

CROSFIELD LIMITED

REGISTERED NO. 48745

REPORT AND ACCOUNTS 1996

CONTENTS

PAGE NO :-

| | |
|--|---------|
| REPORT OF THE DIRECTORS | 1 - 3 |
| STATEMENT OF DIRECTORS' RESPONSIBILITIES | 4 |
| REPORT OF THE AUDITORS | 5 |
| PROFIT AND LOSS ACCOUNT | 6 |
| BALANCE SHEET | 7 |
| ACCOUNTING POLICIES | 8 - 9 |
| NOTES TO THE ACCOUNTS | 10 - 18 |



CROSFIELD LIMITED
DIRECTORS' REPORT FOR THE YEAR 1996

Registered Number 48745

DIRECTORS

Mr. J.D.Hinnigan - Chairman
Mr. W.R.Griffiths
Mr. C.P.Joslin
Dr. A.L.Lovell
Mr. G.Mulholland

Review of Activities

There was no significant change in the principal activities of the Company which consisted of the manufacture and sale of chemicals.

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 1997 significantly different from its present activities. In February 1997 Unilever PLC, the ultimate parent company, announced its intention to sell its speciality chemicals business, which includes this Company.

Research and Development

The Company's research and development programme continued to investigate new materials and applications for existing and developing products whilst at the same time seeking to improve the quality and performance of the existing range of products.

Profits and Dividend

The profit for the year is £ 6,969,000 out of which a dividend of £ 6,500,000 has been declared.

Tangible Fixed Assets

A professional valuation was undertaken of land as at 28 February 1997 which indicated that the market value was substantially in excess of book value. No adjustment has been made in the accounts in view of the fact that the land and buildings are used for productive and distributive activities and are not held for resale.

CROSFIELD LIMITED
DIRECTORS' REPORT FOR THE YEAR 1996

Directors' Interests

According to the Register of Directors' Interests, the notifiable interests of the Directors in office at 31 December 1996, in the share and loan capital of the Company's ultimate holding company, Unilever PLC, and its subsidiaries, were as follows : -

| | | <u>At 1.1.1996</u> | <u>At 31.12.1996</u> |
|---------------------|----------------------------|--------------------|----------------------|
| <u>Unilever PLC</u> | | | |
| Mr.J.D.Hinnigan | Ordinary Shares of 5p each | 350 | 8500 |
| Mr.W.R.Griffiths | Ordinary Shares of 5p each | 591 | 41 |
| Mr.C.P.Joslin | Ordinary Shares of 5p each | 2515 | 2576 |
| Dr.A.L.Lovell | Ordinary Shares of 5p each | 2870 | 2870 |

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

| | | <u>At 1.1.1996</u> | <u>Granted</u> | <u>Exercised</u> | <u>At 31.12.1996</u> |
|------------------|-------|--------------------|----------------|------------------|----------------------|
| Mr.J.D.Hinnigan | (a) | 26383 | Nil | 17116 | 9267 |
| | (b) | Nil | 15769 | Nil | 15769 |
| | (c) | 1999 | Nil | Nil | 1999 |
| Mr.W.R.Griffiths | (b) | 2432 | Nil | Nil | 2432 |
| Mr.C.P.Joslin | (c) | 2021 | Nil | Nil | 2021 |
| Dr.A.L.Lovell | (c) | 566 | Nil | Nil | 566 |
| Mr.G.Mulholland | (c) | 996 | Nil | Nil | 996 |

- (a) under The Unilever PLC 1985 UK Executive Share Option Scheme and subject to the Rules of that Scheme.
- (b) under The Unilever PLC 1985 UK Executive unapproved Share Option Scheme and subject to the Rules of that Scheme.
- (c) 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 of 5p each acquired by the Unilever Employee Share Trusts for the purpose of satisfying share options granted to employees : -

| | <u>At 1.1.1996</u> | <u>At 31.12.1996</u> |
|---------------|--------------------|----------------------|
| The Directors | 14,343,232 | 13,256,358 |

Employment of Disabled Persons

The Company recognises its responsibility to employ disabled persons in suitable employment, and gives full and fair consideration to applications for employment made by such persons, having regard to their particular aptitudes and abilities.

CROSFIELD LIMITED
DIRECTORS' REPORT FOR THE YEAR 1996 (continued)

Employment of Disabled Persons (continued)

Any employee who becomes disabled is encouraged to remain in the Company's employment, in the same job if this is practicable. If a change of job is necessary, such an employee is considered for any suitable alternative work which is available, and any necessary training is arranged.

Disabled employees generally are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

Employee Involvement

Senior Management of the company met employee representatives quarterly in the Company Council. They discussed external and internal factors affecting the current state of the business, future marketing and investment plans, and their implications for employment and personnel policies.

In March 1996 the Chairman addressed all employees. He described the Company's performance during 1995, its objectives for 1996, and the steps to be taken to ensure that they were achieved.

Every employee received a full statement, as a supplement to the April edition of the Company's bi-monthly newspaper, of sales and profitability during 1995 and plans for future development during 1996.

Regular consultation took place with employee representatives of the various interest groups. These consultations supplement normal line communications through departmental committees.

The Works Manager met employee representatives each quarter in the Safety Co-ordinating Committee to monitor the work of departmental committees and to review the Company's responsibilities under the Health and Safety at Work Act.

A further invitation was made to eligible employees of the Company to participate in the Unilever PLC Sharesave Scheme under which further options were granted in June 1996.

Creditors Payment Policy

The group negotiates the terms of payment to creditors upon entering into a trading relationship with each supplier. Such terms may be subsequently varied by agreement with the suppliers and are recorded on purchase orders. It is the group's policy to abide by the terms of payment.

The Company's policy in relation to the payment of its creditors is to settle its terms of payment with each creditor when agreeing the terms of each business transaction. The creditor is made aware of the terms, which may be varied subsequently by agreement. It is Company practice to abide by the agreed terms of payment.

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



W. R. GRIFFITHS
SNR. VP COMMERCIAL

DATE : 23.5.1997 .

CROSFIELD LIMITEDSTATEMENT 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 1996. 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



W. R. Griffiths
Snr. VP Commercial

Date23.5.1997.....

CROSFIELD LIMITED
REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts on pages 6 to 18.

Respective responsibilities of directors and auditors

As stated on page 4, 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.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures in the financial statements concerning the mothballed A24 Zeolite plant which is included in fixed assets at a net book value of £ 19 million. Recoverability of this amount is dependent upon returning the plant to profitable production which, in turn, is subject to the development by the company of new non detergent markets for A24 Zeolite and obtaining new customer demand in the detergent sector. If sufficient net cashflows from new sales are not generated then a provision would be required to reduce the carrying value of the plant to its recoverable amount. Details of the circumstances surrounding this fundamental uncertainty are described in note 8. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1996 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.

Cooper & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors
Liverpool

23 May 1997

CROSFIELD LIMITEDPROFIT AND LOSS ACCOUNT - Year Ended 31st December

| | <u>NOTES</u> | <u>1996</u> <u>£ ' 000</u> | <u>1995</u> <u>£ ' 000</u> |
|---|--------------|-------------------------------|-------------------------------|
| Turnover - Continuing operations | (1) | 78186 | 73854 |
| Cost of sales | | (42008) | (37239) |
| Gross profit | | 36178 | 36615 |
| Distribution costs | | (1433) | (1460) |
| Administration expenses | | (24097) | (21977) |
| Other operating income | | 10 | 35 |
| Operating profit - Continuing operations | (2) | 10658 | 13213 |
| Profit on sale of operations | (3) | - | 1400 |
| Profit on ordinary activities before interest | | 10658 | 14613 |
| Interest and similar income | (4) | - | 51 |
| Profit on ordinary activities before taxation | | 10658 | 14664 |
| Taxation on profit on ordinary activities | (5) | (3689) | (4461) |
| Profit for the financial year | | 6969 | 10203 |
| Dividends proposed | | (6500) | (7500) |
| Profit of the year retained | | 469 | 2703 |
| Profit retained 1st January | | 18662 | 15959 |
| Profit retained 31st December | (14) | 19131 | 18662 |

NOTE : The profit for each financial year represents the total recognised gains of that year.

The notes on pages 8 to 18 form part of these accounts

Auditors' Report page 5

CROSFIELD LIMITEDBALANCE SHEET - 31st December

| | | 1996 | | 1995 | |
|--|-------|------------------|--------------|------------------|--------------|
| | NOTES | £ '000 | £ '000 | £ '000 | £ '000 |
| Fixed assets | | | | | |
| Tangible assets | (8) | | 48738 | | 50695 |
| Current assets | | | | | |
| Stocks | (9) | 8769 | | 9223 | |
| Debtors | (10) | 19774 | | 15994 | |
| Cash at bank and in hand | | <u>1170</u> | | <u>155</u> | |
| | | 29713 | | 25372 | |
| Creditors : amounts falling due within one year | (11) | (<u>17859</u>) | | (<u>23694</u>) | |
| Net current assets | | | <u>11854</u> | | <u>1678</u> |
| Total assets less current liabilities | | | <u>60592</u> | | <u>52373</u> |
| Indebtedness with parent company's central services subsidiary | | 23384 | | 17001 | |
| Provisions for liabilities and charges | (12) | <u>11677</u> | | <u>10310</u> | |
| | | | 35061 | | 27311 |
| Capital and reserves | | | | | |
| Called up share capital | (13) | 3005 | | 3005 | |
| Other reserves | (14) | 3395 | | 3395 | |
| Profit retained | (14) | <u>19131</u> | | <u>18662</u> | |
| Equity shareholders' funds | (14) | | <u>25531</u> | | <u>25062</u> |
| | | | <u>60592</u> | | <u>52373</u> |

(Date) 23.5.1997.


W.R.Griffiths - DIRECTOR

The notes on pages 8 to 18 form part of these accounts.

Auditor's report page 5.

CROSFIELD LIMITED

Registered Number 48745

PRINCIPAL ACCOUNTING POLICIES

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.

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 (revised) from publishing a cash flow statement.

TANGIBLE FIXED ASSETS : Are stated at cost less depreciation.

DEPRECIATION : Freehold land is not depreciated. Depreciation on other tangible fixed assets is provided by the straight line method at percentages of original cost related to the expected average life of the assets. The major classes of depreciable assets with their estimated useful lives are summarised below : the spread of lives recognises the diversity of the assets within each class : -

| | | |
|------------------------------|-------|-------|
| Freehold buildings | 40 | years |
| Leasehold land and buildings | 40 | years |
| Plant and machinery | 10-15 | years |
| Motor vehicles | 4 - 6 | years |

GOVERNMENT GRANTS : Grants related to tangible fixed assets are credited to revenue over the expected useful life of the asset.

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

This policy differs from Statement of Standard Accounting Practice No.15 ("SSAP15") 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.

STOCKS : Stocks are consistently stated on the basis of the lower of cost and net realisable value. Cost - mainly averaged cost - includes direct expenditure and an appropriate proportion of overheads.

LEASES : Lease rental payments in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term, except in cases where another systematic and rational basis is more appropriate.

RESEARCH AND DEVELOPMENT : Expenditure on Research and Development of new products is charged against profits of the year in which it is incurred.

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.

CROSFIELD LIMITED

Registered Number 48745

PRINCIPAL ACCOUNTING POLICIES (continued)

PENSIONS : The company's eligible employees are members of the Unilever Superannuation Fund, a group defined benefit scheme which is funded by company and employee contributions. Company contributions, which normally represent the charge for the year, are determined on an actuarial basis so that the annual charge is a substantially level percentage of current and expected future pensionable payroll. The level of contributions is assessed on the advice of qualified actuaries who are employees of the Unilever group.

Details of recent actuarial valuations of the Unilever Superannuation Fund are set out in the annual accounts of Unilever UK Central Resources Limited, which indicate that the fund was in surplus at the balance sheet date. The accounting effects of amortisation of this surplus over the estimated service lives of the employees in the scheme are dealt with in the accounts of Unilever UK Central Resources Limited in respect of all sponsoring companies.

Sponsoring companies pay their contributions to Unilever UKCR Limited, which accepts responsibility for contributing to the Fund and for accounting for the pension cost on their behalf.

The capital costs of unfunded retirement benefits for employees retiring before normal retiring age are paid to another group company which accepts responsibility for payment of the benefits to former employees. The capital costs are charged to the profit and loss account in the year in which the decision to retire an employee before normal retirement age is made.

EMPLOYEE SHARE OPTION SCHEME : Unilever PLC grants options in its shares to eligible employees under an Employee Share Save Scheme. In order to meet this commitment shares are purchased with finance provided by Unilever PLC and are held by the Unilever Employee Share Trust and the Unilever Employee Share Trust (Jersey). In consideration of Unilever PLC granting options to its employees the company has agreed to contribute its share of the interest cost of holding the shares and of the difference between the purchase price of shares and the price at which the related options are exercised. The rights to receive dividends on shares held by the Trusts have been waived.

CROSFIELD LIMITEDNOTES TO THE ACCOUNTS - 31st December 1996NOTES TO THE PROFIT AND LOSS ACCOUNT(1) TURNOVER

The turnover is from continuing operations. It includes group sales of £ 28.3 m, (1995 £ 25.3 m) and represents sales at invoiced value, excluding value added tax and payments in lieu of sales under contract with fellow group subsidiaries of £ 2.2 m (1995 £ 6.2 m).

The geographical analysis of turnover is as follows : -

| | <u>1996</u> <u>£ 0.0m</u> | <u>1995</u> <u>£ 0.0m</u> |
|-------------------|------------------------------|------------------------------|
| United Kingdom | 22.0 | 21.7 |
| Europe | 39.6 | 38.9 |
| Rest of the World | 16.6 | 13.3 |
| | <u>78.2</u> | <u>73.9</u> |

(2) OPERATING PROFIT

The operating profit is arrived at after charging the following amounts :

| | <u>1996</u> <u>£ ' 000</u> | <u>1995</u> <u>£ ' 000</u> |
|---|-------------------------------|-------------------------------|
| Wages and salaries | 17179 | 13552 |
| Social security costs | 1175 | 1125 |
| Pension costs - group defined benefit scheme | 737 | 518 |
| Total staff costs | <u>19091</u> | <u>15195</u> |
| Depreciation | 4330 | 4272 |
| Lease expenditure | | |
| - plant and machinery | 17 | 153 |
| - other tangible assets | 124 | 32 |
| Auditors' remuneration for audit | 8 | 12 |
| Remuneration of the company's auditors for provision of non-audit services | - | 1 |
| Operating exceptional item - restructuring | 3300 | - |

CROSFIELD LIMITEDNOTES TO THE ACCOUNTS - 31st December 1996NOTES TO THE PROFIT AND LOSS ACCOUNT (continued)(3) PROFIT ON SALE OF OPERATIONS

| | <u>1996</u> <u>£ '000</u> | <u>1995</u> <u>£ '000</u> |
|---|------------------------------|------------------------------|
| The company disposed of its textiles operation in 1995. | - | 1400 |

(4) INTEREST AND SIMILAR INCOME / (CHARGES)

| | <u>1996</u> <u>£ '000</u> | <u>1995</u> <u>£ '000</u> |
|--|------------------------------|------------------------------|
| Other interest receivable and similar income | - | 52 |
| Total interest receivable | - | 52 |
| Other interest payable and similar charges | - | (1) |
| Total interest payable and similar charges | - | (1) |
| Total | - | 51 |

NOTES TO THE PROFIT AND LOSS ACCOUNT (continued)

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

| | <u>1996</u> <u>£ ' 000</u> | <u>1995</u> <u>£ ' 000</u> |
|---|-------------------------------|-------------------------------|
| On the profit of the year : - | | |
| United Kingdom Corporation Tax at 33 % (1995 33 %) | (3558) | (4395) |
| Deferred Taxation | (274) | (294) |
| | <u>(3832)</u> | <u>(4689)</u> |
| Prior year items : - | | |
| United Kingdom Corporation Tax | (20) | |
| Deferred Taxation | 163 | 228 |
| | <u>(3689)</u> | <u>(4461)</u> |

The effect of the profits from the sales of operations on the corporation tax charge on the profit of the year was as follows :

The directors, including the Chairman, 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 emoluments from the company. Unilever U.K. Central Resources charges the company for management and other services.

The average number of employees employed by the company during the year is analysed below :

| | <u>1996</u> | <u>1995</u> |
|---|-------------|-------------|
| Production | 345 | 349 |
| Selling,Distribution and Administration | 239 | 231 |
| | <u>584</u> | <u>580</u> |

CROSFIELD LIMITEDNOTES TO THE ACCOUNTS - 31st December 1996NOTES TO THE BALANCE SHEET(8) TANGIBLE FIXED ASSETS

| | <u>Land and Buildings</u> <u>£ ' 000</u> | <u>Plant and Machinery</u> <u>£ ' 000</u> | <u>Motor Vehicles</u> <u>£ ' 000</u> | <u>Assets in course of construction</u> <u>£ ' 000</u> | <u>Total</u> <u>£ ' 000</u> |
|-------------------------------------|---|--|---|---|--------------------------------|
| <u>Gross Book Value</u> | | | | | |
| 1st January | 12339 | 66407 | 1175 | 993 | 80914 |
| Additions at cost | 178 | 855 | 300 | 1537 | 2870 |
| Transfers between categories | 27 | 1175 | - | (1202) | - |
| Disposals | (241) | (895) | (205) | - | (1341) |
| 31st December | <u>12303</u> | <u>67542</u> | <u>1270</u> | <u>1328</u> | <u>82443</u> |
| <u>Depreciation Provision</u> | | | | | |
| 1st January | 3113 | 26556 | 550 | - | 30219 |
| Depreciation charge for the year | 274 | 3796 | 260 | - | 4330 |
| Disposals | (172) | (506) | (166) | - | (844) |
| 31st December | <u>3215</u> | <u>29846</u> | <u>644</u> | <u>-</u> | <u>33705</u> |
| <u>Net Book Amount</u> | | | | | |
| 1st January | 9226 | 39851 | 625 | 993 | 50695 |
| 31st December | <u>9088</u> | <u>37696</u> | <u>626</u> | <u>1328</u> | <u>48738</u> |

CROSFIELD LIMITEDNOTES TO THE ACCOUNTS - 31st December 1996NOTES TO THE BALANCE SHEET(8) TANGIBLE FIXED ASSETS (continued)

The net book amount of land and buildings comprises :

| | <u>1996</u> <u>£ '000</u> | <u>1995</u> <u>£ '000</u> |
|---|------------------------------|------------------------------|
| Buildings | 8328 | 8466 |
| Land : | | |
| Freehold | 699 | 699 |
| Leasehold - long term (50 years and over) | 61 | 61 |
| | <u>9088</u> | <u>9226</u> |
| | <u>1996</u> <u>£ '000</u> | <u>1995</u> <u>£ '000</u> |
| Capital commitments | | |
| Contracted for | 283 | 213 |

The A24 Zeolite plant in Warrington, UK, was mothballed at the end of 1996 as part of a plant rationalisation programme, following a decline in demand. The A24 Zeolite plant is included in fixed assets at a net book value of £ 19 m. The recoverability of this amount is dependent upon returning the plant to profitable production which, in turn, is subject to the development by the Crosfield Group of new non detergent markets for A24 Zeolite and obtaining new customer demand in the detergent sector. If sufficient net cashflows from new sales are not generated, then a provision would be required to reduce the carrying value of the plant to its recoverable amount.

Whilst the directors acknowledge these uncertainties, they are confident that new sales and net cashflows will be generated in future to justify the re-opening of the UK plant and its present carrying value.

CROSFIELD LIMITEDNOTES TO THE ACCOUNTS - 31st December 1996NOTES TO THE BALANCE SHEET

| (9) <u>STOCKS</u> | <u>1996</u> <u>£ ' 000</u> | <u>1995</u> <u>£ ' 000</u> |
|------------------------------------|-------------------------------|-------------------------------|
| Raw Materials and consumables | 2696 | 3247 |
| Work in progress | 765 | 628 |
| Finished Goods and Other Stocks | 5308 | 5348 |
| | <u>8769</u> | <u>9223</u> |
| (10) <u>DEBTORS</u> | <u>1996</u> <u>£ ' 000</u> | <u>1995</u> <u>£ ' 000</u> |
| Amounts due within one year | | |
| Trade debtors | 9980 | 9639 |
| Amounts owed by group undertakings | 6901 | 4385 |
| Other debtors | 2707 | 1718 |
| Prepayments and accrued income | 186 | 252 |
| Total Debtors | <u>19774</u> | <u>15994</u> |
| (11) <u>CREDITORS</u> | <u>1996</u> <u>£ ' 000</u> | <u>1995</u> <u>£ ' 000</u> |
| Amounts due within one year | | |
| Bank loans and overdrafts | 29 | 32 |
| Trade creditors | 6015 | 9747 |
| Amounts owed to group undertakings | 645 | 954 |
| Taxation on profits | 3535 | 3778 |
| Social security | 555 | 567 |
| Other creditors | 526 | 1058 |
| Proposed dividend | 6500 | 7500 |
| Accruals and deferred income | 54 | 58 |
| | <u>17859</u> | <u>23694</u> |

CROSFIELD LIMITEDNOTES TO THE ACCOUNTS - 31st December 1996NOTES TO THE BALANCE SHEET (continued)(12) PROVISION FOR LIABILITIES AND CHARGES

| | <u>Deferred Taxation</u> <u>£ ' 000</u> | <u>Restructuring</u> <u>£ ' 000</u> | <u>Others</u> <u>£ ' 000</u> | <u>Total</u> <u>£ ' 000</u> |
|---|--|--|---------------------------------|--------------------------------|
| At 1st January | 8080 | 156 | 2074 | 10310 |
| Charged / (credited) to Profit and Loss | 111 | 3300 | (1404) | 2007 |
| Utilisation of Provision / Payments | | (352) | (288) | (640) |
| At 31st December | <u>8191</u> | <u>3104</u> | <u>382</u> | <u>11677</u> |

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

| | <u>1996</u> <u>£ ' 000</u> | <u>1995</u> <u>£ ' 000</u> |
|--------------------------------|-------------------------------|-------------------------------|
| Accelerated capital allowances | 8925 | 8825 |
| Short term timing differences | (734) | (745) |
| | <u>8191</u> | <u>8080</u> |

(13) CALLED UP SHARE CAPITAL

| | <u>Authorised</u> | | <u>Issued and Fully Paid</u> | |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | <u>1996</u> <u>£ ' 000</u> | <u>1995</u> <u>£ ' 000</u> | <u>1996</u> <u>£ ' 000</u> | <u>1995</u> <u>£ ' 000</u> |
| Ordinary Shares of £1 each | 10000 | 10000 | 3005 | 3005 |

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, P O Box 68, London. EC4P 4BQ.

CROSFIELD LIMITEDNOTES TO THE ACCOUNTS - 31st December 1996NOTES TO THE BALANCE SHEET (continued)(14) RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

| | <u>1996</u> <u>£ '000</u> | <u>1995</u> <u>£ '000</u> |
|-------------------------------|------------------------------|------------------------------|
| Profit for the financial year | 6969 | 10203 |
| Dividends | (6500) | (7500) |
| Net addition | 469 | 2703 |
| Opening shareholders' funds | 25062 | 22359 |
| Closing shareholders' funds | 25531 | 25062 |

RESERVES

| | <u>Share Premium Account</u> | <u>Profit & Loss Account</u> | <u>Total</u> |
|-----------------------------|--------------------------------------|--|--------------|
| At 1.1.1996 | 3395 | 18662 | 22057 |
| Transfer from Profit & Loss | - | 469 | 469 |
| At 31.12.1996 | 3395 | 19131 | 22526 |

CROSFIELD LIMITEDNOTES TO THE ACCOUNTS - 31st December 1996NOTES TO THE BALANCE SHEET (continued)(15) OPERATING LEASE COMMITMENTS

| Payments committed to be made in - in respect of land and buildings, on leases expiring : - | <u>1997</u> <u>£ ' 000</u> | <u>1996</u> <u>£ ' 000</u> |
|---|-------------------------------|-------------------------------|
| Within 1 year | 125 | - |
| After 1 and within 5 years | - | 88 |

| Payments committed to be made in - in respect of other assets, on leases expiring : - | <u>1997</u> <u>£ ' 000</u> | <u>1996</u> <u>£ ' 000</u> |
|---|-------------------------------|-------------------------------|
| Within 1 year | 4 | - |
| After 1 and within 5 years | - | 8 |

RELATED PARTY TRANSACTIONS

The ultimate parent company is Unilever PLC and the immediate holding company is Unilever UK Holdings Limited. The company has not disclosed transactions with fellow subsidiaries in accordance with the exemption under the terms of Financial Reporting Standard No 8.

CROSFIELD LIMITED

U.K. STATUTORY ACCOUNTS - 1996

RECONCILIATION STATEMENT - STANDARD FORMS TO STATUTORY ACCOUNTS

| | <u>Profits Retained</u> | | <u>Other Reserves</u> |
|------------------------|-------------------------|------------------------|-----------------------|
| | <u>At 1st Jan</u> | <u>Profit for year</u> | <u>At 31st Dec</u> |
| Per Standard Forms | 18662 | 469 | 19131 |
| As consolidated | 18662 | 469 | 19131 |
| Per Statutory Accounts | 18662 | 469 | 19131 |

Fixed Assets - Total

| | <u>G.B.V.</u> | <u>Depreciation</u> | <u>N.B.V.</u> |
|------------------------|---------------|---------------------|---------------|
| Per Form 2 31.12.96 | 82443 | (33705) | 48738 |
| As consolidated | 82443 | (33705) | 48738 |
| Per Statutory Accounts | 82443 | (33705) | 48738 |

Sales Reconciliation

| | |
|---|-------|
| Sales to third parties (per Form 30) | 49908 |
| Concern Sales (per Form 31 lines 23 and 25) | 28278 |
| Per Statutory Accounts | 78186 |