tope-Phillips Aikhuemelo (Human Resource Director), Mr. Nasir Malik (Site Transformation Director), Mrs. Fola Akande (Company Secretary/Chief Counsel), Mr. Akin Fajembimo (National Sales Manager), Mr. Taufiq Munir (Sr. Category Manager Powdered Beverages), Mr. Atif Meraj (Director Category Planning & Operations), and Mr. Femi Gbadewole (Manager Internal Audit) and selected cross-functional Heads of units.

### **Code of Conduct**

Being part of the Mondelez International Family of Companies, all employees subscribe to the Mondelez International Code of Conduct which describes the values that should guide all employees as they do business. The Company maintains a steady awareness of these values by continuous training and publicity of the contents of the Code to its employees throughout the course of the year. Strict adherence to the Code is mandatory in the Company's day to day operations.

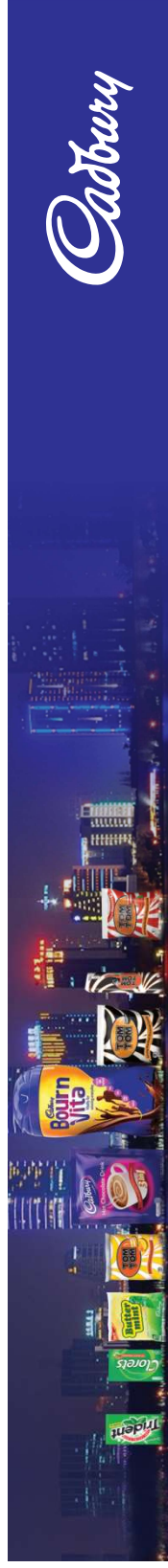
### **Share Trading Policy**

Cadbury Nigeria Plc maintains and is compliant with a share trading policy that guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. Relevant persons are prohibited from dealing in the Company's shares both when they are in possession of material non-public information about the Company's activities as well as during prescribed "blackout" periods. Notification of individual share trading activity is required to be made to the appropriate regulatory bodies as well as the Company Secretary.

### **Complaint Management Policy**

Cadbury Nigeria Plc. maintains and is compliant with The Securities and Exchange Rule relating to the implementation of a Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") issued on 16th February, 2015 and the Nigerian Stock Exchange Directive (NSE/LARD/LRD/CIR6/15/04/22) to all listed companies ("the NSE Directive") issued on 22nd April, 2015. This policy sets out the framework by which Cadbury Nigeria Plc, its Registrars and key stakeholders provide assistance regarding shareholder issues and concerns. It also provides the opportunity for Cadbury's shareholders to provide feedback to the company on matters that affect shareholders.

The overall objective of the policy is designed to ensure that complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient and timely manner.



### **Audit Committee**

In accordance with section 359(5) of CAMA, members of the Audit Committee of the Company were elected at the last Annual General Meeting held on 19th July 2016. It comprises an equal number of Non-executive directors and ordinary shareholders elected at the Annual General Meeting. It evaluates annually, the independence and performance of external auditors, receives the planning, interim and final audit presentation from the external auditors and also reviews with management and the external auditors, the annual audited financial statements before its submission to the Board. Members that served on the Audit Committee comprise three representatives of the shareholders namely: Pastor Oyelakin Lanre Awobode, Mrs. Elizabeth Gbgbaje and Mrs. Mary Joke Shofolahan and three members of the Board of Directors: Mr. Adedotun Sulaiman MFR, Mrs. Oyeyimika Adeboye and Mr. Charles Nelson. Mrs Ibukun Awosika, joined the Audit Committee on 19th October 2016 to replace Mrs Oyeyimika Adeboye, who resigned on the said date.

### **Independent Auditors**

The firm of Messrs KPMG Professional Services served as the Independent Auditors during the year under review.

KPMG Professional Services has served as the Company's Independent Auditors for ten years. The Code of Corporate Governance released by the Securities and Exchange Commission (SEC) requires that Independent Auditors be rotated after ten years; thus, KPMG Professional Services will not continue in office as the Company's Independent Auditors after the conclusion of the forthcoming Annual General Meeting.

In accordance with Section 357(1) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004, the Board will propose at the forthcoming Annual General Meeting, the appointment of the firm of PriceWaterhouseCoopers as the Independent Auditors to the Company effective after the conclusion of the meeting.

### **By order of the Board.**

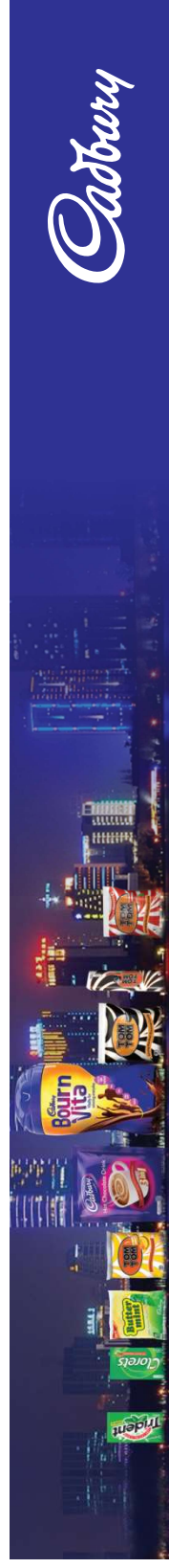


**Fola Akande**  
**Company Secretary**  
**14 March 2017**  
**FRC/2013/NBA/00000001060**





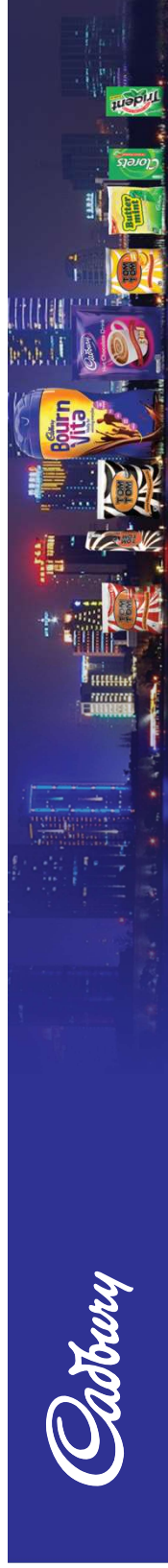

# 2016 IN PICTURES



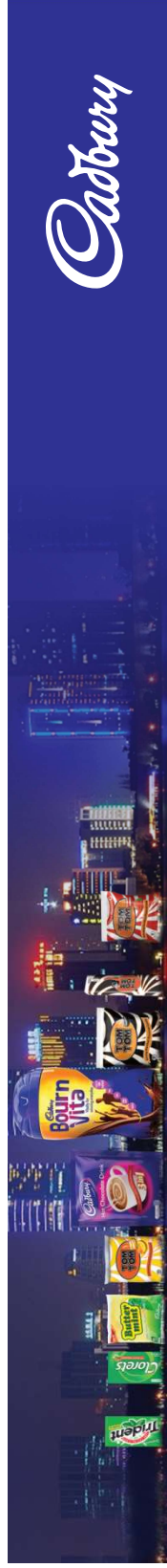
*Cadbury*

# 2016 IN PICTURES

## Re-launch of Bournvita



Cadbury





## 2016 IN PICTURES

Bournvita sponsorship of LLTC “WALK FOR LIFE”

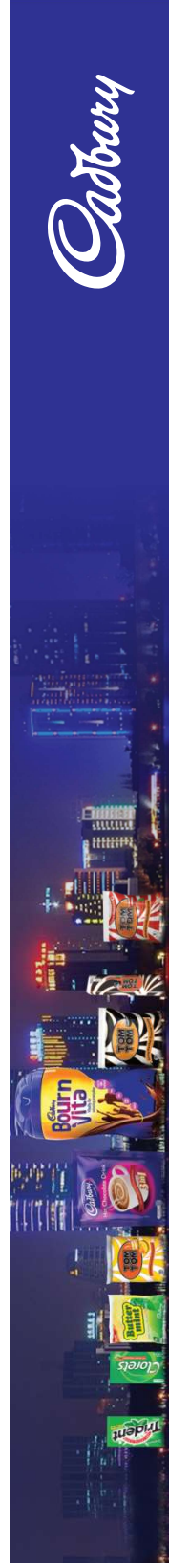


*Cadbury*





## Health, Safety & Quality (HSQ) Month



## 2016 IN PICTURES

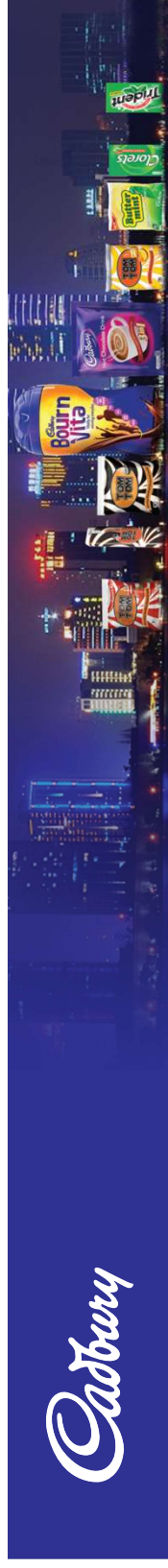
NSE Management visit to Cadbury



Voluntary Blood Donation



Supplier Forum



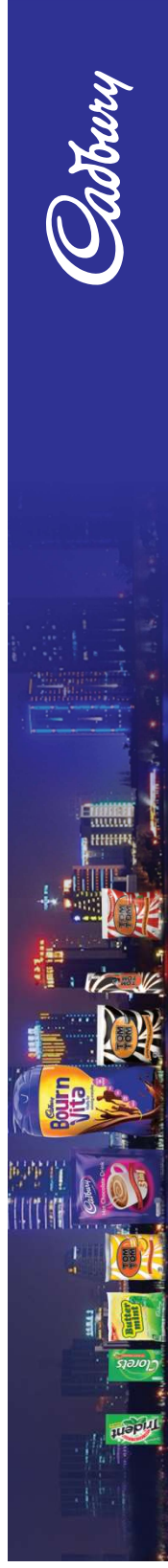
*Cadbury*



## Cadbury Alumni on a condolence visit



## Bournvita Sponsorship of Run for Cure



*Cadbury*

# 2016 IN PICTURES

Launch of AMEA

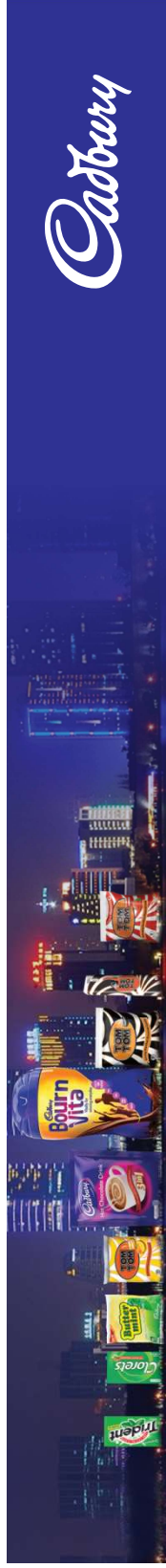


Cadbury





## Wazobia Day



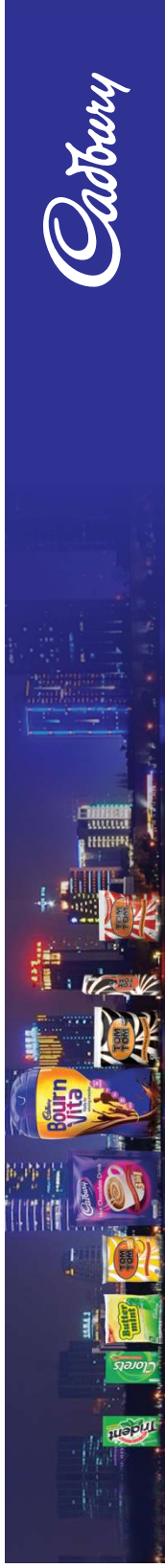
## 2016 IN PICTURES

### Volunteering activity at Society for the Blind





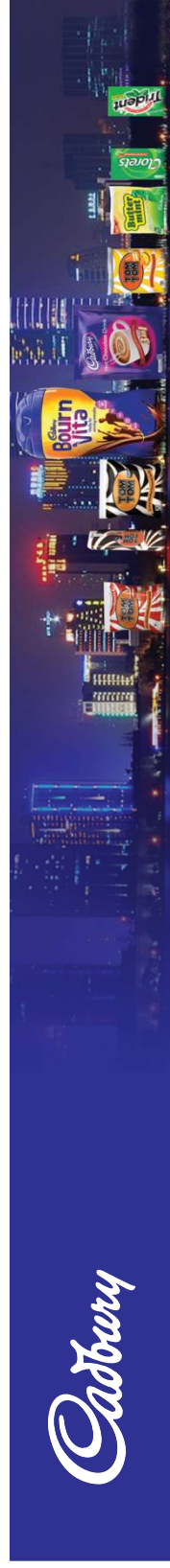
## Launch of Project WiSE



*Cadbury*

## 2016 IN PICTURES

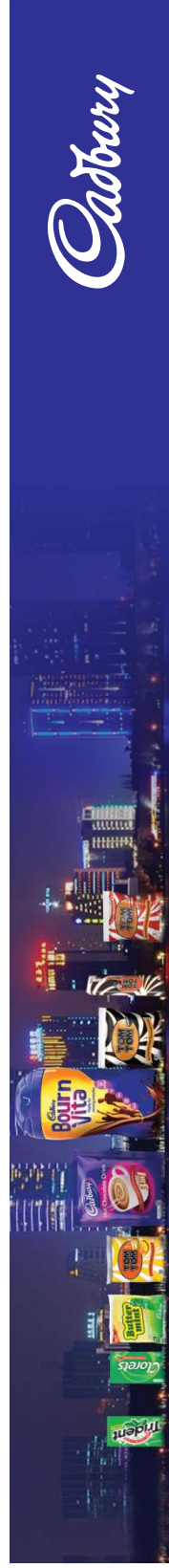
### In-market launch of Gum Brands - Trident and Clorets



*Cadbury*

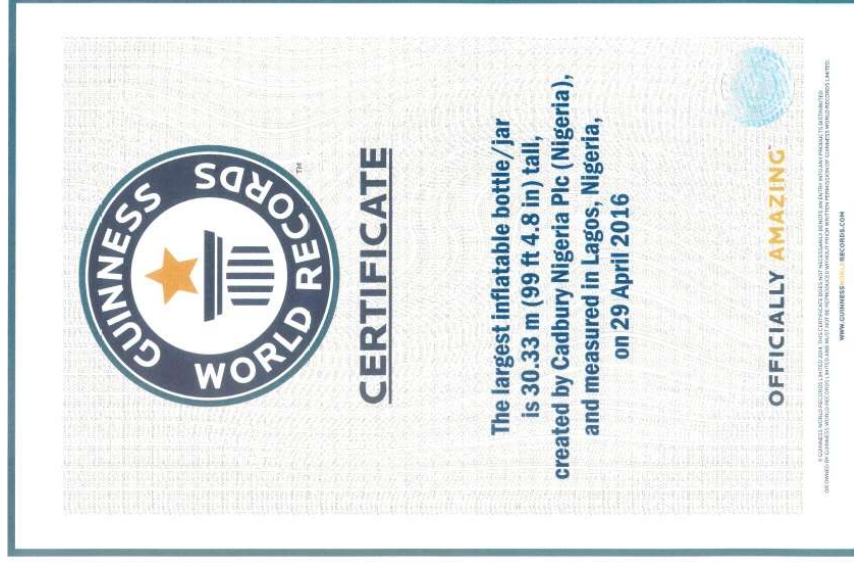


## 2015 AGM



## 2016 IN PICTURES

### Guinness World Record Certificate/Largest Inflatable Jar

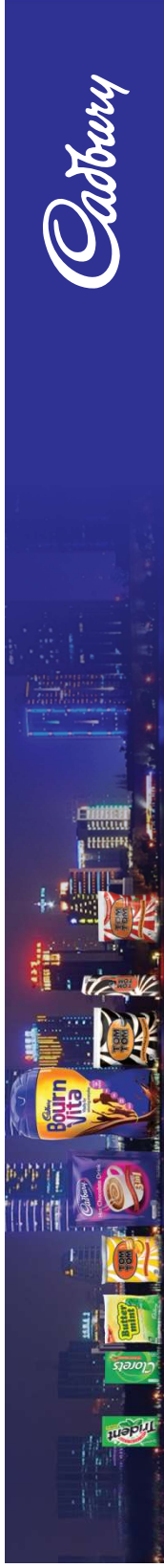


Cadbury





## Guinness World Record Certificate Presentation



## Executive Management team



**Amir Shamsi**  
Managing Director



**Oyeyimika Adeboye**  
Finance Director



**Mohammad Atif Meraj**  
Category Planning & Activation Director



**Fola Akande**  
Company Secretary  
/ Chief Counsel



**Bala Yesufu**  
Director, Corporate &  
Government Affairs



**Tope-Phillips  
Aikhuemelo**  
Human Resource Director



**Nasir Malik**  
Manufacturing Director



**Munir Taufiq**  
Senior Category Manager,  
Powdered Beverages

*Cadbury*





## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Director accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Company and Allied Matters Act of Nigeria 2004 and the Financial Reporting Council of Nigeria Act, 2011.

The Directors further accept responsibility for maintaining adequate accounting record as required by the Companies and Allied Matter 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:

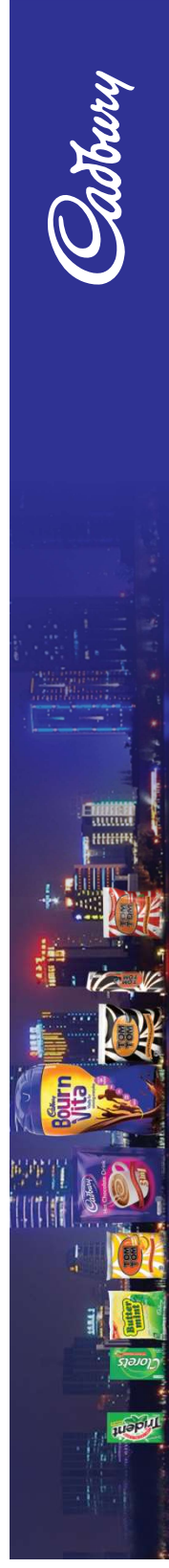


**Amir Shamsi (Managing Director)**  
FRC/\*  
**14 March 2017**



**Oyeyimika Adeboye (Finance Director)**  
FRC/2013/ICAN/00000001089388  
**14 March 2017**

\* A formal waiver has been obtained from The Financial Reporting Council of Nigeria(FRCN) for Managing Director /Chief Executive Officer(CEO), Amir Shamsi to certify the 2016 Audited Financial Statements pending the issuance of his FRCN number.



## REPORT OF THE AUDIT COMMITTEE



Adedotun Sulaiman, MFR



Ibukun Awosika



Oyeyimika Adeboye



Charles Nelson



Mary J. Shofolahan



Oyelakin L. Awobode



Elizabeth Gbغبbaje

In compliance with section 359 (6) of the Companies and Allied Matters Act, CapC. 20 Laws of the Federation of Nigeria, 2004 of Nigeria, we have;

- i) Reviewed and ascertained that the accounting and reporting policies adopted by the Company are in accordance with applicable legal requirements and agreed ethical practices.
- ii) Reviewed the scope and planning of audit requirements and found them satisfactory.
- iii) Appraised the Financial Statements for the year ended 31 December 2016 and are satisfied with the explanations provided.
- iv) Reviewed the Company's systems of accounting and internal control and found them effective.
- v) Reviewed the External Auditor's Management Report for the year ended 31 December 2016 and are satisfied that management is taking appropriate steps to address issues and comments noted in the report.

The Independent Auditors confirmed management's full cooperation in the course of the performance of their duties and that they were not limited in any way by the Company and its management.

**Pastor Oyelakin Lanre Awobode**  
Chairman, Audit Committee

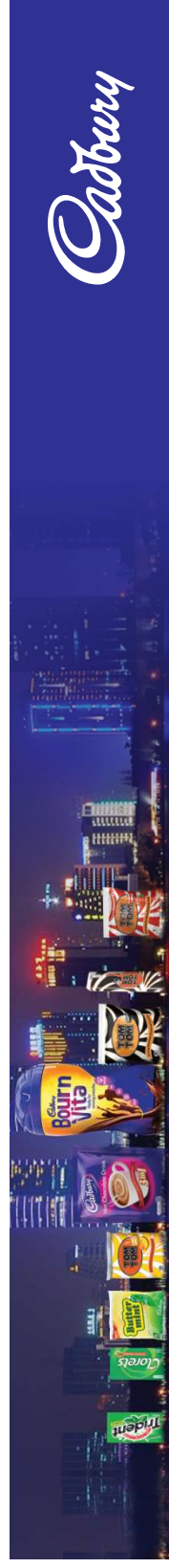
### Members of the Audit Committee are:

- 1) Pastor Oyelakin Lanre Awobode (Chairman) Shareholders' Representative
- 2) Mrs. Mary Joke Shofolahan Shareholders' Representative
- 3) Mrs. Elizabeth Gbegbaje Shareholders' Representative
- 4) Mr. Adedotun Sulaiman, MFR Directors' Representative
- 5) Mrs. Oyeyimika Adeboye Directors' Representative (resigned 19th October 2016)
- 6) Mr. Charles Nelson Directors' Representative
- 7) Mrs Ibukun Awosika Directors' Representative (appointed 19th October 2016)

Attendance at the Committee's meetings for the year held respectively on 26th January 2016, 15th March 2016, 18th July 2016 and 19th October 2016 was as follows:

Names of Members	Audit Committee Meetings
Pastor Oyelakin Lanre Awobode (Chairman)	4/4
Mary Joke Shofolahan	4/4
Elizabeth Gbegbaje	4/4
Oyeyimika Adeboye*	3/4
Adedotun Sulaiman, MFR	4/4
Charles Nelson	3/4
Ibukun Awosika**	1/4

Oyeyimika Adeboye resigned from the Audit Committee effective 19th October 2016. Ibukun Awosika replaced Oyeyimika Adeboye as the Board representative of the Audit Committee on 19th October 2016.





KPMG Professional Services  
KPMG Tower  
Bishop Abovade Cole Street  
Victoria Island  
PMB 40014, Falmoro  
Lagos

Telephone 234 (1) 271 8855  
234 (1) 271 8699  
Internet www.kpmg.com/ng

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cadbury Nigeria Plc

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Cadbury Nigeria Plc (the Company), which comprise the statement of financial position as at 31 December, 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 67 to 125

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue Recognition

Refer to Significant accounting policies (Note 3(m)) and Revenue (Note 5) on pages 84 and 90 respectively of the financial statements.

#### The key audit matter

Revenue is the most significant income statement account and impacts majority of the key performance indicators on which the Company and its directors are assessed. Its significance makes revenue a matter of focus in our audit.

#### How the matter was addressed in our audit

Our audit procedures in this area included among others:  
- We evaluated the design and implementation and the operating effectiveness of key automated and manual internal controls over the quantity and unit prices of goods sold and the approval of invoices. We involved our own specialists to assist with evaluating the key automated access controls over the approval of invoices on the Company's SAP Enterprise Resource Planning (ERP) system.

KPMG Professional Services, a Partnership established under Nigerian law, is a member of KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.  
Registered in Nigeria No BN 980926

#### Partners:

Abisola F. Bada  
Adewale K. Ajayi  
Ayobami L. Sanni  
Joseph O. Tugbo  
Oluwalanle I. Salami  
Oluwalanle O. Awolowo  
Associate Partners  
Nwaka C. Ewur  
Termitope A. Onyin

Adejoke O. Lumbana  
Abisola O. Olorunwa  
Chibator N. Anyanwa  
Kadir O. Oluwalade  
Olanike I. Jaiye  
Oluwalanle A. Odogu  
Associate  
Adekunle A. Eledun  
Ayobola A. Soyinka  
Goodluck C. Odi  
Mohammed M. Adama  
Oluwalanle O. Olorunwa  
Ogunluyo I. Ogunluyo  
Adedola P. Adeyemi  
Ayobola H. Olorunwa  
Bismillah M. Adedun  
Chibator N. Oluwalade  
Chibator A. Sowande  
Victor U. Oyeleke



	<ul style="list-style-type: none"> <li>- We determined the expected quantity sold during the year using the opening stock balance, units produced during the year and closing stock. The expected quantity sold was multiplied by approved unit prices to determine the expected revenue. The expectation was compared with the amount recorded in the Company's general ledger.</li> <li>- We compared, on a sample basis, the quantity of sales and unit prices on the system to the approved invoices acknowledged by customers. We also recomputed accruals for rebates and sales discount using approved percentages and compared with amount recorded in the Company's general ledger.</li> <li>- We assessed the accuracy of a sample of manual journal entries relating to revenue by checking them to supporting documentation, such as approved credit notes to customers with respect to sales returns or rebates.</li> <li>- We performed cut-off procedures by checking that revenue transactions occurring prior to, and immediately after the year end date were recognised in the correct period.</li> </ul>
--	--

#### **Information Other than the Financial Statements and Audit Report thereon**

The Directors are responsible for the information other than the financial statements and audit report thereon (other information). The other information comprises the Financial highlights, Mission Statement, Corporate Information, Board of Directors and Company Secretary's Profile, Directors' report, Statement of Directors' responsibilities, Report of the Audit Committee, Other national disclosures and Cadbury's Distributors included in the annual report (but does not include the financial statements and our audit report thereon), which we obtained prior to the date of this auditor's report, and the Notice of Annual General Meeting, Mondelez International at a Glance and Chairman's Statement (together "Outstanding reports"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 Nigeria and the Financial Reporting Council of Nigeria Act, 2011, 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.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

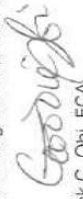
From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

*Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004*

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:



Goodluck C. Obi, FCA  
FRC/2012/CAN/00000000442  
For: KPMG Professional Services  
Chartered Accountants

15 March 2017  
Lagos, Nigeria







# 3 in 1 Hot Chocolate Drink



*Treat yourself everyday*



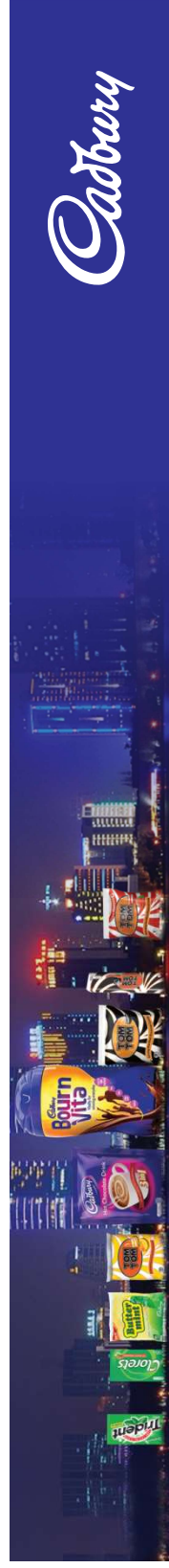
**NEW  
SUGAR FREE  
GUM**



**LONG LASTING  
REFRESHMENT**

*Cadbury*

# 2016 FINANCIALS



*Cadbury*

## Statement Of financial position

As at 31 December

<i>In thousands of naira</i>	Note	2016	2015
<b>Assets</b>			
Property, plant and equipment	13	14,187,438	15,365,655
Intangible assets	14	397,439	283,218
Prepayments	18	-	23,148
<b>Total non-current assets</b>		<b>14,584,877</b>	<b>15,672,021</b>
Inventories	16	5,020,938	1,936,455
Trade and other receivables	17	4,952,653	5,166,194
Prepayments	18	823,169	234,118
Cash and cash equivalents	19	3,011,314	5,408,217
<b>Total current assets</b>		<b>13,808,074</b>	<b>12,744,984</b>
<b>Total assets</b>		<b>28,392,951</b>	<b>28,417,005</b>
<b>Equity</b>			
Share capital	20(a)	939,101	939,101
Share premium	20(d)	272,344	272,344
Other reserves	20(b)	3,436,348	3,436,348
Share based payment reserve	20(c)	42,634	30,266
Retained earnings		6,366,307	7,607,238
<b>Total Equity</b>		<b>11,056,734</b>	<b>12,285,297</b>
<b>Liabilities</b>			
Deferred taxation	15	187,708	348,294
Employee benefits	21	4,328,231	4,131,780
<b>Total non-current liabilities</b>		<b>4,515,939</b>	<b>4,480,074</b>






## Statement Of financial position (cont'd)

As at 31 December

<i>In thousands of naira</i>	Note	2016	2015
Bank overdraft	19	151,365	-
Current tax liabilities	11(b)	102,192	547,266
Trade and other payables	23	12,566,721	11,104,368
<b>Current liabilities</b>		<b>12,820,278</b>	<b>11,651,634</b>
<b>Total liabilities</b>		<b>17,336,217</b>	<b>16,131,708</b>
<b>Total equity and liabilities</b>		<b>28,392,951</b>	<b>28,417,005</b>

These financial statements were approved by the Board of Directors on 14th March, 2017 and signed on its behalf by:

*Atedo Peterside*

Atedo Peterside, CON (Chairman)  
FRC/2013/CIBN/00000001069

*Amir Shamsi*

Amir Shamsi (Managing Director)  
FRC/

*Oyeyimika Adeboye*

Oyeyimika Adeboye (Finance and Strategy Director)  
FRC/2013/ICAN/00000001089

The accompanying notes on pages 75 to 125 form an integral part of these financial statements.

\*A formal waiver has been obtained from the Financial Reporting Council of Nigeria (FRCN) for the Managing Director/Chief Executive Officer (CEO), Amir Shamsi, to certify the 2016 Audited Financial Statements pending the issuance of his FRCN number.



## Statement of Profit or loss and Other comprehensive income

For the year ended 31 December

In thousands of naira

	Note	2016	2015
<b>REVENUE</b>			
Cost of sales	5	29,979,410	27,825,194
	9	(23,119,007)	(18,894,967)
<b>GROSS PROFIT</b>		<b>6,860,403</b>	<b>8,930,227</b>
Other income	6	61,301	21,263
Selling and distribution expenses	9	(5,595,702)	(5,621,160)
Administrative expenses	9	(2,058,854)	(1,909,714)
<b>RESULTS FROM OPERATING ACTIVITIES</b>		<b>(732,852)</b>	<b>1,420,616</b>
Finance income	7	187,780	156,796
Finance cost	7	(17,798)	-
<b>NET FINANCE INCOME</b>		<b>169,982</b>	<b>156,796</b>
<b>(LOSS)/PROFIT BEFORE TAX</b>	8	<b>(562,870)</b>	<b>1,577,412</b>
Income tax credit/(expense)	11	266,468	(424,117)
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<b>(296,402)</b>	<b>1,153,295</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will never be reclassified to profit or loss:			
Remeasurement (losses)/gains on defined benefit obligations	21(c)	276,302	(384,392)
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		<b>(20,100)</b>	<b>768,903</b>
<b>EARNINGS PER SHARE</b>			
Basic earnings per share (kobo)	12(a)	(16)	16

The accompanying notes on pages 75 to 125 form an integral part of these financial statements.

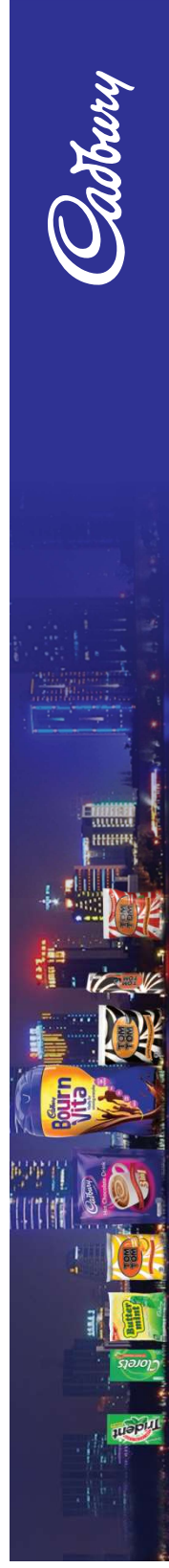


## Statement Of Changes In Equity

For the year ended 31 December 2016

<i>In thousands of naira</i>	Share capital	Share premium	Other reserves	Retained earnings	Share based payment	Total equity
<b>Balance at 1 January 2016</b>	<b>939,101</b>	<b>272,344</b>	<b>3,436,348</b>	<b>7,607,238</b>	<b>30,266</b>	<b>12,285,297</b>
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	(296,402)	-	(296,402)
Remeasurement gain on defined benefit obligations	-	-	-	276,302	-	276,302
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,100)</b>	<b>-</b>	<b>(20,100)</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividend declared (Note 12(b))	-	-	-	(1,220,831)	-	(1,220,831)
Equity settled share based payment transaction	-	-	-	-	12,368	12,368
<b>Total transactions with owners, recorded directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,220,831)</b>	<b>12,368</b>	<b>(1,208,463)</b>
<b>Balance at 31 December 2016</b>	<b>939,101</b>	<b>272,344</b>	<b>3,436,348</b>	<b>6,366,307</b>	<b>42,634</b>	<b>11,056,734</b>

The accompanying notes on pages 75 to 125 form an integral part of these financial statements.



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## Statement Of Changes In Equity

For the year ended 31 December 2015

In thousands of naira	Share capital	Share premium	Other reserves	Retained earnings	Share based payment	Total equity
<b>Restated balance at 1 January 2015</b>	<b>939,101</b>	<b>272,344</b>	<b>3,436,348</b>	<b>8,059,166</b>	<b>42,492</b>	<b>12,749,451</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	1,153,295	-	1,153,295
Remeasurement gains on defined benefit obligations	-	-	-	(384,392)	-	(384,392)
<b>Total comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>768,903</b>	<b>-</b>	<b>768,903</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividend declared	-	-	-	(1,220,831)	-	(1,220,831)
Equity settled share based payment transaction	-	-	-	-	(12,226)	(12,226)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,220,831)</b>	<b>(12,226)</b>	<b>(1,233,057)</b>
<b>Balance at 31 December 2015</b>	<b>939,101</b>	<b>272,344</b>	<b>3,436,348</b>	<b>7,607,238</b>	<b>30,266</b>	<b>12,285,297</b>

The accompanying notes on pages 75 to 125 form an integral part of these financial statements.

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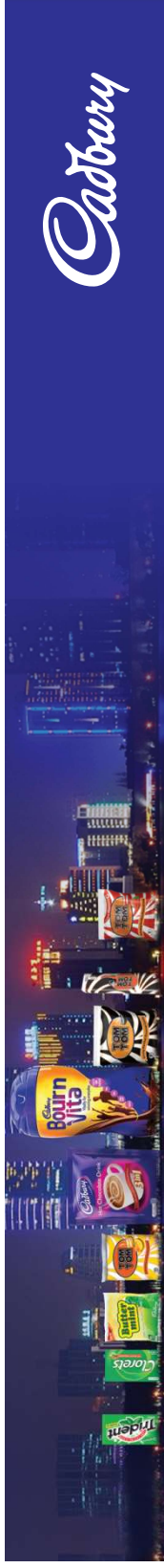


## Statement of Cash Flows

For the year ended 31 December 2016

*In thousands of naira*

	Note	2016	2015
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(296,402)	1,153,295
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	13	1,415,488	1,721,452
Equity settled share-based payment transaction	22	12,368	(12,226)
Amortisation of intangible assets	14	72,502	62,828
Net finance income	7	(169,982)	(156,796)
Loss/(gain) on sale of property, plant and equipment	8	(15,133)	(14,007)
Income tax	11	(266,468)	424,117
Gratuity and Long service awards charge (Note 21 (b))	10 (i)	932,906	957,911
		<b>1,685,279</b>	<b>4,136,574</b>
Change in:			
Inventories		(3,084,483)	456,471
Trade and other receivables		203,520	845,246
Prepayments		(565,903)	(92,316)
Trade and other payables	23(d)	1,699,821	451,730
<b>Cash generated from operating activities</b>		<b>(61,766)</b>	<b>5,797,705</b>
Employee benefit paid	21	(330,128)	(611,126)
VAT paid		(997,774)	(1,040,084)
Income tax paid	11(b)	(459,196)	(365,212)
<b>Net cash (used in)from operating activities</b>		<b>(1,848,864)</b>	<b>3,781,283</b>
<b>Cash flow from investing activities</b>			
Interest received	7	187,780	156,796
Proceeds from sale of property, plant and equipment		61,160	22,084
Acquisition of property, plant and equipment	13	(283,298)	(962,270)
Acquisition of intangible assets	14	(186,723)	(3,970)
<b>Net cash from investing activities</b>		<b>(221,081)</b>	<b>(787,360)</b>



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## Statement of cash flows (cont'd)

### Cash flow from financing activities

Dividends paid	23 (a)	(460,525)	(1,270,811)
Interest expense paid	7	(17,798)	-
<b>Net cash used in financing activities</b>		<b>(478,323)</b>	<b>(1,270,811)</b>
Net (decrease)/increase in cash and cash equivalents		(2,548,268)	1,723,112
Cash and cash equivalent at 1 January		5,408,217	3,685,105
<b>Cash and cash equivalent at 31 December</b>	19	<b>2,859,949</b>	<b>5,408,217</b>

The accompanying notes on pages 75 to 125 form an integral part of these financial statements.

1 The withholding tax credit notes utilized in settling income tax payable of N10 million (2015: N81 million) Note (11(b)) have been adjusted for in deriving the movement in receivables.

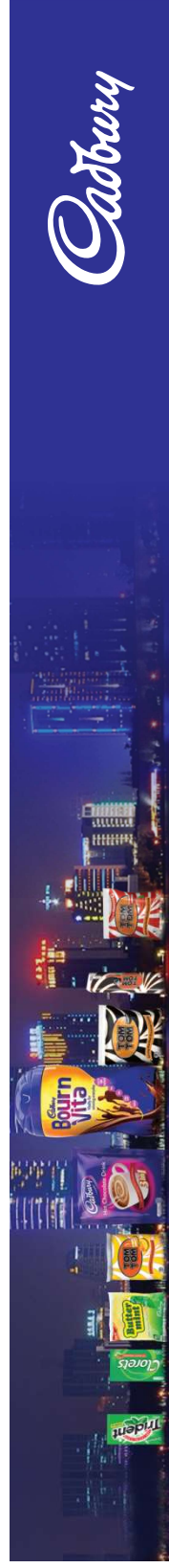
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## Notes to the financial statements

	Page	Page
1 Reporting entity	75	15 Deferred taxation
2 Basis of preparation	75	16 Inventories
3 Significant accounting policies	76	17 Trade and other receivables
4 Measurement of fair values	89	18 Prepayments
5 Revenue	90	19 Cash and cash equivalents
6 Other income	90	20 Capital and reserves
7 Net finance income	90	21 Employee benefits
8 (Loss)/profit before taxation	91	22 Share-based payment plan
9 Expenses by nature	92	23 Trade and other payables
10 Personnel expenses	93	24 Related parties
11 Income tax expense	95	25 Financial instruments
12 Earnings and declared dividend per share	97	26 Operating leases
13 Property, plant and equipment	98	27 Contingent liabilities and commitments
14 Intangible assets	100	28 Information on reportable segments
		29 Events after the reporting date
		101
		102
		102
		103
		103
		103
		104
		108
		109
		111
		113
		122
		123
		123
		125



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## Notes to the financial statements

### 1 Reporting entity

Cadbury Nigeria Plc is a company domiciled in Nigeria. The address of the Company's registered office is Lateef Jakande Road, Ikeja, Lagos. The Company is principally engaged in the manufacture and sale of branded fast moving consumer goods mostly to the Nigerian market, but also for exports in West Africa.

The Company's brands fall into three principal categories, namely refreshment beverages, confectionary and intermediate cocoa products. Cadbury Bournvita is the refreshment beverage, Tom Tom, Buttermint, Clorets and Trident gum are the Confectionery products while Cocoa Butter is a key product in the intermediate cocoa category.

Cadbury Nigeria Plc is owned 74.97% (2015: 74.97%) by Cadbury Schweppes Overseas Limited ("CSOL"), incorporated in the United Kingdom while CSOL is owned by Mondelez International and 25.03% (2015: 25.03%) by a highly diversified spread of Nigerian individual and institutional shareholders.

### 2 Basis of preparation

#### (a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB). They were authorised for issue by the Company's Board of Directors on 14 March 2017.

#### (b) Basis of preparation

These financial statements have been prepared under the historical cost basis except for the following:

- Liabilities for equity-settled share-based payment arrangements – fair value
- Defined benefit obligations – present value of the obligation
- Inventory - lower of cost or net realizable value

The methods used to measure fair values are discussed further in note 4.

#### (c) Functional and presentation currency

These 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 thousands, except when otherwise indicated.

#### (d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.




Information about assumptions, estimation uncertainties, and critical judgments in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are described below;

Note 15 – Deferred taxation  
 Note 21 – Employee benefits  
 Note 22 – Share-based payment plan  
 Note 23 – Trade and other payables  
 Note 27 – Contingent liabilities and commitments

### 3 Significant accounting policies

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

#### (a) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated 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 translated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation 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 financial assets such as loans and receivables on the date that they are originated. All other financial assets 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 such derecognised financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company has the following non-derivative financial assets

##### 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 trade and other receivables.





### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Bank overdrafts that are repayable 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 and are carried at amortised cost using the effective interest method.

### ii. Non-derivative financial liabilities

All financial liabilities (including liabilities 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.

### Derecognition

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

The Company has the following non-derivative financial liabilities: bank overdrafts, trade and other payables. Such financial liabilities are recognized 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.

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

### (c) Property, plant and equipment

#### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 labor, 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.

Purchased software that is integral to the functionality of the related equipment is capitalized 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 or 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 recognized as profit or loss in the statement of profit or loss and other comprehensive income.

#### (ii) Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.



**(iii) Depreciation**  
Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of capital-work-in-progress, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using a straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another 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 years of significant items of property, plant and equipment are as follows:

- Leasehold land – Over the lease term period
- Buildings – 40 years
- Plant and Machinery
  - Power Generating Equipment – 20 years
  - Packaging Equipment – 15 years
  - Food and Candy Processing Equipment – 15 years
  - Totebins - 2 years
- Motor Vehicles
  - Motor Vehicles – 4 years
  - Tricycles – 3 years
- Office furniture and Equipment – 6.67 years
- Software – 5 years
  - Catalyst SAP – 7 years
  - Others – 5 years

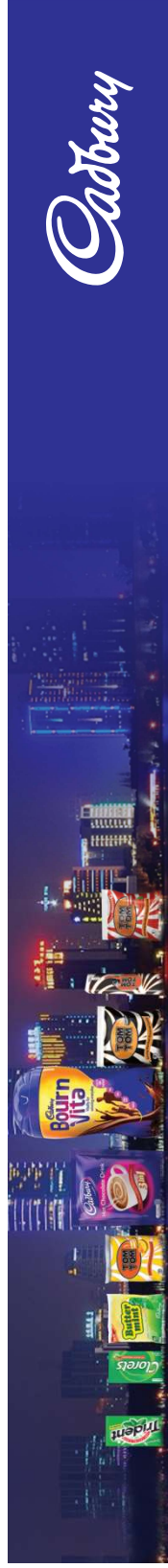
Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

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.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

**(d) Intangible assets (Software)**

- (i) Recognition and measurement



Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful life of the software from the date it is available for use. The estimated useful life for software is 7 years for Catalyst SAP and 5 years for other software. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### (e) Leases

##### (i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or on reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

##### (ii) Leased assets

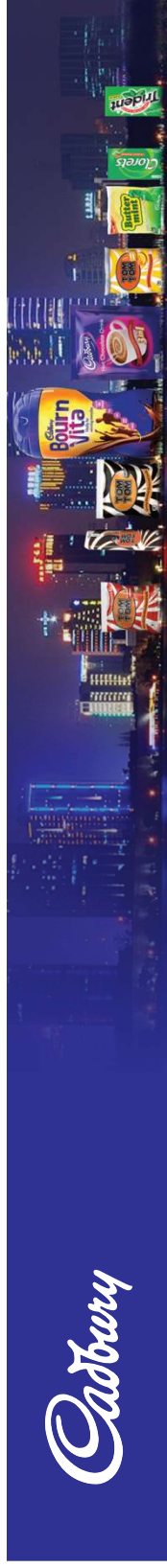
Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease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

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

##### (iii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.





## (f) Inventories

Inventories are measured at the lower of cost and net realizable 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. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

The basis of costing is as follows:

Engineering spares and consumable stock - purchase cost on a weighted average basis including transportation and clearing costs;

Raw, sundry and non-returnable packaging materials, finished products and products in process measured on the basis of standard cost adjusted for variances. The cost of finished goods and products in progress comprises raw materials, direct labour, other direct costs and related production overheads;

- Stock-in-transit - purchase cost incurred to date;

Weighted average cost and standard cost are reviewed periodically to ensure they consistently approximate historical cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Stock values are adjusted for obsolete, slow-moving or defective items where appropriate.

## (g) Dividend

Dividends are recognized as a liability in the period they are declared.

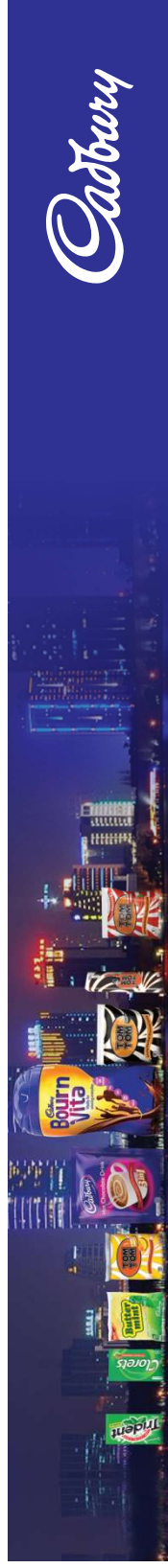
Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 385 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 are written back to retained earnings.

The Securities and Exchange Commission (SEC) published a circular in 2015 directing Capital Market Registrars to return all unclaimed dividend which has been in their custody for fifteen (15) months and above to the paying companies. These unclaimed dividends are included as a liability to the shareholders until they become statute barred in accordance with the provisions of Section 385 of CAMA.

## (h) Impairment

(i) Non-derivative financial assets

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.



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Objective evidence that financial assets 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. Adverse changes in the payment status of borrowers or issuers and observable data indicating that there is a measurable decrease in expected cashflows from a group of financial assets.

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 judgment 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 amortized 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, where applicable, 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. An impairment loss is recognized if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

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 used to reduce the carrying amounts of the assets in the unit (group of units) on a pro rata basis.

Impairment losses in respect of other assets recognized in prior years 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 recognized.

## (I) Employee benefits

### (i) Defined benefit gratuity scheme

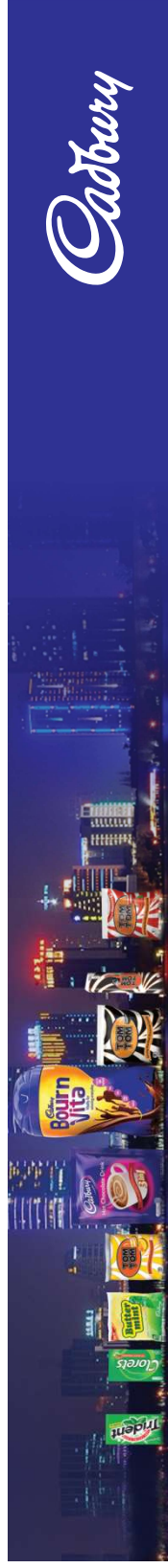
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit gratuity scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years and that benefit is discounted to determine its present value. In determining the liability for employee benefits under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover.

The recognised liability is determined by an independent actuarial valuation every year using the projected unit credit method. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognized fully in other comprehensive income (OCI).

The effect of any curtailment is also charged in full in profit or loss immediately the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximately the terms of the Company's obligation. Although the scheme is not funded, the Company ensures that adequate arrangements are in place to meet its obligations under the scheme.

### (ii) Defined contribution plan

A defined contribution scheme is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts in respect of all employee benefits relating to employee service in current and prior periods. In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its permanent staff. Staff contributions to the scheme are funded through payroll deductions. Obligations for contributions to the defined contribution plan are recognised as employee benefit expense in profit or loss in the periods which related services are rendered by employees. Employees contribute 8% each of their Basic salary, Transport & Housing Allowances to the Fund on a monthly basis. The Company's contribution is 10.3% of each employee's Basic salary, Transport & Housing Allowances.





(iii) 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 recognized 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.

(iv) Share-based payment transactions

The Company participates in a group share-based payment arrangement instituted by its ultimate parent, Mondel'z International. Certain employees of the Company participate in this arrangement which is based on the shares of Mondel'z International. The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the years that the employees unconditionally become entitled to the awards.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as expense is based on the number of awards that do meet the related service and non-market performance 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.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in accrued liability, over the period that the employees become unconditionally entitled to payment. The liability is premeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized as employee benefit in the administrative expenses in profit or loss.

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 sharebased payment transactions, regardless of the equity instrument awarded.

(v) Other long-term employee benefits

The Company's other long-term employee benefits represents Long Service Awards scheme instituted for all permanent employees. The Company's obligation in respect of the Long Service Awards scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Remeasurements are recognized fully in profit or loss.



**(vi) Termination benefits**

Termination benefits are recognized 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 recognized 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.

**(j) Provisions**

A provision is recognized 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 pre-tax cash flows at a 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 recognized as finance cost. A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

**(k) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position.

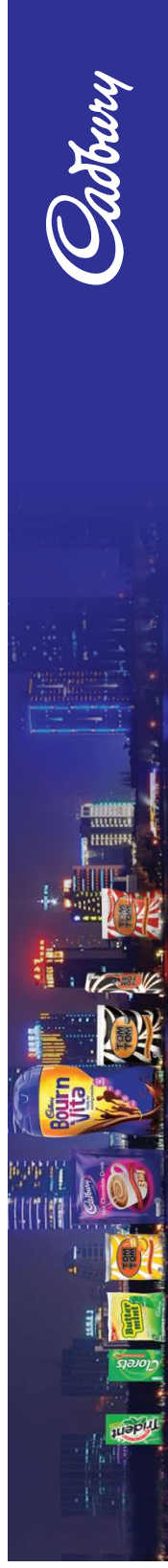
If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

**(l) Government grants**

An unconditional government grant related to export sales is recognized in statement of profit or loss and other comprehensive income as cost of sales when the grant becomes receivable.

**(m) 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. Revenue is recognized when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.



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If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

#### (n) Finance income and finance costs

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets.

#### (o) Tax

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

##### (i) Current tax

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. The Company is subject to the following types of current income tax;

**Company Income Tax-** This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act Cap C21, LFN 2004 as amended to date.

**Tertiary Education Tax-** Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act LFN 2011.

##### (ii) Deferred tax

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 not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.





Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### (iii) Tax exposures

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

#### (p) Share capital

The Company has only one class of shares: ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

#### (q) 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 year, adjusted for own shares held (if any). 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 (if any), for the effects of all dilutive potential ordinary shares.

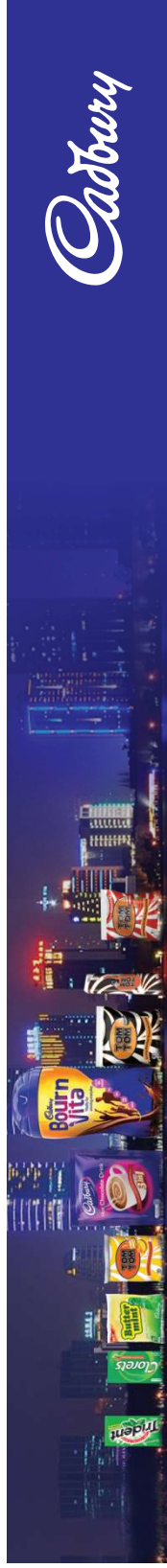
#### (r) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, equity-settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while finance income is included in investing activities.

#### (s) Operating segment

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

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.



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All operating segments' operating results are reviewed regularly by the Company's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

**(f) New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1st January 2016, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The extent of the impact of these standards is yet to be determined. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

**IFRS 9 Financial Instruments (2010) effective for annual periods beginning 1 January 2018** On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 9 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2018.

**IFRS 15 Revenue from contracts with customers effective for annual periods beginning 1 January 2018**

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised.

The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 15 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2018



## Amendments to IFRS 2- Classification and measurement of share based payment transactions effective for annual periods beginning 1 January 2018

Currently, there is ambiguity over how a company should account for certain types of share-based payment arrangements. The IASB has responded by publishing amendments to IFRS 2 Share-based Payment.

The amendments cover three accounting areas:

**Measurement of cash-settled share-based payments** – There is currently no guidance in IFRS 2 on how to measure the fair value of the liability in a cash-settled share based payment. The amendments clarify that a cash-settled share-based payment is measured using the same approach as for equity-settled sharebased payments – i.e. the modified grant date method. Therefore in measuring the liability market and non-vesting conditions are taken into account in measuring its fair value and the number of awards to receive cash is adjusted to reflect the best estimate of those expected to vest as a result of satisfying service and any non-market performance conditions. The new requirements do not change the cumulative amount of expense that is ultimately recognised, because the total consideration for a cash-settled sharebased payment is still equal to the cash paid on settlement.

**Classification of share-based payments settled net of tax withholdings** – The Company may be obligated to collect or withhold tax related to a share-based payment, even though the tax obligation is often a liability of the employee and not the Company. Currently, it is unclear whether the portion of the sharebased payment that is withheld in these instances should be accounted for as equity-settled or cashsettled.

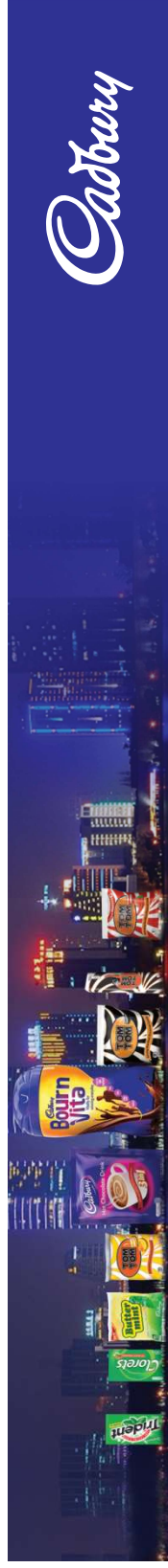
The amendments introduce an exception stating that, for classification purposes, a share-based payment transaction with employees is accounted for as equity-settled if certain criteria are met.

**Accounting for a modification of a share-based payment from cash-settled to equity-settled** – There is no specific guidance in IFRS 2 that addresses the accounting when a share-based payment is modified from cash-settled to equity-settled. The amendments clarify the approach that companies are to apply.

The new requirements could affect the classification and/or measurement of these arrangements – and potentially the timing and amount of expense recognised for new and outstanding awards.

The Company will adopt the amendments for the year ending 31 December 2018.

**IFRS 16- Leases effective for annual periods beginning 1 January 2019** IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC- 15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease .



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The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as operating leases or finance leases as required by IAS 17 and introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

- assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- depreciation of lease assets separately from interest on lease liabilities in the profit or loss.

For the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company is yet to carry out an assessment to determine the impact that the initial application of IFRS 16 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2019.

#### 4 Measurement 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. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Significant valuation issues are reported to the Audit Committee. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability,

either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In some cases, if the inputs used to measure the fair value of an asset or a liability is categorised in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Financial Instruments – Financial risk management and fair values (Note 25).



## 5 Revenue

Revenue for the year comprises:

*In thousands of naira*

Domestic sales

Export sales

<b>2016</b>	<b>2015</b>
27,365,832	25,155,543
2,613,578	2,669,651
<b>29,979,410</b>	<b>27,825,194</b>

## 6 Other income

Other income comprises:

In thousands of naira

Sale of by-products

<b>2016</b>	<b>2015</b>
61,301	21,263
<b>61,301</b>	<b>21,263</b>

## 7 Net Finance income

In thousands of naira

**Finance income**

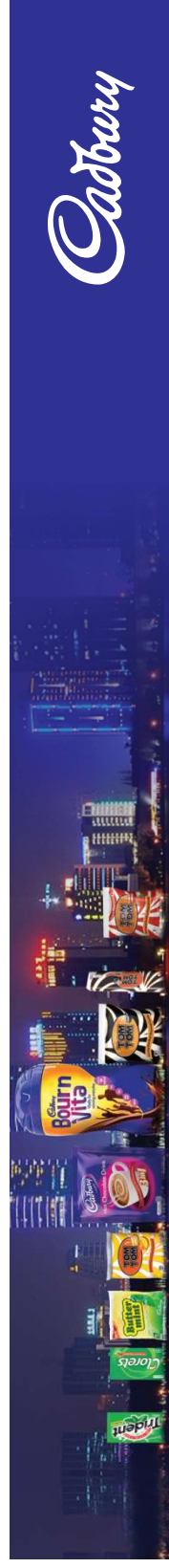
Interest income on bank deposits

**Finance cost**

Interest expense

**Net finance income recognised in profit or loss**

<b>2016</b>	<b>2015</b>
187,780	156,796
(17,798)	-
<b>169,982</b>	<b>156,796</b>



## 8 Loss/profit before taxation

Loss/profit before taxation is stated after charging/(crediting):

	<u>2016</u>	<u>2015</u>
In thousands of naira		
Directors' remuneration (Note 10(iv))	218,582	186,988
Depreciation (Note 13)	1,415,488	1,721,452
Amortisation of intangible assets (Note 14)	72,502	62,828
Personnel expenses (Note 10(i))	5,700,394	5,481,288
Auditor's remuneration:		
Audit fees	24,000	24,000
Tax services	3,000	11,831
Gain on disposal of property, plant and equipment	(15,133)	(14,007)
Royalty and technical service fees	-	535,677
Management fees	-	45,317
Operating lease cost	136,026	121,535
Plant hire costs	61,798	59,909
Research and development cost	143,499	61,150
Foreign currency exchange loss/(gain), net	<u>34,638</u>	<u>(15,868)</u>

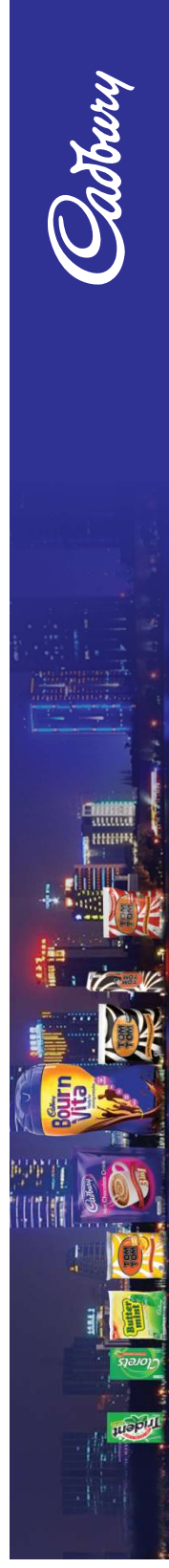




## 9 Expenses by nature

The analysis of Cost of Sales, Selling & distribution and Administrative expenses by nature are as follows:

	2016	2015
In thousands of naira		
Raw materials and packaging items	12,123,964	8,169,615
Energy and utilities	2,114,150	949,735
Advertising and sales promotion	4,915,893	4,977,086
Depreciation (Note 13)	1,415,488	1,721,452
Amortization (Note 14)	72,502	62,828
Employee benefits (Note 10 (i))	5,700,394	5,481,288
Distribution	679,809	644,075
Repairs and maintenance	1,188,915	999,846
Royalty and technical service (Note 24(b)(i))	-	535,677
Management fees (Note 24(b)(ii))	-	45,317
Redundancy Costs	280,509	187,725
Consultancy, professional fees and subscriptions	298,067	529,200
Travel and entertainment	208,153	396,547
Telephone and related charges	99,982	114,370
Leases and insurance	150,222	304,237
Production and Office consumables	1,525,515	1,306,842
<b>Total cost of sales, marketing, selling &amp; distribution and administration expenses</b>	<b>30,773,563</b>	<b>26,425,841</b>
<b>Summarised as follows:</b>		
Cost of Sales	23,119,007	18,894,967
Selling and distribution expenses	5,595,702	5,621,160
Administrative expenses	2,058,854	1,909,714
	<b>30,773,563</b>	<b>26,425,841</b>



## 10 Personnel expenses

(i) Employee benefit expenses during the year comprises:

In thousands of naira

	2016	2015
Salaries and wages	4,148,296	4,023,849
Pension contribution (Note 23b)	606,824	511,754
Gratuity and Long service awards (Note 21b)	932,906	957,911
Share-based transactions (Note 22)	12,368	(12,226)
	<b>5,700,394</b>	<b>5,481,288</b>

(ii) Employees of the Company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension costs and certain benefits) in the following ranges:

	2016	2015
	Number	Number
N	-	2
200,000 - 400,000	23	43
400,001 - 600,000	26	13
600,001 - 800,000	5	15
800,001 - 1,000,000	30	104
1,000,001 - 1,200,000	126	103
1,200,001 - 1,400,000	78	86
1,400,001 - 1,600,000	55	46
1,600,001 - 1,800,000	62	65
1,800,001 - 2,000,000	127	133
2,000,001 - 2,500,000	57	45
2,500,001 - 3,000,000	30	16
3,000,001 - 3,500,000	16	14
3,500,001 - 4,000,000	10	7
4,000,001 - 4,500,000	5	9
4,500,001 - 5,000,000	77	82
5,000,001 and above		
	<b>727</b>	<b>783</b>



(iii) The average number of full-time persons employed during the year (other than Executive Directors) was as follows:

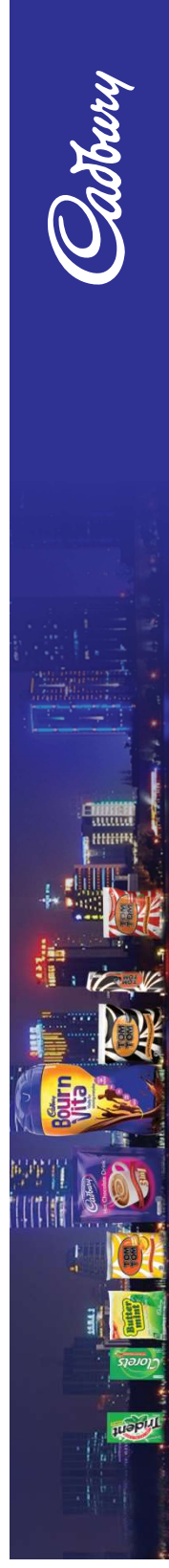
	<b>2016</b>	<b>2015</b>
	Number	Number
Production	405	433
Supply chain	134	146
Sales and marketing	128	139
Administration	60	65
	<b>727</b>	<b>783</b>

(iv) Remuneration (excluding pension contributions) for Directors of the Company charged to the profit or loss are as follows:  
In thousands of naira

	<b>2016</b>	<b>2015</b>
Fees	13,000	19,500
Salaries	205,582	167,488
	<b>218,582</b>	<b>186,988</b>

The Directors' remuneration shown above includes:  
In thousands of naira

	<b>2016</b>	<b>2015</b>
Chairman	7,700	8,750
Highest paid director	<b>129,603</b>	<b>98,240</b>



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Other Directors received emoluments in the following ranges:

		<b>2016</b>	<b>2015</b>
		Number	Number
#	#		
Nil	– 100,000	2	2
100,001	– 1,000,000	-	-
3,000,001	– 6,000,000	2	2
60,000,000	– 65,000,000	1	1
		<b>5</b>	<b>5</b>

## 11 Income tax expense

Tax recognised in profit or loss:

In thousands of naira

### Current tax expense

Company income tax  
Tertiary education tax

	<b>2016</b>	<b>2015</b>
	-	366,249
	24,143	68,701
	<b>24,143</b>	<b>434,950</b>
	(290,611)	(10,833)
	(290,611)	(10,833)
	<b>(266,468)</b>	<b>424,117</b>

Deferred tax write back (Note 15)

### Income tax (credit)/expense

The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.





## (a) Reconciliation of effective tax rate:

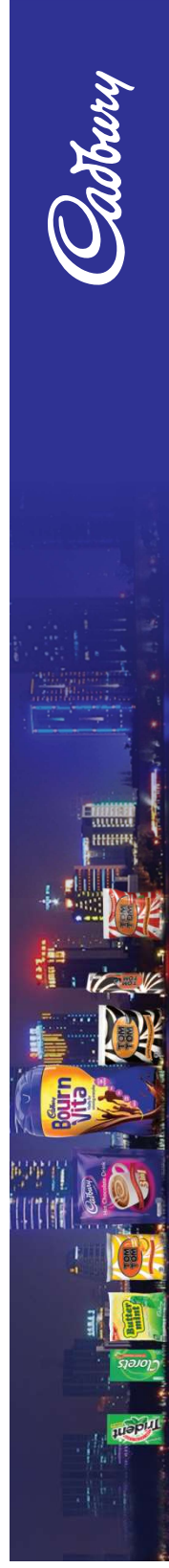
In thousands of naira

	2016	2015
	%	%
(Loss)/profit for the year	(296,402)	1,153,295
Taxation	(266,468)	424,117
<b>(Loss)/profit before income tax</b>	<b>(562,870)</b>	<b>1,577,412</b>
Income tax using the Company's domestic rate of 30%	30.0	473,224
Recognition of previously unrecognised tax incentive	-	(32,371)
Impact of tertiary education tax	(4.3)	68,701
Under provision in prior years	16.3	-
Non-deductible expenses	0.9	199
Effect of tax incentives and exempted income	4.4	(85,636)
<b>Tax expense</b>	<b>47.3</b>	<b>55.3</b>
	<b>(266,468)</b>	<b>424,117</b>

## (b) The movement on the tax payable account during the year was as follows:

In thousands of naira

	2016	2015
Balance, beginning of the year	547,266	559,403
Current year charge	24,143	434,950
Payments during the year	(459,196)	(365,212)
WHT credit notes utilised	(10,021)	(81,875)
<b>Balance, end of the year</b>	<b>102,192</b>	<b>547,266</b>



## 12 Earnings and declared dividend per share

### (a) Basic (loss)/earnings per share

Basic (loss)/earnings per share for the Company of (16) kobo (2015: 61 kobo) is based on the loss attributable to ordinary shareholders of N296,402,000 (2015: profit of N1,153,295,000), and on the 1,878,201,962 (2015: 1,878,201,962) ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the year.

	2016	2015
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	1,878,201,962	1,878,201,962
Ordinary shares issued (Note 20)	-	-
Weighted average number of ordinary shares at 31 December	1,878,201,962	1,878,201,962

### (b) Dividend declared per share

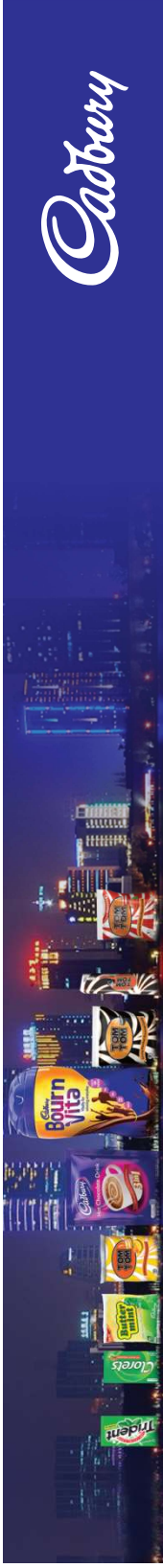
Dividend declared per share of N0.65 (2015: N0.65 kobo) is based on total declared dividend of N1,220,831,275 on 1,878,201,962 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue at the time of dividend declaration.



### 13 Property, plant and equipment

(a) The movement on these accounts was as follows:  
In thousands of naira

	Leasehold Land	Buildings	Plant & machineries	Office Furniture & equipment	Motor vehicles	Capital work in progress (CWIP)	Total
<b>Cost</b>							
At January 1, 2016	652,800	4,732,855	18,863,870	1,332,080	1,371,155	694,462	27,647,222
Additions	-	-	-	50,147	-	233,151	283,298
Transfers from CWIP	-	42,797	735,806	2,716	8,597	(789,916)	-
Disposals	-	-	-	-	(147,326)	-	(147,326)
<b>At 31 December, 2016</b>	<b>652,800</b>	<b>4,775,652</b>	<b>19,599,676</b>	<b>1,384,943</b>	<b>1,232,426</b>	<b>137,697</b>	<b>27,783,194</b>
<b>Accumulated depreciation</b>							
At 1 January, 2016	100,508	789,699	10,058,955	574,034	758,371	-	12,281,567
Depreciation for the year	12,463	193,418	980,956	80,266	148,385	-	1,415,488
Disposals	-	-	-	-	(101,299)	-	(101,299)
<b>At 31 December, 2016</b>	<b>112,971</b>	<b>983,117</b>	<b>11,039,911</b>	<b>654,300</b>	<b>805,457</b>	<b>-</b>	<b>13,595,756</b>
<b>Carrying amounts</b>							
<b>At 1 January, 2016</b>	<b>552,292</b>	<b>3,943,156</b>	<b>8,804,915</b>	<b>758,046</b>	<b>612,784</b>	<b>694,462</b>	<b>15,365,655</b>
<b>At December 31, 2016</b>	<b>539,829</b>	<b>3,792,535</b>	<b>8,559,765</b>	<b>730,643</b>	<b>426,969</b>	<b>137,697</b>	<b>14,187,438</b>



*Cadbury*

(b) The movement on these accounts was as follows:  
*In thousands of naira*

	Leasehold Land	Buildings	Plant & machineries	Office Furniture & equipment	Motor vehicles	Capital work in progress (CWIP)	Total
<b>Cost</b>							
At January 1, 2015	652,800	4,464,799	18,253,586	1,280,821	1,397,834	718,636	26,768,476
Additions	-	-	-	21,577	30,490	910,203	962,270
Transfers from CWIP	-	268,056	610,284	29,682	26,355	(934,377)	-
Transfers to Intangible assets	-	-	-	-	-	-	-
Disposals	-	-	-	-	(83,524)	-	(83,524)
<b>At 31 December, 2015</b>	<b>652,800</b>	<b>4,732,855</b>	<b>18,863,870</b>	<b>1,332,080</b>	<b>1,371,155</b>	<b>694,462</b>	<b>27,647,222</b>
<b>Accumulated depreciation</b>							
At 1 January, 2015	88,044	604,096	8,965,249	485,100	493,073	-	10,635,562
Depreciation for the year	12,464	185,603	1,093,706	88,934	340,745	-	1,721,452
Disposals	-	-	-	-	(75,447)	-	(75,447)
<b>At 31 December, 2015</b>	<b>100,508</b>	<b>789,699</b>	<b>10,058,955</b>	<b>574,034</b>	<b>758,371</b>	<b>-</b>	<b>12,281,567</b>
<b>Carrying amounts</b>							
<b>At 1 January, 2015</b>	<b>564,756</b>	<b>3,860,703</b>	<b>9,288,337</b>	<b>795,721</b>	<b>904,761</b>	<b>718,636</b>	<b>16,132,914</b>
<b>At December 31, 2015</b>	<b>552,292</b>	<b>3,943,156</b>	<b>8,804,915</b>	<b>758,046</b>	<b>612,784</b>	<b>694,462</b>	<b>15,365,655</b>





**(c) Capital work in progress**

Additions to capital work in progress during the year is analysed as follows:

In thousands of naira	2016	2015
Plant and machinery	233,151	832,483
Buildings	-	78,458
	<b>233,151</b>	<b>910,941</b>

No borrowing costs were capitalised during the year as the acquisition of property, plant and equipment was not through borrowings (2015: Nil).

**(d) Capital commitments**

Capital expenditure commitments at the year-end authorized by the Board comprise:

In thousands of naira	2016	2015
Contracted	1,012,603	356,537
Not contracted	-	-
	<b>1,012,603</b>	<b>356,537</b>

**14 Intangible assets**

Intangible assets represent purchase and installation costs of software licences. The movement on this account during the year was as follows:

In thousands of naira	Software	Capital Work in progress	Total
<b>Cost</b>			
Balance at 1 January 2015	501,256	-	501,256
Additions	3,970	-	3,970
<b>Balance at 31 December 2015</b>	<b>505,226</b>	-	<b>505,226</b>
Balance at 1 January 2016	505,226	-	505,226
Additions	-	186,723	186,723
Transfer from capital work in progress	126,168	(126,168)	-
<b>Balance at 31 December 2016</b>	<b>631,394</b>	<b>60,555</b>	<b>691,949</b>



**Accumulated amortisation**

Balance at 1 January 2015	159,180	-	159,180
Amortisation for the year	62,828	-	62,828
<b>Balance at 31 December 2015</b>	<b>222,008</b>	-	<b>222,008</b>

Balance at 1 January 2016	222,008	-	222,008
Amortisation for the year	72,502	-	72,502
<b>Balance at 31 December 2016</b>	<b>294,510</b>	-	<b>294,510</b>

**Carrying amounts**

At 31 December 2015	<b>283,218</b>	-	<b>283,218</b>
At 31 December 2016	<b>336,884</b>	<b>60,555</b>	<b>397,439</b>

**15 Deferred taxation**

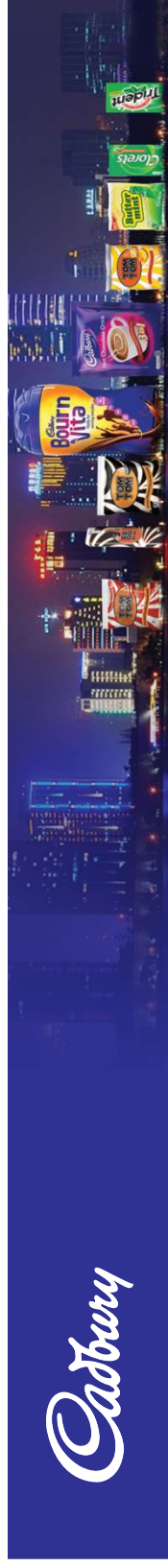
Deferred tax assets and liabilities are attributable to the following:

**(a) Movement in deferred tax balances**

	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
Unrealised exchange difference	45,995	4,600	(106,607)	-	(60,612)	4,600
Employee benefits	1,385,111	1,239,534	-	-	1,385,111	1,239,534
Property, plant and equipment & Intangible assets	-	-	(1,512,207)	(1,592,428)	(1,512,207)	(1,592,428)
	<b>1,431,106</b>	<b>1,244,134</b>	<b>(1,618,814)</b>	<b>(1,592,428)</b>	<b>(187,708)</b>	<b>(348,294)</b>

**(b) Movement in temporary differences during the year**

	Balance 1 January 2015	Recognised in profit and loss	Recognised in other comprehensive income	Balance 31 December 2015	Recognised in profit and loss	Recognised in other comprehensive income	Balance 1 December 2016
In thousands of naira							
Property, plant and equipment	(1,722,017)	129,589	-	(1,592,428)	80,221	-	(1,512,207)
Trade and other receivables	153,243	(153,243)	-	-	-	-	-
Unrealised exchange difference	74,148	(69,548)	-	4,600	(65,212)	-	(60,612)
Employee benefits	970,759	104,035	164,740	1,239,534	275,602	(130,025)	1,385,111
	<b>(523,867)</b>	<b>10,833</b>	<b>164,740</b>	<b>(348,294)</b>	<b>290,611</b>	<b>(130,025)</b>	<b>(187,708)</b>



**16 Inventories***In thousands of naira*

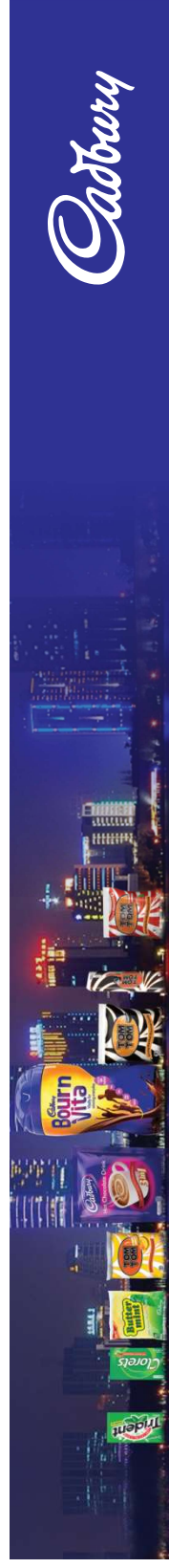
	<b>2016</b>	<b>2015</b>
Raw and packaging materials	2,712,530	793,930
Product in process	39,107	95,919
Finished products	1,808,773	714,796
Spare Parts	388,287	247,975
Goods in transit	72,241	83,835
<b>Total inventories</b>	<b><u>5,020,938</u></b>	<b><u>1,936,455</u></b>

The value of raw materials, packaging materials, spare parts and changes in finished products and products in process included in cost of sales amounted to N19,391 million (2015: N14,685 million).

**17 Trade and other receivables***In thousands of naira*

	<b>2016</b>	<b>2015</b>
Trade receivables	4,367,299	3,667,111
Export expansion grant receivable	-	602,724
Other receivables	339,831	322,678
WHT receivable	89,649	82,779
Due from related parties	155,874	490,902
	<b><u>4,952,653</u></b>	<b><u>5,166,194</u></b>

The Company's exposure to credit and currency risks, and impairment losses related to trade and other receivables is disclosed in Note 25.



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**18 Prepayments***In thousands of naira*

	<u>2016</u>	<u>2015</u>
Prepaid insurance	97,031	104,460
Prepaid rent	26,044	103,685
Advances to suppliers	695,163	-
Other prepayments	4,931	49,121
	<u><b>823,169</b></u>	<u><b>257,266</b></u>

**Prepayments are analysed as follows***In thousands of naira*

	<u>2016</u>	<u>2015</u>
Non-current assets	-	23,148
Current assets	823,169	234,118
	<u><b>823,169</b></u>	<u><b>257,266</b></u>

Non-current prepayments represents the long term portion of rental expenses prepaid by the Company.

**19 Cash and cash equivalents***In thousands of naira*

	<u>2016</u>	<u>2015</u>
Bank balances	1,887,216	4,221,020
Call deposits	1,124,098	1,187,197

**Cash and cash equivalents in the statement of financial position**

Bank overdrafts	(151,365)	-
	<u><b>2,859,949</b></u>	<u><b>5,408,217</b></u>

**Cash and cash equivalents in the statement of cash flows****20 Capital and reserves**

(a) Ordinary shares as at 31 December

*In thousands of naira*

	<u>2016</u>	<u>2015</u>
Authorised 4,000,000,000 (2015: 4,000,000,000) ordinary shares of 50k each	<u><b>1,373,914</b></u>	<u><b>1,373,914</b></u>
Issued and fully paid ordinary shares of 50k each		
At 31 December - 1,878,201,962 ordinary shares of 50k each (2015: 1,878,201,962)	<u><b>939,101</b></u>	<u><b>939,101</b></u>





## Nature and purpose of reserves

### (b) Other reserves

The other reserves relates to non-distributable reserve that existed prior to the IFRS conversion which the Company did not transfer to retained earnings.

### (c) Share based payment reserve

The share based payment reserve relates to ordinary shares of Mondelez International that would be issued to employees when the options granted are being exercised. As at year end, share based payment reserve amounted to N42.6million (2015: N30.2million). Note 22.

### (d) Share premium

The balance in the share premium account was as follows:

*In thousands of naira*

	2016	2015
At 31 December	<u>272,344</u>	<u>272,344</u>

## 21 Employee Benefits

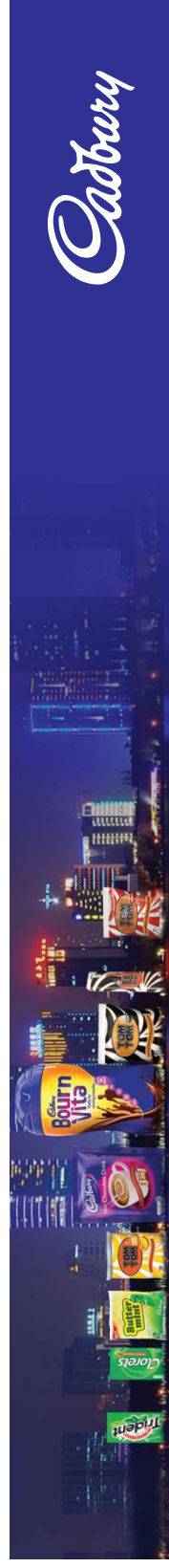
Employee benefits comprises:

*In thousands of naira*

	2016	2015
Unfunded gratuity obligation (Note(a)(i))	3,862,664	3,715,865
Other long-term employee benefits (Note(a)(ii))	465,567	415,915
	<u><b>4,328,231</b></u>	<u><b>4,131,780</b></u>

The Company operates an unfunded annualised defined benefit gratuity scheme for its employees. Under the annualised defined benefit plan, gratuity is calculated on an annual basis using the salaries for each year to determine the benefits using projected unit credit method. The gratuity and other long term employee benefit provisions are based upon independent actuarial valuation conducted by Rotimi Okpaise (FRC/2012/NAS/0000000738) of HR Nigeria Limited.

- (a) The following analyse the movement in the present value of employee benefit obligations, expense recognized in the profit or loss, actuarial assumptions and other information relating to the benefit plans:



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## (i) Movement in the present value of unfunded gratuity obligation:

*In thousands of naira*

	2016	2015
Balance, beginning of year	3,715,865	2,958,908
Benefits paid by the plan	(289,965)	(569,451)
Current service costs	399,630	362,321
Interest cost	443,461	440,368
Curtailment	-	(25,413)
	<b>4,268,991</b>	<b>3,166,733</b>

*Included in OCI*

Remeasurement (gains)/losses on defined benefit

obligations arising from:

- change in assumption

- change in experience

	(132,167)	397,513
	(274,160)	151,619
	(406,327)	549,132

**Balance, end of year**

	<b>3,862,664</b>	<b>3,715,865</b>
--	------------------	------------------

## (ii) Movement in other long-term employee benefits:

*In thousands of naira*

	2016	2015
Balance, beginning of year	415,915	276,955
Benefits paid by the plan	(40,163)	(41,675)
Current service costs	48,043	34,152
Interest cost	48,185	38,804
Curtailment/plan amendment	9,806	(19,681)
Remeasurement losses/(gains)	(16,219)	127,360
	<b>465,567</b>	<b>415,915</b>



- (b) The employee benefits related expense are recognised in the following line items in the statement of profit or loss and other comprehensive income:

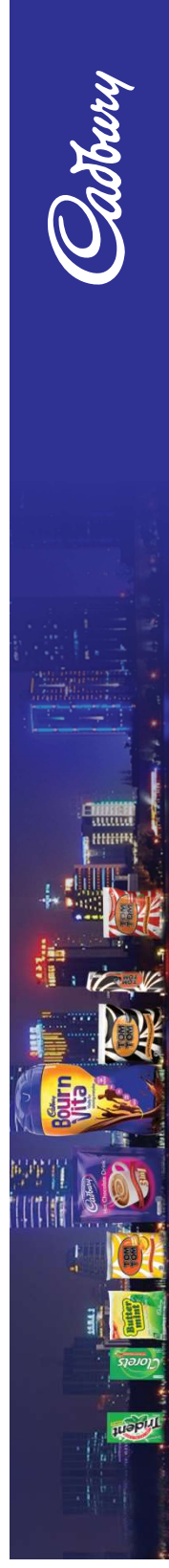
<i>In thousands of naira</i>	<b>Cost of Sales</b>	
	<b>2016</b>	<b>2015</b>
Defined benefit obligation expense	219,204	419,729
Pension expense	157,774	276,347
Long service awards expense	23,352	97,543
	<b>400,330</b>	<b>793,619</b>

<i>In thousands of naira</i>	<b>Administrative Expenses</b>	
	<b>2016</b>	<b>2015</b>
Defined benefit obligation expense	623,887	357,547
Pension expense	449,050	235,407
Long service awards expense	66,463	83,092
	<b>1,139,400</b>	<b>676,046</b>

<i>In thousands of naira</i>	<b>Total</b>	
	<b>2016</b>	<b>2015</b>
Defined benefit obligation expense	843,091	777,276
Long service awards expense	89,815	180,635
	<b>932,906</b>	<b>957,911</b>
Pension expense	606,824	511,754
	<b>1,539,730</b>	<b>1,469,665</b>

- (c) Remeasurement gains and losses recognised in other comprehensive income are analysed as follows:

<i>In thousands of naira</i>	<b>2016</b>	<b>2015</b>
Defined benefit plans remeasurement gains/(losses)	406,327	(549,132)
Tax (expense)/credit	(130,025)	164,740
<b>Defined benefit plans remeasurement gains/(losses)net of tax</b>	<b>276,302</b>	<b>(384,392)</b>



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**(d) Actuarial assumptions**

Principal financial actuarial assumptions at the reporting date (expressed as weighted averages):

	2014	2015
	%	%
Discount rate	15.5	12.0
Future salary increases	14.0	11.5
Inflation rate	12.0	9.5

**Mortality in service**

Sample age	2016	2015
	Number of deaths in year out of 10,000 lives	Number of deaths in year out of 10,000 lives
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

**Withdrawal from service**

Age band	2016	2015
	Rate	Rate
Less than or equal to 29	3%	3%
30 - 39	2%	2%
40 - 49	1%	1%
50 - 59	0%	0%

Assumptions regarding future mortality rates are based on published A67/70 statistics and mortality tables by Institute and Faculty of Actuaries in the UK.

**Withdrawals/turnover**

It is assumed that all the employees covered by the defined end of service benefit scheme would retire at age 60 (2015: age 60).

**(e) Sensitivity analysis**

Below is the sensitivity analysis of the principal actuarial assumptions adopted in determining the employee benefit liabilities:





	Gratuity	Long service awards
	N'000	N'000
Base	3,862,664	465,567
Discount rate	+1% 3,704,229 -1% 4,041,497	433,059 501,887
Salary increase rate	+1% 4,060,015 -1% 3,684,664	489,676 443,706
Mortality rate	Age rated up by one year Age rated down by one year 3,860,715 3,864,407	463,816 467,142

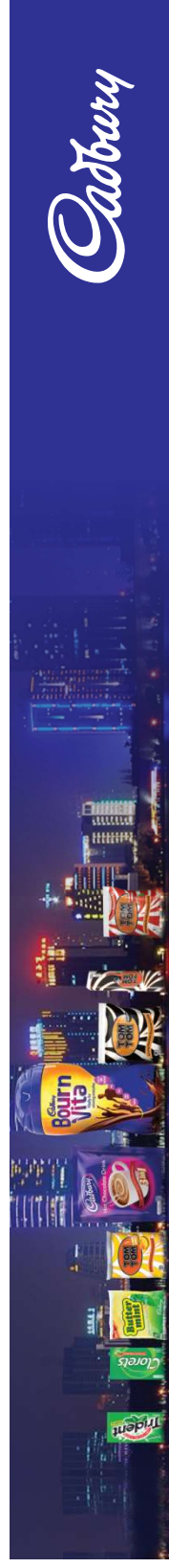
## 22 Share-based payment plan

The Group's ultimate holding company, Mondelez International, operates two Equity Incentive Schemes for its key management employees around the world known as the Deferred Stock Unit Agreement (DSU) and Non-Qualified Non-U.S. Stock Option Award Agreement (NSOA). Under the DSU agreement, Mondelez International awards Restricted Stock Units (RSU) to employees that entitle participants to receive freely disposable Mondelez International equity instruments or an equivalent amount in cash at the end of a three-year restriction period. Under the NSOA agreement, participating employees receive the share appreciation in value i.e., the difference between the fair value of the options on exercise date and the price on grant date at the end of the three year vesting period.

At 31 December 2016, Cadbury Nigeria Plc has three (3) (2015: two (2)) deserving management employees in its employment.

The Share based payment are equity settled. The terms and conditions relating to the grants of the DSU and NSOA agreements are as follows:

Revenue	Number of instruments	Vesting conditions	Contractual life of rights
Shares awarded to senior management in 2014	2,290	3 years' service	10 years
Shares awarded to senior management in 2015	1,840	3 years' service	10 years
Shares awarded to senior management in 2016	7,440	3 years' service	10 years



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The weighted average share price of the stock was USD 44.34 while the movement in the share based payment account was as follows:

<i>In thousands of naira</i>	<u>2016</u>	<u>2015</u>
Cumulative amount at January 1	30,266	42,492
Recognized during the year	12,368	5,486
Cancelled during the year	-	(17,712)
<b>Cumulative amount at December 31</b>	<b><u>42,634</u></b>	<b><u>30,266</u></b>

The share based payment expense recognised in the profit or loss for the year amounted to N12.37 million (2015: credit N12.23 million)

## 23 Trade and other payables

	<u>2016</u>	<u>2015</u>
Trade payables	4,164,468	3,407,762
Dividend payable (note (a))	1,499,789	605,966
Pension payable (Note (b))	13,801	58,220
Accrued expenses	3,693,838	3,549,363
Provisions*	404,495	1,147,671
Due to related parties (note 24)	<u>2,790,330</u>	<u>2,335,386</u>
	<b><u>12,566,721</u></b>	<b><u>11,104,368</u></b>

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 25.

- \* Provisions represents certain litigation and disputes with regulatory authorities on certain matters. The Company has assessed that the disclosure of such information may prejudice the position of the Company in the dispute.



**(a) Dividend payable**

Dividend payable represents unclaimed dividend from prior years. The movement on this account was as follows:

<i>In thousands of naira</i>	<b>2016</b>	<b>2015</b>
Balance, beginning of year	605,966	358,956
Dividend declared	1,220,831	1,220,831
Payments made during the year	(460,525)	(1,270,811)
Unclaimed dividend received from Registrars	-	210,658
Unclaimed dividend held with Registrars	133,518	86,332
<b>Balance, end of year</b>	<b>1,499,789</b>	<b>605,966</b>

**(b) Pension payable**

*In thousands of naira*

	<b>2016</b>	<b>2015</b>
Obligation as at 1 January	58,220	142,017
Charge for the year	606,824	511,754
Payments	(651,244)	(595,551)
<b>Obligation as at 31 December</b>	<b>13,801</b>	<b>58,220</b>

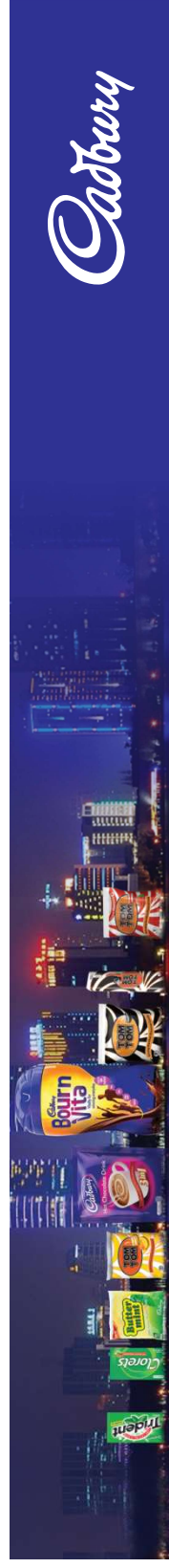
**(c) Due to related parties**

This represents technical service fees, royalty and other charges due to Cadbury UK, Mondelez Eastern Europe Middle East & Africa FZE and other related companies.

**(d) Reconciliation of changes in trade and other payables included in statement of cashflows**

*In thousands of naira*

	<b>2016</b>	<b>2015</b>
Movement in trade and other payables	1,462,353	(638,334)
VAT paid	997,774	1,040,084
Unpaid dividend for the year	(760,306)	49,980
	<b>1,699,821</b>	<b>451,730</b>



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## 24 Related Parties

### (a) Parent and Ultimate holding company

The Company is a subsidiary of Mondelez International incorporated in the United States of America. Mondelez International, through Cadbury Schweppes Overseas Limited held 74.97% of the issued and fully paid share capital of the Company at 31 December 2016 (2015: 74.97%).

### (b) Related party transactions

The Company entered into the following transactions with the under-listed related parties during the year:

#### (i) Cadbury UK Limited

The Company has exclusive rights to the manufacture, distribution and marketing of Cadbury's international brands in Nigeria. In consideration for this, royalties are paid to Cadbury UK Limited.

The Company is yet to obtain approval for its trade mark license for 2016 from the National Office for Technology Acquisition and Promotion (NOTAP), hence, no accrual was made in the books for royalties payable. The last NOTAP approval received relates to prior year 2015 with a certificate of registration number, CR005913, for the Trademark License agreement. The approved remittable fees for prior period was 0.5% of Net Sales total not exceeding N436 million.

At the year end, the total amount due to Cadbury UK Limited was N275 million (2015: N395 million).

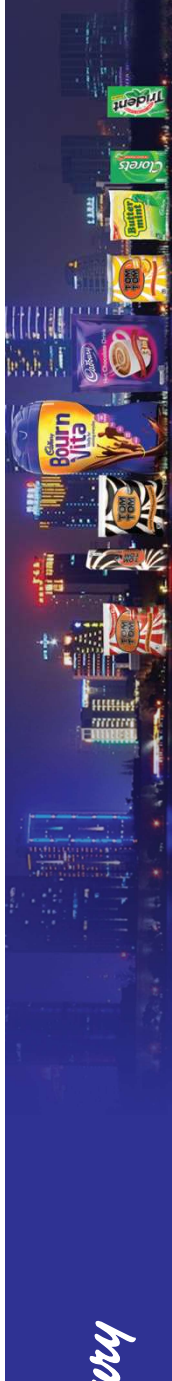
#### (ii) Mondelez Eastern Europe Middle East & Africa FZE (MDLZ EEMEA)

MDLZ EEMEA is the regional Head Quarters of Eastern Europe, Middle East and Africa region of Mondelez International. The technical know-how and management service agreement with MDLZ EEMEA for 2016 financial year is yet to be approved by the National Office for Technology Acquisition and Promotion (NOTAP), hence, no accrual has been made for the year. The last NOTAP approval received for technical know-how and management service agreement relates to prior year 2015 with a certificate of registration number CR005916. The approved remittable technology fees in prior period was 1.5% of Net Sales and 2% of PBT, respectively, total not exceeding N1,516 million.

At year end, the total amount due to MDLZ EEMEA for the provision of technical services amounted to N1,707 million (2015: N1,478 million).

#### (iii) Cadbury Ghana Limited (CGL)

The Company sells confectionery to CGL and in turn purchases 3-in-1 Hot chocolate from CGL. Sales during the year amounted to N467 million (2015: N499 million). The net amount due to CGL from Cadbury Nigeria Plc was N320 million (2015: N401 million) at year end. The Company and CGL are subsidiaries of the same parent company.





**(iv) Mondelez Bahrain W.L.L. (MB)**

The Company shares the same parent company with MB. Transactions during the year amounted to N39.1 million representing mainly salary recharges to the Company. At year end, the amount due to MB was N40.4 million (2015: N48.2 million).

**(v) Mondelez Pakistan Limited (MP)**

The Company shares the same parent company with MP. Transactions during the year amounted to N17.7 million representing mainly salary recharges to the Company. The amount due to MP at year end was N18.3 million (2015: N40.77 million).

**(vi) Kraft Food South Africa PTY Limited (KFSA)**

The Company shares the same parent company with KFSA. Transactions during the year amounted to N186.8 million representing mainly salary recharges to the Company. The amount due to KFSA at year end was N210 million (2015: N106.2 million).

**(vii) Kraft Foods R&D Inc, Deutschland (KFD)**

The Company shares the same parent company with KFD. Transactions during the year amounted to N19.3 million representing mainly research, development and quality (RD&Q) recharges from the Company to them. The amount due from KFD at year end was N19.9 million (2015: N36.9 million)

**(viii) Cadbury Schweppes Overseas Ltd (CSOL)**

The Company is a subsidiary of Cadbury UK Limited and the main transaction with CSOL is mainly the payment of dividend. The amount due to CSOL at year end in respect of unpaid dividend for 2015 was N846 million (2015: Nil).

**(ix) Cadbury Enterprises Pte Ltd (Singapore)**

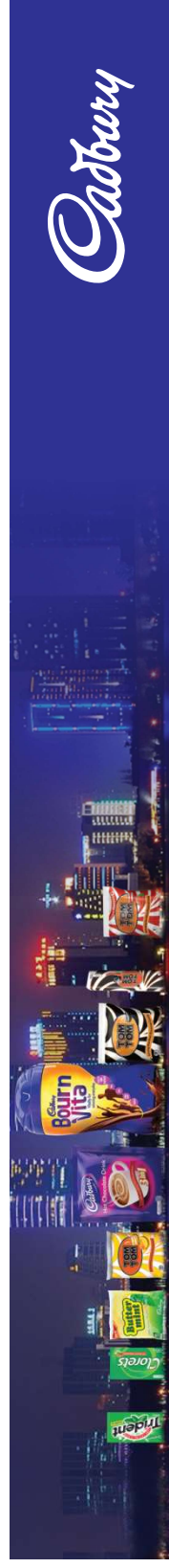
In October 2016, the Mondelez Regional HQ in Dubai was moved to Singapore and Cadbury Nigeria Plc became part of the new region (AMEA) with HQ in Singapore. The amount due to Singapore at year end was N3.2 million (2015: Nil)

**(x) KENT GIDA MADDELERI SANAYI VE, TURKEY (KGMS)**

The Company commenced the purchase of certain Gum products from Turkey in the last quarter of 2015 which it sells and market to its consumers. In 2016 CNP had an arrangement with the Company in Turkey to produce Heat resistant Chocolate (HRC) for CNP. Purchases in the current year amounted to N154.5 million. The amounts due to KGMS Turkey from CNP as at year end was N154 million (2015: N4.5 million)

**(xi) Kraft Foods Egypt Co, SAE (KFE)**

The Company commenced the purchase of certain Gum products from KFE in the last quarter of 2015 which it has been marketing and selling to its consumers. Purchases in the current year amounted to N50.62 million. The amounts due to CNP from KFE as at year end was N114 million (2015: N50.6 million)



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(xii) **Stanbic IBTC Bank Plc**

The Company maintained banking relationship with StanbicIBTC Bank Plc during the year. The Chairman of the Company, Mr. Atedo Peterside, is also the non-executive Chairman of Stanbic IBTC Holdings Plc. During the year, the Company held term deposits with Stanbic IBTC Bank Plc as investments. These deposits are included as part of the call deposits shown in Note 19.

(c) **Transactions with executive management personnel and executive management personnel compensation**

In addition to their salaries, the Company also provides non-cash benefits to Executive Directors and members of executive management, and contributes to a post-employment defined contribution plan on their behalf. In accordance with the terms of the plan, Executive Directors and other executive management retire at age 60 and if qualified, are entitled to receive gratuity lump sum amount from Cadbury Nigeria Plc.

Executive Directors and other executive management, if qualified, also participate in the Company's long service awards programme. This programme awards a certain sum of cash benefit which accrues to the recipient on graduated periods of uninterrupted service.

Executive management personnel compensation comprised:

<i>In thousands of naira</i>	<b>2016</b>	<b>2015</b>
Short-term employee benefits	423,501	423,608
Contribution to compulsory pension fund scheme	7,361	16,250
Share based payments	12,368	(12,226)
	<b>443,230</b>	<b>427,632</b>

## 25 **Financial instruments**

### **Financial risk management and fair values**

#### **A Risk management framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors 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's 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's Audit Committee is assisted in its oversight role by the Internal Audit Function. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk                      • Market risk                      • Operational risk
- Liquidity risk                • Interest rate risk           • Capital management

*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.*

#### (a) 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.

##### (i) Exposure to credit risk

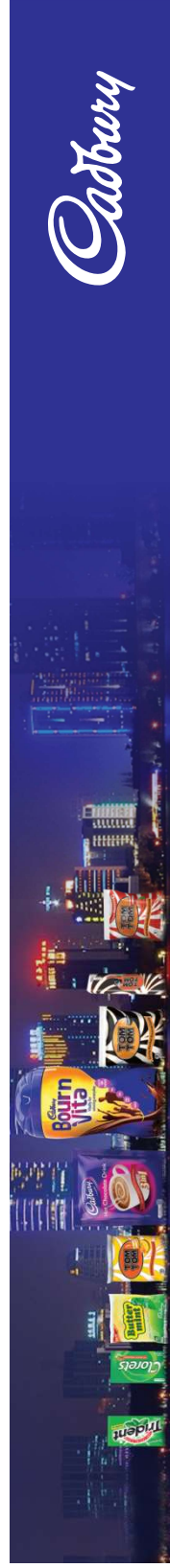
*The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:*

*In thousands of naira*

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents (Note 19)	3,011,314	5,408,217
Trade receivables (Note 17)	4,367,299	3,667,111
Other receivables	339,831	303,878
Due from related parties (Note 17)	155,874	490,902
	<u><b>7,874,318</b></u>	<u><b>9,870,107</b></u>

#### Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are



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offered. 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 Risk Management Committee; these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

More than 38% (2015: 40%) of the Company's customers have been transacting with the Company for over four (4) years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Company's distributors.

Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the Risk Management Committee, and future sales are made on a prepayment basis.

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 Company does not have any significant concentration of credit risk.  
The ageing of trade receivables at the reporting date was:

**Gross amount**

In thousands of naira

	<b>2016</b>	<b>2015</b>
Not past due 0-38 days	4,043,658	3,285,818
Past due 39- 180 days	399,141	368,913
Past due 181- 365 days	34	10,649
More than one year	590,336	574,515
	<b><u>5,033,169</u></b>	<b><u>4,239,895</u></b>

In the prior year, the Company reviewed Customers' credit days from 30days to 38days to align with the Customers' new working capital matrix. This change was to enable Customers stabilize future cash flows and regularise their ordering cycle.

*Cadbury*





**Impairment**

In thousands of naira

	<u>2016</u>	<u>2015</u>
Not past due 0-38 days	-	-
Past due 39- 180 days	78,041	-
Past due 181- 365 days	-	-
More than one year	587,829	572,784
	<u><b>665,870</b></u>	<u><b>572,784</b></u>

**Carrying amount**

In thousands of naira

	<u>2016</u>	<u>2015</u>
Not past due 0-38 days	4,043,658	3,285,818
Past due 39- 180 days	321,100	368,913
Past due 181- 365 days	34	10,649
More than one year	2,507	1,731
	<u><b>4,367,299</b></u>	<u><b>3,667,111</b></u>

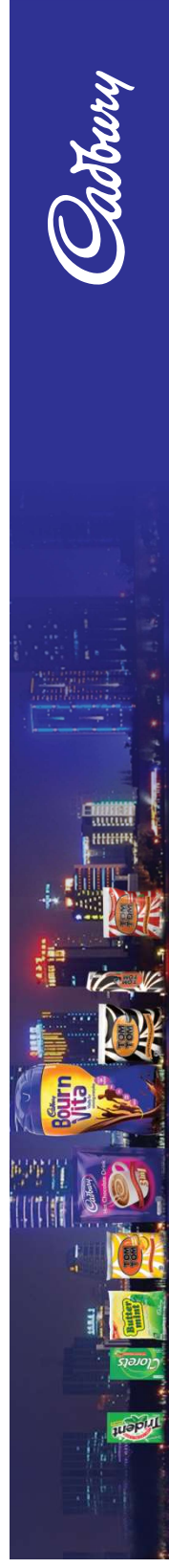
The Company believes that adequate provision has been made for impaired amounts that are past due by more than 38 days based on historic payment behavior and extensive analysis of customer credit risk, including underlying customer credit ratings, when available.

The credit quality of trade and other receivables is assessed based on a credit policy established by the Risk Management Committee. The Company has monitored customer credit risk, by grouping trade and other receivables based on their characteristics. An analysis of the credit quality of trade and other receivables not impaired is as follows:

**Carrying amount**

In thousands of naira

	<u>2016</u>	<u>2015</u>
Four or more years trading history with the Company	3,939,456	3,079,683
Less than four years trading history with the Company	427,843	587,428
	<u><b>4,367,299</b></u>	<u><b>3,667,111</b></u>



Based on the Company's monitoring of customer credit risk, the Company believes that, except as indicated above, no impairment allowance is necessary in respect of trade receivables not past due.

*Cash and cash equivalents:*

The Company held cash and cash equivalents of N3,011 million at 31 December 2016 (2015: N5,408 million), which represents its maximum credit exposure on these assets.

**(b) 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 conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses standard costing to cost its products, which assist it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 60 days. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

At 31 December 2016, the expected cash flows from trade and other receivables maturing within two months were N4,577 million (2015: N3,771 million). This excludes potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company maintains the following lines of credit:

- US\$8 million import finance facility to meet the importation needs of the Company. (2015: US\$8 million). The facility has a tenure of 365 days that renews automatically at the option of the Company. This facility is priced at an interest rate of LIBOR + 3.75% per annum.

**Analysis of non-derivative financial liabilities**

*In thousands of naira*

	2016	2015
Trade payables	4,164,468	3,407,762
Dividend payable	1,499,789	605,966
Accrued expenses*	3,214,269	2,914,007
Due to related parties	2,790,330	2,335,386
Bank overdrafts	151,365	-
	<b>11,820,221</b>	<b>9,263,121</b>

\* Accrued expenses net of provisions and non current income taxes.



**(c) 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 optimizing return.

**(i) Currency risk**

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company, primarily the US dollars (USD), Great British pounds (GBP) and Euros. The Company's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

The summary quantitative data about the Company's exposure to currency risk as reported to the Management of the Company based on its risk management policy was as follows:

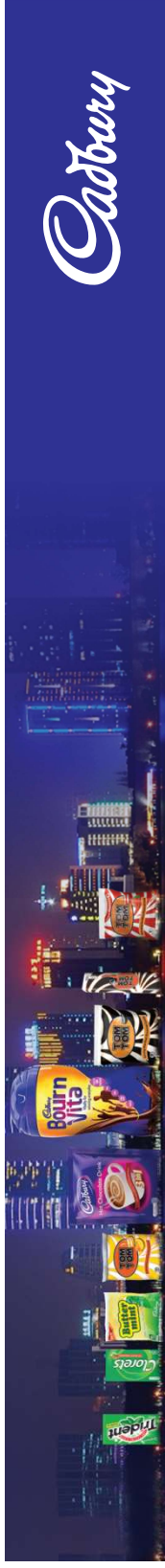
	2016	2015
	GBP	GBP
Trade payables**	(1,962,073)	-
	<u>(1,962,073)</u>	<u>-</u>
	2016	2015
	USD	USD
Trade receivables*	1,116,075	2,463,130
Trade payables**	<u>(10,234,890)</u>	<u>(6,407,849)</u>
	<b><u>(9,118,815)</u></b>	<b><u>(3,944,719)</u></b>

\* This amount relates to receivables from Cadbury Ghana for the sales of finished goods and also sales of Cocoa butter and cake to other export customers.

\*\* This amount relates to payments to intercompany partners on recharges and invoices for other services rendered to Cadbury Nigeria Plc as well as a number of other foreign suppliers.

The following significant exchange rates applied during the year:

	<b>Average Rate</b>	
	2016	2015
Naira	341.35	303.55
GBP 1	253.02	197.21
USD 1		
	<b>Reporting date spot rate</b>	
	2016	2015
Naira	389.10	293.69
GBP 1	315.33	199.30
USD 1		



*Cadbury*

**(ii) Sensitivity analysis**

A weakening of the naira, as indicated below, against the GBP would have decreased equity and profit or loss by the amounts shown below while a weakening of the naira against the USD would have increased equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast sales and purchases.

**31 December 2016**

In thousands of naira	Equity	Profit/(Loss)
GBP (50 percent weakening)	( 259,570)	( 381,721)
USD (50 percent weakening)	(977,648)	(1,437,718)

**31 December 2015**

In thousands of naira	Equity	Profit/(Loss)
USD (10 percent weakening)	( 53,460)	( 78,618)

A strengthening of the naira against the above currencies at 31 December 2016 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**(d) 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 risk is assigned to executive management. This responsibility is supported by the development of overall Company's standards for the management of operational risk in the following areas:

- documentation of processes, controls and procedures.
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified by the risk management committee
- training and professional development of employees






- appropriate segregation of duties, including the independent authorization of transactions
- monitoring of compliance with regulatory and other legal requirements
- requirements for reporting of operational losses and proposed remedial action
- development of contingency plans for various actions
- reconciliation and monitoring of transactions
- development, communication and monitoring of ethical and acceptable business practices
- risk mitigation, including insurance when this is effective.
- monitoring of business process performance and development and implementation of improvement mechanisms thereof

Compliance with the Company's standards, established procedures and controls is supported by periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with management to which they relate, with summaries presented to the Audit Committee and executive management of the Company at management meetings.

#### (e) *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. Management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. Management also monitors the level of dividends to all shareholders.

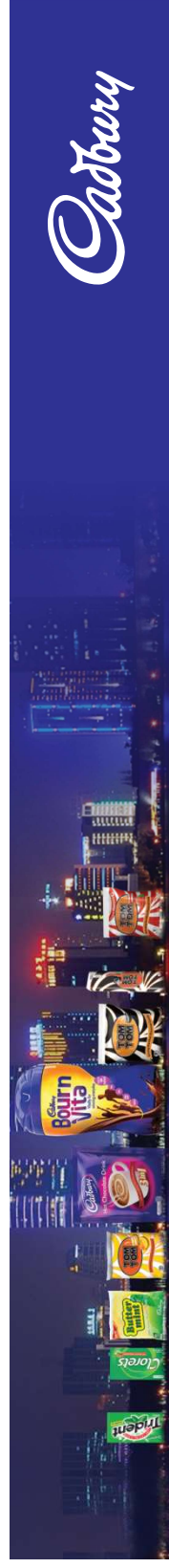
The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

	2016	2015
<i>In thousands of naira</i>		
Total liabilities	17,336,217	16,131,708
Less: Cash and Cash equivalents	(3,011,314)	(5,408,217)
	14,324,903	10,723,491
Total Equity	<b>11,056,734</b>	<b>12,285,297</b>
Net debt to equity ratio	<b>1.30</b>	<b>0.87</b>
There were no changes in the Company's approach to capital management during the year.		

#### B Fair values

##### Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in statement of financial position, are as follows:



*Cadbury*

**Financial assets***In thousands of naira***Loans and receivables**

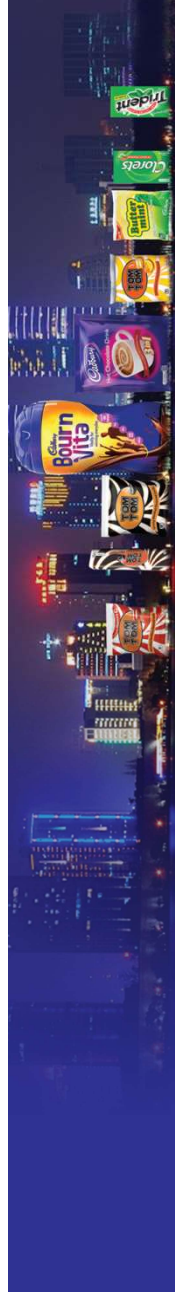
	<b>2016</b>	<b>2015</b>
	<b>Carrying Amount</b>	<b>Carrying Amount</b>
Trade receivables	4,367,299	3,667,111
Other receivables	339,831	303,878
Due from related parties	155,874	490,902
Cash and cash equivalent	2,859,949	5,408,217
	<b><u>7,722,953</u></b>	<b><u>9,870,107</u></b>

**Financial liabilities***In thousands of naira*

	<b>2016</b>	<b>2015</b>
	<b>Carrying Amount</b>	<b>Carrying Amount</b>
Trade payables	4,164,468	3,407,762
Dividend payable	1,499,789	605,966
Accrued expenses	3,214,269	2,914,007
Due to related parties	2,790,330	2,335,386
Bank overdrafts	151,365	-
	<b><u>11,820,221</u></b>	<b><u>9,263,121</u></b>

Trade and other receivables, bank balances dividend payables and trade and other payables are the Company's short term financial instruments. Accordingly, management believes that their fair values are not expected to be materially different from their carrying values.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:



**31 December 2016***In thousands of naira*

	<b>Carrying Amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>
Bank overdrafts	151,365	(151,365)	(151,365)	-
Trade and other payables	11,668,856	(11,668,856)	(11,668,856)	-
	<b>11,820,221</b>	<b>11,820,221</b>	<b>11,820,221</b>	<b>-</b>

**31 December 2015***In thousands of naira*

	<b>Carrying Amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>
Trade and other payables	9,263,121	9,263,121	9,263,121	-
	<b>9,263,121</b>	<b>9,263,121</b>	<b>9,263,121</b>	<b>-</b>

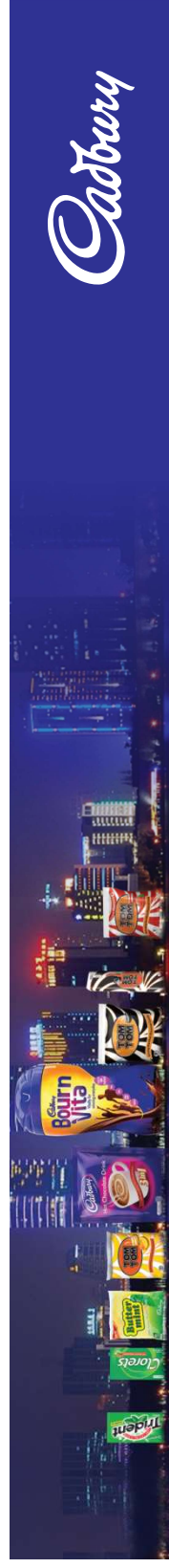
It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**26 Operating leases**

Non-cancellable operating lease rentals are as follows:

*In thousands of naira*

	<b>2016</b>	<b>2015</b>
Less than one year	31,210	146,849
Between one and five years	-	71,691
	<b>31,210</b>	<b>218,540</b>



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The Company leases a number of offices and accommodation facilities under operating leases. The leases typically run between one and five years with an option to renew the lease after the expiration date. Lease payments are increased every two years to reflect market rentals. As at year end, unpaid lease rental for subsequent periods, amounted to N5.16 million (2015: N108.48 million) and paid lease rental for subsequent periods amounted to N26.04 million (2015: N110.06 million).

During the year ended 31 December 2016, an amount of N136.06 million was recognized as an expense in the statement of profit or loss and other comprehensive income in respect of operating leases (2015: N121 million).

## 27 Contingent liabilities and commitments

The Company is subject to various claims and litigation and other contingent liabilities arising in the normal course of the business. Contingent liabilities in respect of pending litigation and other possible claims were N147 million (2015: N94 million). Based on independent legal advice and investigations conducted to date, no material loss is expected to arise from these claims.

## 28 Information on reportable segments

### (i) Business segments

The Company has three reportable business segments summarized as follows:

Segment	Description
Refreshment Beverages	This includes the manufacturing and sale of Bournvita and Hot Chocolate.
Confectionary	This includes the manufacturing and sale of Tom Tom, Buttermint, Clorets and Trident.
Intermediate Cocoa Products	This includes the manufacturing and sale of cocoa powder, cocoa butter, cocoa liquor and cocoa cake.

Information regarding each reportable business segment is shown below:

*Cadbury*





**Revenue***In thousands of naira*

	<b>2016</b>	<b>2015</b>
Refreshment Beverages	16,547,499	16,643,075
Confectionary	10,105,783	9,011,004
Intermediate cocoa products	3,326,128	2,171,115
	<b><u>29,979,410</u></b>	<b><u>27,825,194</u></b>

**Depreciation, amortisation and Impairment***In thousands of naira*

Refreshment Beverages	821,314	1,149,868
Confectionary	501,588	431,886
Intermediate cocoa products	165,088	202,525
	<b><u>1,487,990</u></b>	<b><u>1,784,279</u></b>

**Net finance income***In thousands of naira*

	<b>2016</b>	<b>2015</b>
--	-------------	-------------

Refreshment Beverages and Confectionary

Confectionary

Intermediate cocoa products

Unallocated

	-	-
	-	-
	-	-
	169,982	156,796
	<b><u>169,982</u></b>	<b><u>156,796</u></b>

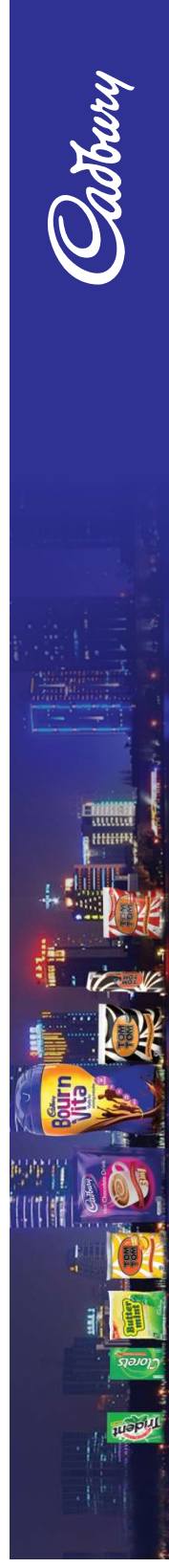
**(Loss)/profit before taxation***In thousands of naira*

Refreshment Beverages and Confectionary

Confectionary

Intermediate cocoa products

	<b>2016</b>	<b>2015</b>
	(309,579)	943,508
	(191,376)	511,528
	(61,916)	122,376
	<b><u>(562,870)</u></b>	<b><u>1,577,412</u></b>

**Total per profit or loss account**

Assets & liabilities by reportable segments are not presented to the Chief Operating Decision Maker (the Board of Directors). Consequently, information on segment assets & liabilities has not been presented.

Revenue from one customer does not represent up to 10% of the company's total revenue. Therefore, information on major customers is not presented.

All the company's assets are located in Nigeria.

## (ii) Geographical segments

The Company has two reportable geographical segments summarised as follows:

<b>Segment</b>	<b>Description</b>
Domestic sales	This comprises sales within Nigeria.
Export sales	This comprises sales to countries outside of Nigeria mainly in Africa and Europe.

Information regarding the operations of each reportable geographical segment is shown below:

*In thousands of naira*

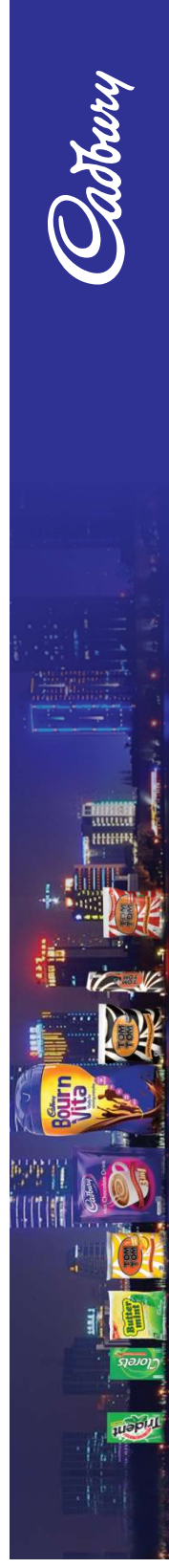
	<b>2016</b>	<b>2015</b>
Domestic sales	27,365,832	25,155,543
Export sales	2,613,578	2,669,651
	<b><u>29,979,410</u></b>	<b><u>27,825,194</u></b>

## 29 Events after the reporting date

There are no significant subsequent events, which could have had a material effect on the Company's financial position as at 31 December 2016 and its operating results as at that date, that have not been adequately provided for or disclosed in the financial statements.



# Other national disclosures



*Cadbury*

## Value Added Statement

For the year ended 31 December 2016  
In thousands of naira

	<u>2016</u>	<u>%</u>	<u>2015</u>	<u>%</u>
<b>Revenue</b>				
Interest income	29,979,410		27,825,194	
Other income	187,780		156,796	
Bought in materials and Services	61,301		21,263	
- Local	(20,423,431)		(17,834,249)	
- Imported	(3,161,748)		(1,326,024)	
<b>Value added</b>	<b><u>6,643,312</u></b>	<b><u>100</u></b>	<b><u>8,842,980</u></b>	<b><u>100</u></b>
Applied as follows:				
Employees as salaries, wages and other staff costs	5,700,394	86	5,481,288	62
Providers of capital as interest on borrowings	17,798	-	-	-
Government as taxes	(266,468)	(4)	424,117	5
Retained in the business as:				
- Depreciation	1,415,488	21	1,721,452	19
- Amortisation	72,502	1	62,828	1
- To augment the reserves	(296,402)	(4)	1,153,295	13
	<b><u>6,643,312</u></b>	<b><u>100</u></b>	<b><u>8,842,980</u></b>	<b><u>100</u></b>

Value added is wealth created by the efforts of the Company and its employees and its allocation between employees, shareholders, government and re-investment for the creation of future wealth.

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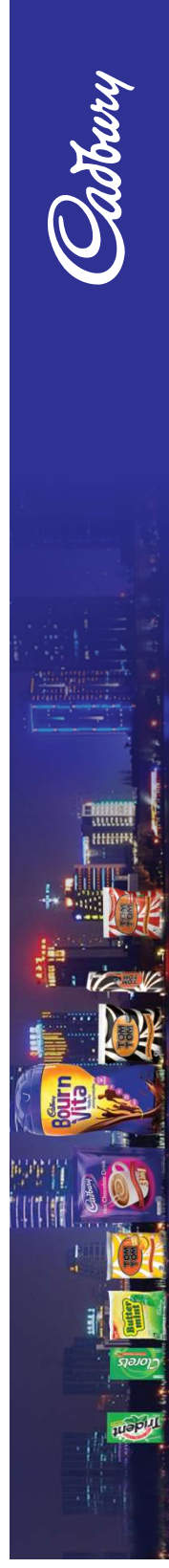


## Five Year Financial Summary

In thousands of naira

	2016	2015	2014	2013	2012
<b>Statement of comprehensive income:</b>					
Revenue	29,979,410	27,825,194	30,518,586	35,760,753	33,550,501
(Loss)/profit before income tax	(562,870)	1,577,412	2,385,891	8,278,526	5,361,692
Income tax credit/(expense)	266,468	(424,117)	(248,572)	(1,672,514)	(2,011,579)
(Loss)/profit for the year	(296,402)	1,153,295	2,137,319	6,606,013	3,454,991
Non-controlling interest	-	-	-	-	(6,344)
(Loss)/profit for the year	(296,402)	1,153,295	2,503,661	6,081,645	3,461,335
<b>Statement of financial position</b>					
Non-current assets	14,584,877	15,672,021	16,474,990	16,941,156	13,992,153
Current assets	13,808,074	12,744,984	12,336,296	26,231,468	26,164,355
	<b>28,392,951</b>	<b>28,417,005</b>	<b>28,811,286</b>	<b>43,172,624</b>	<b>40,156,508</b>
<b>Funds employed:</b>					
Share capital	939,101	939,101	939,101	1,565,187	1,564,594
Share premium	272,344	272,344	272,344	11,543,821	11,517,941
Other reserves	3,436,348	3,436,348	3,436,348	3,436,348	3,435,975
Share based payment reserve	42,634	30,266	42,492	35,201	13,884
Retained earnings	6,366,307	7,607,238	8,059,166	7,997,167	3,514,579
Non-controlling Interest	-	-	-	-	(7,617)
	<b>11,056,734</b>	<b>12,285,297</b>	<b>12,749,451</b>	<b>24,577,724</b>	<b>20,039,356</b>
<b>Shareholders' fund</b>					
Current liabilities	12,820,278	11,651,634	12,302,105	13,546,873	16,905,424
Non-current liabilities	4,515,939	4,480,074	3,759,730	5,048,027	3,211,728
	<b>28,392,951</b>	<b>28,417,005</b>	<b>28,811,286</b>	<b>43,172,624</b>	<b>40,156,508</b>
<b>Per-share data:</b>					
Basic earnings per share	(16)	61	106	211	107

Earnings per share is based on issued and fully paid share capital at 31 December 2016.



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## CADBURY'S DISTRIBUTORS

- A.D.Basharu & Sons Nig. Ltd.
- Adeayo Integrated Servs. Ltd
- Ajoke Stores Ltd.
- Al. Umar Ahmed Kunji Gen. Enterprises
- Alh Garba Dankane Jega Nig Ltd.
- Alh. Abdullahi Kassim Enterprises
- Alh Uma Ahmed Kunji Gen
- Al-Yuhadhash Nig. Ltd
- Arinola Precious Ventures
- Asko Kem Global Limited
- Aye Tonis Stores
- Basrose Stores Ltd.
- BG Usman Limited
- Bukos Ventures Ltd.
- C Obinna Integrated Link Ltd
- C. P Cromwell Nigeria Limited
- CFAO General Imports.
- Chazek Company Nigeria Ltd.
- Covenant Success Supermarket Ltd
- De Favour Stores
- E.H. Okika Nigeria Ltd
- Egap Glory Ventures
- Elijah Miracle Ventures
- Ernus Ventures Ltd.
- F.M. Ige Nig. Ltd
- Fabeto Nig. Ltd.
- Fatarik Business Limited.
- Feshare Global Resources Limited
- Fishmonger Nig. Enterprises.
- Franco International (West Africa) Limited
- Hamisu Investment Company
- Hammalat Business Ventures.
- Hasbar Investment Nig Ltd
- Igomuna Investments Limited
- Iya Eskay Nig Ltd
- JJ Nholi& Sons Limited
- Joemich Global Ventures Enterprises
- J.O. Adebisi & Sons Nig. Ltd.
- Joke Agnes Enterprises
- Jives Nigeria Limited
- King Arinze Enterprises
- Kubmite Nig. Ltd.
- Lasisi Omipidan & Sons
- Lawzion Merchandise Ent.
- M. Elejire & Sons Nig. Ltd.
- Maybat Intergrated Network Nig. Ltd.
- MOFAD Ltd.
- Mosadosu Nigeria Ltd.
- Nasiru Tukur Faru Enterprises Nig. Ltd.
- Nna-Nna & Sons Nig. Ltd.
- Nnaji Trading Stores
- Nze Sam and Associates Trading Company Nigeria Ltd.
- Obeuch Emehige Nig Enter.
- Obinna Okafor Provision Store
- Olayiwola Stores
- Paul Obelley Services
- Providence Court Integrated
- Roswill Enterprises Nigeria
- Rukbom Oluwakemi Nigeria Limited
- S.C. Okafor Nigeria Limited.
- Seacoast Nigeria Ltd
- Sidi and Sons Limited
- Sunky Supermarket Limited
- Taiken Ventures Ltd.
- The Lord Doing Global Concept
- Tijenny Global Resources Ltd.
- Tinbash International Limited
- Tinuola Stores Ltd.
- United Multi distribution Company
- Usman Achida Abdullahi



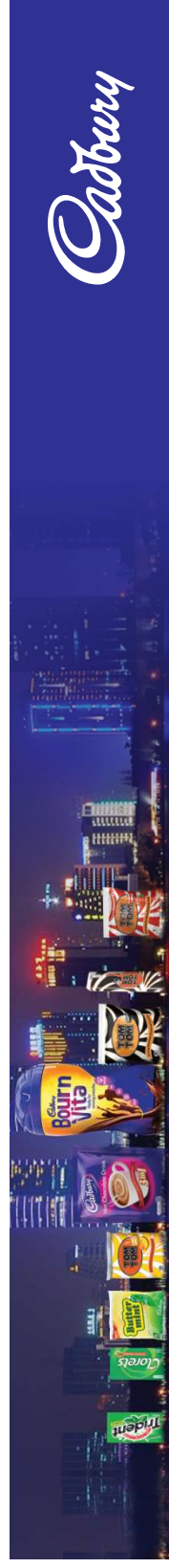

Shareholders are kindly advised to note that there will be no distribution of gifts at the agm venue

## PROXY FORM

**CADBURY NIGERIA PLC 52nd ANNUAL GENERAL MEETING TO BE HELD AT 10.00AM ON FRIDAY  
16 JUNE 2017 IN THE BANQUET HALL, CIVIC CENTRE OZUMBA MBADIWE, VICTORIA ISLAND, LAGOS**

RESOLUTIONS	FOR	AGAINST
<b>ORDINARY BUSINESS</b>		
To elect Amir Shamsi as a Director		
To re-elect the following Directors retiring by rotation:		
Mr. Gawad Abaza		
Mr Charles Nelson		
To Appoint Messrs PriceWaterhouse Coopers as the new Independent Auditor		
To authorise the Directors to fix the remuneration of the Auditors		
To elect members of the Audit Committee		
<b>SPECIAL BUSINESS</b>		
To grant the Company a General Mandate to enter into recurrent related party transactions		
To approve the remuneration of the Directors		

Please indicate with 'X' in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.



*Cadbury*

I/We .....being a member/members of Cadbury Nigeria Plc hereby appoint \*\* .....  
 Or failing him/her the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 16 June 2017 and at any adjournment thereof.

Dated this ..... Day of ..... 2017

Shareholder's Signature .....

Please sign the above proxy form and post it, so as to reach the address overleaf not later than 48 hours before the time for holding the Meeting. If executed by a corporation, the proxy form should be sealed with the Corporation's common seal.

The name of the Shareholder must be written in BLOCK CAPITALS on the proxy form where marked. Following the normal practice, the Chairman of the Meeting has been entered on the form to ensure that someone will be at the Meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked \*\*) the name of the person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman.

A member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote on a poll by proxy. The above form has been prepared to enable you to exercise your right to vote, in case you cannot personally attend the Meeting.

## **CADBURY NIGERIA PLC 52nd ANNUAL GENERAL MEETING**

Shareholder's Admission Form

**BEFORE POSTING THE ABOVE FORM, PLEASE TEAR OFF THIS PART AND RETAIN FOR ADMISSION TO THE MEETING**  
 Please admit the shareholder on this form or his/her duly appointed proxy to the Annual General Meeting to be held at the Banquet Hall, Civic Centre, Victoria Island, Lagos at 10.00AM on Friday, 16 June 2017.

Name of Shareholder: .....

Number of Shares Held: ..... Signature of person attending: .....

This admission form must be produced by the Shareholder or his/her proxy, who need not be a member of the Company, in order to obtain entrance to the Annual General Meeting.

*Cadbury*







# CADBURY NIGERIA PLC SHAREHOLDERS DATA UPDATE

This is to inform shareholders of CADBURY NIGERIA PLC. in our stable to update their personal details such as:

Surname .....  
First Name ..... Other Names.....  
e-Mail Address .....  
Primary GSM Number ..... Alternative GSM Number.....  
Clearing House number (CHN) ..... Bank Verification Number (BVN) .....  
Preferred Stockbroker's Name .....  
Date of Birth .....  
Bank Name..... Bank Account Number.....  
Old Address .....  
New Addresses (to be used for address update) .....  
Next of Kin ..... Next of Kin phone number .....

I/We hereby authorise CADBURY NIGERIA Plc to update my/our shareholding accounts with the above information

.....  
Individual shareholder signature ..... Joint Shareholder Signature .....  
.....  
Corporate Shareholder ..... Company Seal .....



Dear Shareholder,

**Introducing the E-Dividend Mandate Management System (E-DMMS)**

We are pleased to inform you that dividends on your shareholdings can now be paid directly into your preferred Bank Account.

This is made possible with the **e-Dividend Mandate Platform** that allows you to **register/validate** your e-dividend mandate at any Branch of a Bank nearest to you nationwide or First Registrars offices.

The platform also provides you a quick and convenient way to enjoy the benefits of the direct cash settlement (DCS) from your Registrar, whilst minimizing the incidents of unclaimed dividends.

To register and be mandated for your e-dividend **free of charge within 150 days spanning April 14, 2016 to September 13, 2016**, please visit any of the First Registrars office listed below or a Bank branch nearest to you.

It is easy and it is a one-off exercise!!!

**First Registrars & Investor Services Ltd.**

Plot 2, Abebe Village Road,  
Iganmu,  
Lagos

**Tel: +234 1 2799880, +234 1 2701078**

**Email: [info@firstregistrarsnigeria.com](mailto:info@firstregistrarsnigeria.com)**

**Abuja**

First Bank Nigeria Limited  
Jos Street Branch

Plot 451, Opposite Sharon Hotel  
Area 3, Garki, Abuja

**Tel: +234 802 315 4938**

**Enugu**

First Bank of Nigeria Limited (Main Branch)  
21, Okpara Avenue

Enugu

Enugu State

**Tel: +234 805 459 0483**

**Ibadan**

First Bank Nigeria Limited (2<sup>nd</sup> Floor)  
48, Molete/Challenge Road  
Opposite Texaco,

Ibadan, Oyo State

**Tel: +234 802 571 4780**

**Kaduna**

First Bank of Nigeria Limited (Area Office)

14, Bank Road, Kaduna

Kaduna State

**Tel: +234 802 396 4430**

**Port Harcourt**

First Bank of Nigeria Limited (2<sup>nd</sup> Floor)

22/24, Aba Road

Port Harcourt

Rivers State

**Tel: +234 80556 56430**

Thank you.

Affix  
Current  
Passport

(To be stamped by Bankers)

Write your name at the back of  
your passport photograph**Instruction**

Please complete all section of this form to make it eligible for processing and return to the address below

**Only Clearing Banks are acceptable****The Registrar,**

First Registrars & Investor Services Ltd.  
2 Abebe Village Road, Igannu  
P. M. B. 12692 Lagos, Nigeria.

I/We hereby request that henceforth, all my/our dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my / our bank detailed below:

**Bank Verification Number**

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick)

☐

Current

☐

Savings

**Shareholder Account Information**

Surname

First Name

Other Names

Address :

City

State

Country

Previous Address (If any)

CHN (If any)

Email Address

Mobile Telephone 1

Mobile Telephone 2

Signature(s)

Joint/Company's Signatories

Company's Seal

Authorised Signature of Banker

Authorised Stamp of Banker

**BREATHE**

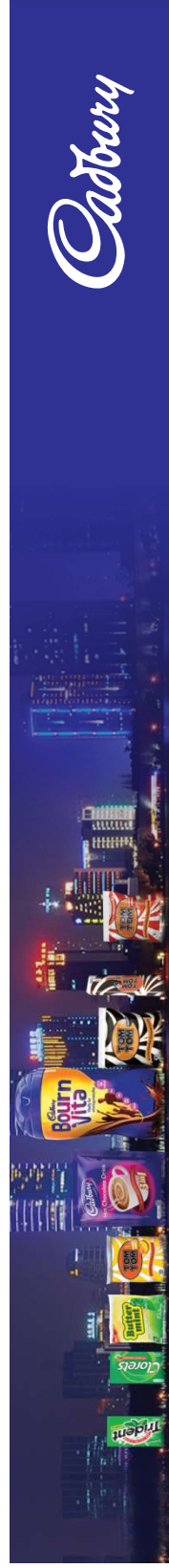
**TOMTOM**

**AIR**



*Cadbury*





[illegible]

[illegible]

