

BROOKE BOND GROUP LIMITED
REPORT AND ACCOUNTS 2004

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Brooke Bond Group Limited**Directors' Report for the Year ended 31 December 2004**

The Directors of the Company during the year were as follows :

Mr G B St L Anderson
Mrs B S Macaulay
Mr R M Tomlinson

Mr R M Tomlinson resigned as a director on 18 February 2005 and Ms A M Dillon was appointed as a director on the same day.

Review of Activities

There was no significant change in the principal activity of the Company, which is to act as a holding company. All of its out of pocket expenses, including the remuneration of the auditors, were borne by the parent company or a fellow subsidiary.

The Directors consider that in the conditions prevailing during the year, the development of the Company's business and its financial position at the end of the year were satisfactory. The Directors do not expect any development in the Company's business in 2005 which is significantly different from its present activities.

Results and Dividend

The profit for the year is £ 26,413,000 (2003 - £ 36,476,000) and a dividend of £ 80,000,000 has been declared (2003 - nil).

Directors' Interests

According to the Register of Directors' Interests, the notifiable interests of the Directors in office at 31 December 2004, in the share capital of the Company's ultimate holding company, Unilever PLC, were as follows:

	<u>Unilever PLC</u>	<u>At 1.1.2004</u> (1.4p shares)	<u>At 31.12.2004</u> (1.4p shares)
Mr G B St L Anderson	Ordinary shares	6,947	6,947
Mrs B S Macaulay	Ordinary shares	73	377
Mr R M Tomlinson	Ordinary shares	34,569	35,864

Brooke Bond Group Limited**Directors' Interest (continued)**

Options to acquire the number of Unilever PLC Ordinary shares listed below were granted, exercised and held as follows:

		<u>At 1.1.2004</u>	<u>Granted</u>	<u>Exercised</u>	<u>At 31.12.2004</u>
Mr G B St L Anderson	(b)	3,479	Nil	Nil	3,479
Mrs B S Macaulay	(b)	3,326	Nil	Nil	3,326
Mr R M Tomlinson	(a)	101,953	7,975	Nil	109,928
	(b)	3,479	Nil	Nil	3,479

(a) under the Unilever 1985 and 1997 Executive Share Option Schemes and subject to the Rules of those Schemes.

(b) under the Unilever PLC 1985 Sharesave Scheme and subject to the Rules of that Scheme.

The Directors, in common with all employees of Unilever PLC and its UK subsidiaries, have a beneficial interest in the undermentioned Unilever PLC ordinary shares acquired by the Unilever Employee Share Trust (Jersey) for the purpose of satisfying share options granted to employees.

	<u>At 1.1.2004</u>	<u>At 31.12.2004</u>
The Directors	47,080,138	48,888,961

Auditors

PricewaterhouseCoopers LLP will remain in office as auditors of the Company in accordance with the provisions of Section 386 of the Companies Act 1985.

BY ORDER OF THE BOARD


G B St L Anderson
Secretary

Date: 27 October 2005

Brooke Bond Group Limited**Statement of Directors' Responsibilities for preparing the Accounts**

The Directors are required by UK company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss and total recognised gains or losses of the Company for that year.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 December 2004. The Directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Brooke Bond Group Limited

Independent Auditors' Report to the Members of Brooke Bond Group Limited

We have audited the financial statements for the year ended 31 December 2004 on pages 6 to 14 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed asset investments) and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the accounts and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Director's Report and the Statement of the Director's Responsibilities.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Brooke Bond Group Limited**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read "PricewaterhouseCoopers" followed by a stylized flourish.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

27 October 2005

Brooke Bond Group Limited
Profit and Loss Account – Year ended 31 December 2004

	Notes	2004 £000	2003 £000
Administrative expenses		-	(70)
Operating loss	(1)	-	(70)
Loss on disposal of investment – Societe Ivoirienne Pour la Trituration des Graines Oleagineuses et le Raffinage d'Huiles Vegetales S.A.		-	(1,147)
Impairment of Unilever Tea Tanzania Ltd.		(1,415)	-
Release of revaluation reserve Brooke Bond Investments Inc.		3,378	-
Net interest and similar income	(2)	23,810	37,908
Profit on ordinary activities before taxation		25,773	36,691
Taxation on profit on ordinary activities	(3)	640	(215)
Profit for the financial year	(9)	26,413	36,476
Dividends paid/proposed		(80,000)	-
Retained (loss)/profit for the year		(53,587)	36,476
Profit retained 1 January		145,155	108,679
Profit retained 31 December		91,568	145,155

All operations in the year and in the comparative year were continuing.

There is no difference between the profit on ordinary activities before taxation and the retained profit/(loss) for the year stated above and their historical cost equivalents.

The profit/(loss) for each financial year represents the total recognised gains/(losses) of that year and therefore no separate statement of total recognised gains and losses has been presented.

Brooke Bond Group Limited
Balance Sheet – 31 December 2004

	Notes	2004 £000	2003 £000
Fixed assets			
Investments	(5)	283,508	237,634
Current assets			
Debtors due within one year	(6)	-	19,011
Debtors due after one year	(6)	24,280	43,383
		<u>24,280</u>	<u>62,394</u>
Creditors: amounts falling due within one year	(7)	<u>(7)</u>	<u>(7)</u>
Net current assets		<u>24,273</u>	<u>62,387</u>
Total assets less current liabilities		307,781	300,021
Creditors: amounts falling due after more than one year	(7)	<u>(65,033)</u>	<u>(308)</u>
Net assets		<u>242,748</u>	<u>299,713</u>
Capital and reserves			
Called up share capital	(8)	86,662	86,662
Share premium account	(9)	30,990	30,990
Revaluation reserve	(9)	33,528	36,906
Profit and loss account	(9)	<u>91,568</u>	<u>145,155</u>
Equity shareholders' funds	(9)	<u>242,748</u>	<u>299,713</u>

The financial statements on pages 6 to 14 were approved by the Board of Directors on 27/10/2005 and were signed on behalf by:


G B St L Anderson
Director

Brooke Bond Group Limited**Principal Accounting Policies**

The financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain fixed asset investments and in accordance with the Companies Act 1985 and the applicable accounting standards in the United Kingdom.

The Company is a subsidiary of Unilever PLC and its cash flows are included in the consolidated cash flow statement of Unilever PLC. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 (revised 1996) from publishing a cash flow statement.

The financial statements contain information about Brooke Bond Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under S228 of the Companies Act 1985 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Unilever PLC, a company incorporated in England and Wales.

Foreign Currencies: Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling on the date of the transaction, at monthly average rates or at covered rates where appropriate. Assets and liabilities denominated in foreign currencies have been translated into sterling at the covered rates of exchange current at the year-end and profits/losses are taken through the Profit and Loss Account of the year.

Fixed Asset Investments: Fixed Asset Investments are generally carried at cost. However, in the case of certain investments, the investments are stated at the value attributed to the Company's share of their underlying net tangible assets at 30 September 1984, the date treated as the acquisition date of the Company by Unilever PLC. Where the value of an investment is considered to have been permanently impaired, a carrying value below this amount is employed.

Dividends: Dividends due from group undertakings and participating interests are credited to the profit and loss account when declared. In cases where dividend remittances from participating interests are not expected with reasonable certainty within one year, dividends are accounted for on a cash received basis.

Brooke Bond Group Limited**Notes to the Accounts – 31 December 2004****(1) Operating Loss**

The auditor's remuneration is borne by the parent company's central services subsidiary.

(2) Interest and Similar Income

	2004 £000	2003 £000
Income from shares in group undertakings	16,826	19,448
Income from other fixed assets investments	6,984	18,460
Total interest receivable and similar income	<u>23,810</u>	<u>37,908</u>

(3) Taxation on Profit on Ordinary Activities

The credit/(charge) for taxation is made up as follows:

	2004 £000	2003 £000
On the profit of the years		
Current tax:		
UK Corporation Tax	(10,918)	(9,693)
Less: Double Taxation Relief	<u>10,918</u>	<u>9,693</u>
	-	-
Adjustment for prior periods	882	-
Foreign Taxation	<u>(242)</u>	<u>(215)</u>
Total taxation credit/(charge)	<u>640</u>	<u>(215)</u>

Brooke Bond Group Limited**(3) Taxation on Profit on Ordinary Activities (continued)**

The current tax for the period is lower (2003 is lower) than the standard rate of corporation tax in the UK (30%). The difference is explained below:

	2004 £000	2003 £000
Profit on ordinary activities before tax	25,773	36,691
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (2003 – 30%)	(7,732)	(11,007)
Effects of:		
Gross up for underlying tax on overseas dividends	(3,775)	(3,688)
Permanent differences	589	(25)
Foreign tax on overseas earnings	(242)	(215)
Double tax relief	10,918	9,693
Adjustments to tax in respect of prior periods	882	-
Non taxable UK Dividends	-	5,371
Loss on disposal of subsidiary	-	(344)
Current tax charge	640	(215)

(4) Directors' Emoluments

The Directors are employed as managers by Unilever UK Central Resources Limited and they are remunerated by that company in respect of their services to the group as a whole.

(5) Fixed Assets – Investments

	Shares in Group Undertakings		Shares in Associated Companies	Other Investments Listed	Total
	Listed £000	Unlisted £000	£000	£000	£000
Cost or valuation 1 January 2004	37,043	215,949	-	16,550	269,542
Additions	-	-	67,752	-	67,752
Disposals	-	(20,463)	-	-	(20,463)
Cost or valuation 31 December 2004	37,043	195,486	67,752	16,550	316,831
Provisions 1 January 2004	(9,782)	(22,126)	-	-	(31,908)
Charged to profit and loss	-	(1,415)	-	-	(1,415)
31 December 2004	(9,782)	(23,541)	-	-	(33,323)
Net Book Value					
31 December 2004	27,261	171,945	67,752	16,550	283,508
1 January 2004	27,261	193,823	-	16,550	237,634
Market value of listed investments	25,744			182,455	

Brooke Bond Group Limited
(5) Fixed Asset - Investments (continued)
Investment in Group Undertakings

The investment is in subsidiary undertakings of the Company. Their names together with their country of incorporation/registration are listed below. A description of the shares and the proportion held is shown below.

Name of Company and Country of Incorporation/Registration	Description of Shares Held	Proportion of Nominal Value of Shares Hold and voting rights		Principal Activity
		Direct	Indirect	
		%	%	
<u>England and Wales</u>				
BBG Investments (France) Ltd.	Ordinary	100%		Dormant
Brooke Bond Assam Estates Ltd.	Ordinary	100%		Holding Co.
Brooke Bond Batchelors Ltd.	Ordinary	100%		Dormant
Unilever Australia Partnership Ltd.	Ordinary	100%		Holding Co.
Brooke Bond South India Estates Ltd.	Ordinary	100%		Holding Co.
Unilever Australia Investments Ltd.	Ordinary	100%		Holding Co.
<u>USA</u>				
Brooke Bond Group Investments Inc.	Ordinary		100%	Holding Co.
Unatrac U.S., Inc.	Ordinary		100%	Tea and Tea Packaging
	Preference		100%	Foods
<u>Kenya</u>				
Unilever Tea Kenya Ltd.	Ordinary	88.24%		Plantations,Tea & Packaging
Brooke Bond Mombasa Ltd.	Ordinary		88.24%	Dormant
The Buret Tea Co Ltd.	Ordinary		88.24%	Dormant
Kenya Tea Blenders Ltd.	Ordinary		88.24%	Dormant
Kitco Ltd.	Ordinary		88.24%	Dormant
Mabroukie Tea & Coffee Estates Ltd.	Ordinary		88.24%	Dormant
<u>Tanzania</u>				
Unilever Tea Tanzania Ltd.	Ordinary	100%		Tea Plantations

In the opinion of the Directors, the value of the investment in each subsidiary undertaking, consisting of shares and amounts owing, is not less than the amount at which that investment is stated in the balance sheet.

Brooke Bond Group Limited**(5) Fixed Asset – Investments (continued)****Associated Companies and Other Investments**

Included in investments are the following investments which amount to 20% or more of the nominal value of the allotted shares of the companies concerned or where significant influence is exercised over the investment.

Name of Company and Country of Incorporation/Registration	Description of Shares Held	Proportion of Nominal Value of Shares Held	
		Direct	Indirect
<hr/>			
<u>Kenya</u>			
The Limuru Tea Company Ltd.	Ordinary		45.88%
<u>India</u>			
Hindustan Lever Ltd.	Ordinary	4.85%	
<u>USA</u>			
Unilever Trumbull Holdings, Inc.	Ordinary	23.23%	

The aggregate value of the capital and reserves and the profit for the principal investment is as follows:-

Name of the company	Capital & Reserves at 31 Dec 2004 £000	Profit for year ended 31 Dec 2004 £000
<u>India</u>		
Hindustan Lever Ltd.	336,961	132,127

Where the investment is in a participating interest, the share of results of that company has not been included in these accounts on the same grounds that group accounts have not been prepared.

In the opinion of the Directors, the value of each investment in participating interests is not less than the amount stated in the Balance Sheet.

Brooke Bond Group Limited**(6) Debtors**

	2004 £000	2003 £000
Amounts due within one year:		
Amounts owed by group undertakings	-	606
Indebtedness with parent company's central services subsidiary	-	18,405
	-	<u>19,011</u>
Amounts due after more than one year:		
Amounts owed by group undertakings	2,421	2,421
Amounts owed by ultimate parent undertaking	21,859	21,859
Indebtedness with parent company's central services subsidiary	-	19,103
	<u>24,280</u>	<u>43,383</u>
Total Debtors	<u>24,280</u>	<u>62,394</u>

(7) Creditors

	2004 £000	2003 £000
Amounts due within one year:		
Accruals and deferred income	7	7
	<u>7</u>	<u>7</u>
Amounts falling due after more than one year:		
Amounts owed to group undertakings	243	243
Accruals and deferred income	58	65
Indebtedness with parent company's central services subsidiary	64,732	-
	<u>65,033</u>	<u>308</u>
Total Creditors	<u>65,040</u>	<u>315</u>

(8) Called Up Share Capital

	2004 £000	2003 £000
Authorised		
400,000,000 ordinary shares of 25p each	<u>100,000</u>	<u>100,000</u>
Alloted, called up and fully paid		
346,646,201 ordinary shares of 25p each	<u>86,662</u>	<u>86,662</u>

Brooke Bond Group Limited**(9) Reconciliation of Movements in Shareholders' Funds**

	2004 £000	2003 £000
Profit for the financial year	26,413	36,476
Dividends proposed	(80,000)	-
Other recognised losses	(3,378)	-
Net (reduction)/addition to shareholders' funds	(56,965)	36,476
Opening shareholders' funds	299,713	263,237
Closing shareholders' funds	242,748	299,713

Reserves

	<u>Share Premium Account</u> £000	<u>Revaluation Reserve</u> £000	<u>Profit & Loss Account</u> £000	<u>Total</u> £000
At 1 January 2004	30,990	36,906	145,155	213,051
Transfer from profit and loss	-	-	(56,965)	(56,965)
Transfer from reserves		(3,378)	3,378	-
At 31 December 2004	30,990	33,528	91,568	156,086

(11) Related Party Transactions

The immediate holding company is Unilever PLC, which is also the ultimate parent company. The Company has not disclosed transactions with fellow subsidiaries in accordance with the exemption under the terms of Financial Reporting Standard No. 8. Copies of the Unilever group accounts can be obtained from Unilever PLC, Corporate Relations Department, P O Box 68, Blackfriars, London EC4P 4BQ.