

## REPORT AND ACCOUNTS 1995

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BROOKE BOND GROUP LIMITEDDIRECTORS' REPORT FOR THE YEAR 1995DIRECTORS

Mr P Neely  
 Mrs V A Roberts  
 Mr I A C Shrimpton  
 Mr R M Tomlinson  
 Mr B J Wakefield

REVIEW OF ACTIVITIES

There was no significant change in the principal activity of the Company which is to act as a holding company.

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 1996 significantly different from its present activities.

PROFITS AND DIVIDEND

The Profit and Loss Account for the year and statement of retained profits are set out on page 5 and in Note 12 of the Accounts.

The profit for the year is £16,273,583. No dividend is recommended.

DIRECTORS' INTERESTS

According to the Register of Directors' Interests, the notifiable interests of the Directors in office at 31st December 1995 in the share and loan capital of the Company's ultimate holding company, Unilever PLC, and its subsidiaries, were as follows:-

		<u>At 1.1.95</u>	<u>At 31.12.95</u>
	<u>Unilever PLC</u>		
Mr P Neely	Ordinary shares of 5p each	Nil	2,033
Mrs V A Roberts	Ordinary shares of 5p each	4,710	4,817
Mr I A C Shrimpton	Ordinary shares of 5p each	710	710
Mr R M Tomlinson	Ordinary shares of 5p each	2,664	4,019

BROOKE BOND GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR 1995

DIRECTORS' INTERESTS (Continued)

Options to acquire the number of Unilever PLC Ordinary shares of 5p each listed below were granted, exercised and held as follows:-

		<u>At 1.1.95</u>	<u>Granted</u>	<u>Exercised</u>	<u>At 31.12.95</u>
Mr P Neely	(a)	3,066	Nil	2,033	1,033
Mr V A Roberts	(a)	2,388	322	1,355	1,355
Mr I A C Shrimpton	(a)	1,270	Nil	Nil	1,270
Mr R M Tomlinson	(a)	2,388	966	1,355	1,999
	(b)	Nil	5,043	Nil	5,043
Mr B J Wakefield	(a)	1,926	Nil	Nil	1,926

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

(b) under the Unilever PLC 1985 UK Executive Share Option 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 of 5p each, acquired by the Unilever Employee Share Trusts for the purpose of satisfying share options granted to employees:-

	<u>At 1.1.1995</u>	<u>At 31.12.1995</u>
All Directors	15,495,553	14,343,232

AUDITORS

Coopers & Lybrand 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



I A C SHRIMPTON  
DIRECTOR

DATE: 22.10.96

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 31st December 1995. The directors also confirm that applicable accounting standards have been followed, subject to the departure from SSAP15 disclosed in the statement of principal accounting policies, and that the accounts have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

BY ORDER OF THE BOARD



I A C SHRIMPTON  
DIRECTOR

DATE: 22.10.96

BROOKE BOND GROUP LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts on pages 5 to 16.

Respective responsibilities of directors and auditors

As stated on page 3, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 1995 and of its profit, and total recognised gains for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand*

Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
London

*29 October* 1996

BROOKE BOND GROUP LIMITED

PROFIT AND LOSS ACCOUNT - YEAR ENDED 31ST DECEMBER

	<u>NOTES</u>	<u>1995</u> £'000	<u>1994</u> £'000
Administrative expenses		(94)	(515)
Other operating income	(1)	338	434
		-----	-----
Operating Profit/(Loss) - continuing operations (2)		244	(81)
Interest and similar income	(3)	17,352	12,747
		-----	-----
Profit on ordinary activities before taxation - continuing operations		17,596	12,666
Taxation on profit on ordinary activities	(4)	(1,322)	(1,696)
		-----	-----
Profit for the financial year retained	(12)	16,274	10,970
Retained profit as at 1st January		72,141	61,171
		-----	-----
Retained profit as at 31st December		88,415	72,141
		=====	=====

Statement of total recognised gains and losses

		<u>1995</u> £,000	<u>1994</u> £,000
Profit for the year	(12)	16,274	10,970
Transfer from revaluation reserve	(12)	1,846	-
		-----	-----
Total recognised gains and losses for the year		18,120	10,970
		=====	=====


The notes on pages 8 to 16 form part of these accounts

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BROOKE BOND GROUP LIMITED  
BALANCE SHEET - 31ST DECEMBER

	<u>NOTES</u>	<u>1995</u>		<u>1994</u>	
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Fixed assets					
Investments	(6)		97,470		95,733
Current assets					
Debtors due within one year	(7)	907		11	
Debtors due after one year	(7)	4,146		-	
Investments	(8)	-		113,982	
Indebtedness with parent company's central services subsidiary		148,413		78,420	
Cash at bank and in hand		41		82	
		-----		-----	
		152,380		192,495	
Creditors: amounts falling due within one year	(9)	(2,757)		(55,958)	
		-----		-----	
Net current assets			150,750		136,537
			-----		-----
Total assets less current liabilities			248,220		232,270
			=====		=====
Creditors: amount falling due after more than one year	(9)		250		-
Provisions for liabilities and charges	(10)		-		574
Capital and reserves					
Called up share capital	(11)	86,662		86,662	
Revaluation reserve	(12)	40,057		41,903	
Share premium account	(12)	30,990		30,990	
Profit retained	(12)	<u>90,261</u>		<u>72,141</u>	
Equity shareholders' funds	(12)		247,970		231,696
			-----		-----
			248,220		232,270
			=====		=====

(Date) 22.10.96

  
DIRECTOR (R.M. TOMLINSON)

The Notes on pages 8 to 16 form part of these accounts  
Auditors' Report Page 4

BROOKE BOND GROUP LIMITED

PRINCIPAL ACCOUNTING POLICIES

**ACCOUNTING CONVENTION:** The Accounts are prepared under the historical cost convention and in accordance with applicable accounting standards in the UK, except that full provision has been made for deferred taxation liabilities for the reasons explained below.

**CASH FLOW STATEMENT:** The company is a wholly owned subsidiary of Unilever PLC and the cash flows of the company 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 from publishing a cash flow statement.

**FOREIGN CURRENCIES:** Balances expressed in foreign currencies have been translated at the rates of exchange current at the year end, and profits/losses are taken through the Profit and Loss Account.

**INVESTMENTS IN SUBSIDIARY UNDERTAKINGS AND PARTICIPATING INTERESTS:** The company's investments in its subsidiary undertakings and participating interests 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. No further revaluation will be made hereafter in accordance with Unilever group accounting policies unless in the opinion of the directors a permanent diminution in value has occurred.

**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.

**BONUS ISSUES:** Investments in subsidiary undertakings and participating interests are stated at cost less provisions with the addition of bonus issues at par. The amount of bonus issues, if out of distributable reserves, is credited to the Profit and Loss Account.

**CURRENT ASSET INVESTMENTS:** Current asset investments are carried at market value, the difference between this and cost being taken to net interest in the profit and loss account.

**DEFERRED TAXATION:** Provision is made for deferred taxation on all timing differences.

This policy differs from Statement of Standard Accounting Practice No 15 ("SSAP 15") which requires that no provision should be made for deferred taxation when it is probable, based on reasonable assumptions, that a liability will not crystallise. The directors have varied from the requirements of SSAP15 in order to achieve consistency with the consolidated accounts of Unilever PLC, where full provision is made for deferred taxation in accordance with Dutch law as currently applied.

Future capital expenditure forecasts are generally determined on a group basis and the directors are therefore unable to calculate the effect of this departure from SSAP15. The effects of the departure for the Unilever group as a whole are disclosed in the consolidated accounts of Unilever PLC.



BROOKE BOND GROUP LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1995

NOTES TO THE PROFIT AND LOSS ACCOUNT

(1) OTHER OPERATING INCOME

	<u>1995</u> £'000	<u>1994</u> £'000
Royalties from third parties	283	434
Debtor balances write off	(11)	-
Creditor balances write off	65	-

(2) OPERATING PROFIT/(LOSS)

The operating profit is from continuing operations and is arrived at after crediting/ charging the following amounts:

	<u>1995</u> £'000	<u>1994</u> £'000
Exchange adjustments	(12)	431
Auditors' remuneration for audit	9	8
Group service fee for the services of Unilever PLC	23	20

(3) INTEREST AND SIMILAR INCOME

	<u>1995</u> £'000	<u>1994</u> £'000
Income from shares in group undertakings	3,285	7,891
Income from participating interests	2,365	2,159
Net interest receivable on current investments	7,054	6,053
Profit/(loss) on disposal of fixed asset investments	525	(3)
Release of provision against investments	<u>8,622</u>	<u>-</u>
Total interest receivable and similar income	21,851	16,100
Other interest payable and similar charges	(3,375)	(3,353)
Provision against investments	<u>(1,124)</u>	<u>-</u>
Total interest payable and similar charges	<u>(4,499)</u>	<u>(3,353)</u>
Total	17,352 =====	12,747 =====

BROOKE BOND GROUP LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1995

(4) TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The charge for taxation is made up as follows:-

	<u>1995</u> £'000	<u>1994</u> £'000
On the profit of the year:-		
United Kingdom Corporation Tax at 33% (1994: 33%)	(3,209)	(5,696)
Deferred Taxation	33	211
Foreign Taxation	(644)	(1,421)
Double Taxation Relief	<u>2,497</u>	<u>4,959</u>
	(1,323)	(1,947)
Prior year items:-		
United Kingdom Corporation Tax	1	-
Deferred Taxation	<u>-</u>	<u>251</u>
	(1,322)	(1,696)
	=====	=====

(5) DIRECTORS' EMOLUMENTS

The Directors are employed as managers by Unilever U.K. Central Resources Limited and they are remunerated by that company in respect of their services to the group as a whole. Their emoluments are dealt with in the group accounts and they receive no remuneration from the company. Unilever U.K. Central Resources Limited charges the company for management and other services.

BROOKE BOND GROUP LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1995

NOTES TO THE BALANCE SHEET

(6) FIXED ASSETS - INVESTMENTS

	<u>Group Undertakings</u>		<u>Shares in Participating Interests</u>		<u>Total</u>
	<u>Shares</u>	<u>Loans</u>	<u>Listed</u>	<u>Other</u>	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Cost/Valuation 1st January	103,401	5,221	16,550	1,929	127,101
Disposals	-	-	-	(1,929)	(1,929)
Transfers to debtors after one year*	-	(5,221)	-	-	(5,221)
Cost/Valuation 31st December	103,401	-	16,550	-	119,951
	=====	=====	=====	=====	=====
Provision at 1st January	28,667	772	-	1,929	31,368
Charges	1,124	-	-	-	1,124
Release	(7,310)	(772)	-	-	(8,082)
Disposals	-	-	-	(1,929)	(1,929)
Provision at 31st December	22,481	-	-	-	22,481
	=====	=====	=====	=====	=====
Net Book Value					
31st December	80,920	-	16,550	-	97,470
	=====	=====	=====	=====	=====
1st January	74,734	4,449	16,550	-	95,733
	=====	=====	=====	=====	=====
Market value of listed investments			109,476		
			=====		

- \* Owing to the current repayment terms, these amounts are no longer considered part of the fixed asset investments.

BROOKE BOND GROUP LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1995

Investment in Group Undertakings

The investment is in subsidiary undertakings of the company. Their names together with their country of incorporation are listed below.

<u>Name of Company, and Country of Incorporation/Registration</u>	<u>Description of Shares Held</u>	<u>Proportion of Nominal Value of Shares Held</u>	
		<u>Direct</u>	<u>Indirect</u>
<u>England and Wales</u>			
Aston & Company Ltd.	Ordinary	100%	
BBG Investments (France) Ltd.	Ordinary	100%	
Beefex Products Ltd.	Ordinary	100%	
Brooke Bond Assam Estates Ltd.	Ordinary	100%	
Brooke Bond Batchelors Ltd.	Ordinary	100%	
Brooke Bond Group Investments Ltd.	Ordinary	100%	
Brooke Bond (Overseas) Ltd.	Ordinary	100%	
Brooke Bond South India Estates Ltd.	Ordinary	100%	
Brooke Bond (UK) Ltd.	Ordinary	100%	
Oxo (Zambia) Ltd.	Ordinary	100%	
Sayama Tea Estates Ltd.	Ordinary	100%	
<u>Malta</u>			
Foster Clark Products Ltd.	'A' Ordinary	100%	
Foster Clark Products Ltd.	'A' 6% Preference	100%	
<u>USA</u>			
Brooke-Bond Group (US) Inc.	Ordinary	100%	
Brooke Bond Group Investments Inc.	Ordinary		100%
Carter Macy Co Inc.	Ordinary		100%
Red Rose Tea & Coffee Co Inc.	Ordinary		100%
Sabrosa Coffee Co Inc.	Ordinary		100%
Unatrac U.S., Inc.	Ordinary		100%
	Preference		100%

BROOKE BOND GROUP LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1995

<u>Name of Company, and Country of Incorporation/Registration</u>	<u>Description of Shares Held</u>	<u>Proportion of Nominal Value of Shares Held</u>	
		<u>Direct</u>	<u>Indirect</u>
<u>Kenya</u>			
Brooke Bond Kenya Ltd.	Ordinary	88.2%	
Brooke Bond Mombasa Ltd.	Ordinary		88.24%
The Buret Tea Co Ltd.	Ordinary		88.24%
Gakomo Estate Ltd.	Ordinary		88.24%
Kenya Tea Blenders Ltd.	Ordinary		88.24%
Kitco Ltd.	Ordinary		88.24%
Mabroukie Tea & Coffee Estates Ltd.	Ordinary		88.24%
Migaa Estate (1964) Ltd.	Ordinary		88.24%
Sulmac Co Ltd.	Ordinary		88.24%
Waitangi Estate (1964) Ltd.	Ordinary		88.24%
<u>Malawi</u>			
Lujeri Tea Estates Ltd.	Ordinary	40%	60%
<u>Tanzania</u>			
Brooke Bond Tanzania Ltd.	Ordinary	100%	

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. Group accounts have not been prepared because the company is a wholly owned subsidiary of a United Kingdom company.

BROOKE BOND GROUP LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1995

Investment in Participating Interests (excluding group undertakings)

Included in investments are the following investments which amount to 10% or more of the nominal value of the allotted shares of the companies concerned:

<u>Name of Company, and Country of Incorporation/Registration</u>	<u>Description of Shares Held</u>	<u>Proportion of Nominal Value of Shares Held</u>	
		<u>Direct</u>	<u>Indirect</u>
<u>India</u>			
Brooke Bond Lipton India Ltd.	Ordinary	19.69%	15.78%
Daverashola Tea Co Ltd.	Ordinary		35.47%
Doolia Tea Co Ltd.	Ordinary		35.47%
Thiashola Tea Ltd.	Ordinary		35.47%
Heath & Co. (Calcutta) Ltd.	Ordinary		35.47%
Lipton India Exports Ltd.	Ordinary		35.47%
<u>Kenya</u>			
The Limuru Tea Company Ltd.	Ordinary		45.88%
<u>Pakistan</u>			
Brooke Bond Pakistan Ltd.	Ordinary		40%

The aggregate value of the capital and reserves and the company profit/(loss) of those undertakings in which the company holds 20% or more of the nominal value of shares allotted is as follows:-

<u>Name of the company</u>	<u>Capital &amp; Reserves at 31 December 1995</u>	<u>Profit/(loss) for the year ended 31 December 1995</u>
	£'000	£'000
Brooke Bond Lipton India Ltd.	56,556	17,643

Note:

The information is only given for those undertakings that principally affect the figures in the financial statements.

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

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1995

(7) DEBTORS

	<u>1995</u> £'000	<u>1994</u> £'000
Amounts due within one year:		
Amounts owed by subsidiary undertakings	907	11
Amounts due after more than one year:		
Amounts owed by subsidiary undertakings	<u>4,146</u>	<u>-</u>
Total Debtors	5,053 =====	11 =====

(8) CURRENT ASSET INVESTMENTS

	<u>1995</u> £'000	<u>1994</u> £'000
Other investments	-	113,982
	=====	=====

The historical cost of current asset investments is £0 (1994 £104,989,262).

(9) CREDITORS

	<u>1995</u> £'000	<u>1994</u> £'000
Amounts due within one year:		
Amounts owed to subsidiary undertakings	-	54,083
Taxation on profits	1,630	1,810
Other creditors	<u>1,127</u>	<u>65</u>
	2,757 =====	55,958 =====
Amounts falling due after more than one year:		
Amounts owed to subsidiary undertakings	250 =====	- =====

BROOKE BOND GROUP LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1995

(10) PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred Taxation</u> £'000	<u>Others</u> £'000	<u>Total</u> £'000
At 1st January	33	541	574
Charged/(credited) to Profit and Loss	<u>(33)</u>	<u>(541)</u>	<u>(574)</u>
At 31st December	-	-	-
	===	=====	=====

The provision for deferred tax represents the full potential liability and is made up as follows:-

	<u>1995</u> £'000	<u>1994</u> £'000
Short term timing differences	-	33
	===	===

No provision has been made for any taxation liability for capital gains that might arise on the disposal of the fixed asset investments at the amounts at which they are stated in the balance sheet.

(11) CALLED UP SHARE CAPITAL

<u>Authorised</u>		<u>Allotted and Fully Paid</u>			
1995	1994	<u>Number of Shares</u>		<u>Nominal Value</u>	
£'000	£'000	1995	1994	1995	1994
		'000	'000	£'000	£'000
		Ordinary Shares			
		of 25p each			
<u>100,000</u>	<u>100,000</u>	<u>346,646</u>	<u>346,646</u>	<u>86,662</u>	<u>86,662</u>
100,000	100,000	346,646	346,646	86,662	86,662
=====	=====	=====	=====	=====	=====

The Directors regard Unilever PLC registered in England and Wales as being the ultimate holding company. Copies of Unilever group accounts can be obtained from Unilever PLC, Corporate Relations Dept., PO Box 68, Unilever House, London EC4P 4BQ.



BROOKE BOND GROUP LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1995

(12) RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u> £'000	<u>1994</u> £'000
Profit for the financial year	16,274	10,970
Opening shareholders' funds	<u>231,696</u>	<u>220,726</u>
Closing shareholders' funds	247,970 =====	231,696 =====

RESERVES

	<u>Revaluation</u> <u>Reserve</u> £'000	<u>Share</u> <u>Premium</u> <u>Account</u> £'000	<u>Profit &amp;</u> <u>Loss</u> <u>Account</u> £'000	<u>Total</u> £'000
As at 1st January	41,903	30,990	72,141	145,034
Disposal of investment	(1,846)	-	1,846	-
Transfer from Profit & Loss	<u>-</u>	<u>-</u>	<u>16,274</u>	<u>16,274</u>
As at 31st December	40,057 =====	30,990 =====	90,261 =====	161,308 =====