

U.A.C. HOLDINGS LIMITED
REPORT AND ACCOUNTS 1998

<u>CONTENTS</u>	<u>Page Number</u>
REPORT OF THE DIRECTORS	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	3
REPORT OF THE AUDITORS	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
ACCOUNTING POLICIES	7
NOTES TO THE ACCOUNTS	8



U.A.C. Holdings Limited**Director's Report for the Year ended 31 December 1998****Directors**

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

Mr G B St L Anderson
 Mrs V A Roberts
 Mr I A C Shrimpton
 Mr R M Tomlinson

Mrs V A Roberts resigned as a Director on 26 February 1999. Mrs C J Hampton-Coutts was appointed as a Director on 19 March 1999.

Review of Activities

There was no significant change in the principal activities 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 1999 significantly different from its present activities.

Profits and Dividend

The profit for the year is £1,201,139 and a dividend of £20,000,000 has been declared.

Director's Interests

According to the Register of Directors' Interests, the notifiable interests of the Directors in office at 31st December 1998, in the share capital of the Company's ultimate holding company, Unilever PLC, were as follows: -

	<u>Unilever PLC</u>	<u>At 1.1.1998</u>	<u>At 31.12.1998</u>
Mr G B St L Anderson	Ordinary shares of 1.25p each	4,000	6,020
Mrs V A Roberts	Ordinary shares of 1.25p each	17,044	17,085
Mr I A C Shrimpton	Ordinary shares of 1.25p each	4,896	4,903
Mr R M Tomlinson	Ordinary shares of 1.25p each	16,088	16,088

U.A.C. Holding Limited

Options to acquire the number of Unilever PLC Ordinary shares of 1.25p each listed below, were granted, exercised and held as follows: -

		<u>At 1.1.1998</u>	<u>Granted</u>	<u>Exercised</u>	<u>At 31.12.1998</u>
Mr G B St L Anderson	(b)	6,792	1,161	3,020	4,933
Mrs V A Roberts	(b)	5,724	-	-	5,724
Mr I A C Shrimpton	(b)	4,256	-	-	4,256
Mr R M Tomlinson	(a)	56,520	16,500	-	73,020
	(b)	5,724	-	-	5,724

- (a) under the Unilever PLC 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 of 1.25p each acquired by the Unilever Employee Share Trusts for the purpose of satisfying share options granted to employees.

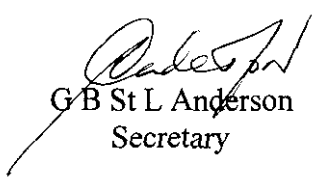
	<u>At 1.1.1998</u>	<u>At 31.12.1998</u>
The Directors	42,951,985	39,623,389

Auditors

Coopers & Lybrand merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the new firm, PricewaterhouseCoopers, was appointed as the company's auditors. PricewaterhouseCoopers 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

Date: **5 AUG 1999**


G B St L Anderson
Secretary


U.A.C. Holding 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 1998. 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, 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


G.B. St L. Anderson
Secretary

Date: **5 AUG 1999**

U.A.C. Holdings Limited**Auditors' report to the members of U.A.C. Holdings Limited**

We have audited the financial statements on pages 5 to 13 which have been prepared in accordance with the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Report and Accounts, including, as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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 Report and Accounts and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

8th September 1999

U.A.C. Holdings Limited**Profit and Loss Account – Year ended 31 December 1998**

	<u>Notes</u>	1998 £000	1997 £000
Operating (Loss)/Profit	(1)	(26)	127
Profit on disposal of fixed asset investments	(2)	74	-
Interest and similar income/(charges)	(3)	<u>1,687</u>	<u>(5)</u>
Profit on ordinary activities before taxation		1,735	122
Taxation on profit on ordinary activities	(4)	<u>(534)</u>	<u>5</u>
Profit for the financial year		1,201	127
Dividends paid		<u>(20,000)</u>	<u>-</u>
Retained loss for the year/Profit of the year retained	(10)	(18,799)	127
Profit retained 1 January		<u>35,672</u>	<u>35,545</u>
Profit retained 31 December		<u>16,873</u>	<u>35,672</u>

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

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

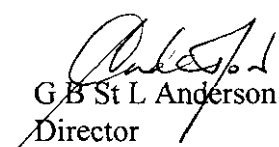
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

U.A.C. Holding Limited**Balance Sheet – 31 December**

	<u>Notes</u>	1998 £000	1997 £000
Fixed assets			
Investments	(6)	3,150	2,044
Current assets			
Debtors	(7)	11	-
Indebtedness with parent company's central services subsidiary due after more than one year.		16,065	34,246
Creditors: amounts falling due within one year	(8)	<u>(1,753)</u>	<u>(18)</u>
Net current assets		<u>14,323</u>	<u>34,228</u>
Total assets less current liabilities		<u>17,473</u>	<u>36,272</u>
Capital and reserves			
Called up share capital	(9)	600	600
Profit and loss account		<u>16,873</u>	<u>35,672</u>
Equity Shareholders funds	(10)	<u>17,473</u>	<u>36,272</u>

The financial statements on pages 5 to 13 were approved by the Board of Directors on
and were signed on behalf by:

5 AUG 1999


G B St L Anderson
Director

U.A.C. Holding Limited**Principal Accounting Policies**

The Accounts are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

The company is a wholly owned 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 from publishing a cash flow statement.

The financial statements contain information about U.A.C. Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 228 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: Assets and liabilities denominated in foreign currencies have been translated into sterling at the rates of exchange current at the year end, and profits/losses are taken through the Profit and Loss Account of the year.

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.

Fixed Assets Investments: Fixed Assets Investments are generally carried at cost. Where the value of an investment is considered to have been permanently impaired, a carrying value below cost is employed.

U.A.C. Holdings Limited**Notes to the Accounts – 31 December 1998****(1) Operating Profit (or Loss)**

The operating profit (or loss) is arrived at after charging the following amounts: -

	1998 £000	1997 £000
Release of provision	-	(150)
Exchange adjustments	-	9
Group service fee for services to Unilever PLC	12	13
Auditors' remuneration for audit	1	1

(2) Profit on disposal of fixed asset investments

1998 £000	1997 £000
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The profit on disposal of £74,000 arose on the disposal of the investment in Ghana Textile Printing Limited.

(3) Interest and Similar Income/(Charges)

	1998 £000	1997 £000
Income from participating interests	1,679	-
Income from other fixed asset investments	6	1
Other interest receivable and similar income	<u>2</u>	<u>-</u>
Total interest receivable and investment income	<u>1,687</u>	<u>1</u>
Correction prior years:		
Income from group undertakings	<u>-</u>	<u>(6)</u>
Total interest payable and similar charges	<u>-</u>	<u>(6)</u>
Total	<u>1,687</u>	<u>(5)</u>

U.A.C. Holding Limited**(4) Taxation on Profit on Ordinary Activities**

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

	1998 £000	1997 £000
On the profit of the years:		
United Kingdom Corporation Tax at 31% (1997 – 31.5%)	(631)	4
Foreign Taxation	(34)	-
Double Taxation Relief	<u>408</u>	-
	(257)	4
Prior year item:		
Foreign taxation	-	1
United Kingdom Corporation Tax	<u>(277)</u>	-
	<u>(534)</u>	<u>5</u>

(5) Director's 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. Unilever U.K. Central Resources Limited charges the company for management and other services.

U.A.C. Holdings Limited**(6) Fixed Assets - Investments**

	<u>Shares in</u> <u>Group</u> <u>Undertakings</u> £'000	<u>Shares in</u> <u>Participating</u> <u>Interests</u> £'000	<u>Other</u> <u>Investments</u> £'000	<u>Total</u> £'000
Cost 1 January	70	1,986	8	2,064
Additions	-	1,497	7	1,504
Disposals	-	(398)	-	(398)
Cost 31 December	<u>70</u>	<u>3,085</u>	<u>15</u>	<u>3,170</u>
Provisions at 1 January	<u>20</u>	-	-	<u>20</u>
Provisions at 31 December	<u>20</u>	-	-	<u>20</u>
Net Book Value				
31 December	<u>50</u>	<u>3,085</u>	<u>15</u>	<u>3,150</u>
1 January	<u>50</u>	<u>1,986</u>	<u>8</u>	<u>2,044</u>

There are no investments in listed shares.

U.A.C. Holdings Limited**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 are also shown 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 and of Voting Rights</u>	<u>Principal Activity</u>
		<u>Direct</u>	
<u>England and Wales</u>			
African and Eastern (Spain) Ltd.	Ordinary	100%	Non-Active
UAC Far East Ltd.	Ordinary	100%	Dormant
<u>Hong Kong</u>			
UNACO International Ltd. (in liquidation)	Ordinary	100%	Non-Active
<u>Tanzania</u>			
UAC of Tanzania Limited	Ordinary	100%	Dormant
Uniafric Trust (Tanzania) Ltd.	Ordinary	100%	Dormant
<u>Uganda</u>			
Uniafric Trust (Uganda) Ltd.	Ordinary	100%	Dormant
The United Africa Company of Uganda Ltd.	Ordinary	100%	Dormant
<u>Zambia</u>			
UAC of Zambia Limited	Ordinary	100%	Dormant

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

U.A.C. Holdings Limited

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:

<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>Bahrain</u> ASPD W.L.L.	Ordinary	49%
<u>Cote d'Ivoire</u> Frageci S.A.	Ordinary	48.78%
Societe Ivoirienne pour la Trituration Des Graines Oleagineuses et le Raffinage d'Huiles Vegetales S.A.	Ordinary	34.64%

The aggregate value of the capital and reserves and the profit/(loss) in those companies which have a material affect on these financial statements is as follows:

<u>Name of the company</u>	<u>Capital & Reserves at 31 Dec 1998 £'000</u>	<u>Profit/(loss) for year ended 31 Dec 1998 £'000</u>
<u>Cote d'Ivoire</u> Societe Ivoirienne pour la Trituration des Graines Oleagineuses et le Raffinage d'Huiles Vegetales S.A.	9,066	1,800
Frageci S.A.	1,038	993

(7) Debtors

	<u>1998 £000</u>	<u>1997 £000</u>
Amounts due within one year		
Other debtors	11	-
	<u>11</u>	<u>-</u>

(8) Creditors

	<u>1998 £000</u>	<u>1997 £000</u>
Amounts due within one year		
Taxation on profits	(224)	(18)
Amounts owed to group undertakings	(1,529)	-
	<u>(1,753)</u>	<u>(18)</u>

(9) Called Up Share Capital

	1998 £000	1997 £000
Authorised		
600,000 ordinary shares of £1 each	600	600
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
600,000 ordinary shares of £1 each	600	600
	<u> </u>	<u> </u>

(10) Reconciliation of Movements in Shareholders' Funds

	1998 £000	1997 £000
Profit for the financial year	1,201	127
Dividends	(20,000)	—
Net addition/(reduction)	(18,799)	127
Opening shareholders' funds	<u>36,272</u>	<u>36,145</u>
Closing shareholders' funds	<u>17,473</u>	<u>36,272</u>

(11) Related Party Transactions

The ultimate parent company is Unilever PLC and the immediate holding company is Unilever Overseas 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. Copies of the Unilever group accounts can be obtained from Unilever PLC, Corporate Relations Department, P O Box 68, Blackfriars, London EC4 4BQ.