

UNILEVER UK HOLDINGS LIMITED
REPORT AND ACCOUNTS 1999

CONTENTS

Page Number

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



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Registered Number : 17049

Unilever UK Holdings Limited

Directors' Report for the Year ended 31 December 1999

Directors

The directors of the company during the year were as follows :-

Mr R C Greenhalgh
Mr D A Robinson
Mr M J Samuel
Mr D A Staveley
Mr A J Tinsley
Mr R M Tomlinson
Mr S G Williams

Mr D A Staveley resigned as a director on 1 March 2000.

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 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 2000 significantly different from its present activity.

Profits and Dividend

The profit for the year is £280,812,000 out of which a dividend of £180,000,000 has been declared.

Unilever UK Holdings Limited

Directors' Interests

According to the Register of Directors' Interests, the notifiable interests of the Directors in office at 31 December 1999, in the share capital of the Company's ultimate holding company, Unilever PLC were as follows :-

	<u>Unilever PLC</u>	<u>At 1.1.1999</u> (1.25p shares)	<u>At 31.12.1999</u> (1.4p shares)
Mr R C Greenhalgh	Ordinary shares	8,855	8,136
Mr M J Samuel	Ordinary shares	4,433	4,863
Mr D A Staveley	Ordinary shares	3,980	12,039
Mr A J Tinsley	Ordinary shares	38,356	34,246
Mr R M Tomlinson	Ordinary shares	16,088	14,528
Mr S G Williams	Ordinary shares	12,264	10,950

On 10 May 1999, the ordinary shares of 1.25p of Unilever PLC were consolidated, so that 112 shares of 1.25p were replaced by 100 ordinary shares of 1.4p. A special dividend of 66.13p per ordinary share of 1.25p was paid on 9 June 1999.

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 1.1.1999</u>	<u>Granted</u>	<u>Exercised</u>	<u>At 31.12.1999</u>
Mr R C Greenhalgh	(a)	262,652	30,000	nil	292,652
	(b)	5,188	nil	nil	5,188
Mr D A Robinson	(a)	nil	5,500	nil	5,500
Mr M J Samuel	(a)	5,500	8,250	nil	13,750
	(b)	4,652	nil	nil	4,652
Mr D A Staveley	(a)	94,432	12,375	nil	106,807
	(b)	7,548	nil	7,548	nil
Mr A J Tinsley	(a)	34,560	12,375	nil	46,935
	(b)	2,904	nil	nil	2,904
Mr R M Tomlinson	(a)	73,020	12,375	nil	85,395
	(b)	5,724	nil	nil	5,724
Mr S G Williams	(a)	202,616	30,000	nil	232,616
	(b)	4,889	nil	nil	4,889

- (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.

Options granted under the Unilever 1985 and 1997 Executive Share Option Schemes and the Unilever PLC 1985 Sharesave Scheme were not subject to the above-mentioned share consolidation. Therefore, the number of options granted and the option prices for each grant remain unchanged.

Unilever UK Holdings Limited

Directors Interests (continued)

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 Trusts for the purpose of satisfying share options granted to employees.

	<u>At 1.1.1999</u>	<u>At 31.12.1999</u>
The Directors	39,623,389	42,492,210

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



Mrs C J Hampton-Coutts
Secretary

Date : 11 July 2000

Unilever UK Holdings 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 1999. 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



Mrs C J Hampton-Coutts
Secretary

Date 11 July 2000

Unilever UK Holdings Limited

Report of the Auditors to the Members

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Report and Accounts. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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 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 1999 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

14th July, 2000

Unilever UK Holdings Limited

Profit and Loss Account - Year ended 31 December

	<u>Notes</u>	1999 £000	1998 £000
Profit on disposal of investments	(1)	2,490	254,887
(Increase)/Release in provisions against value of investments	(6)	(3,000)	23,284
Release/(Increase) in provisions against indebtedness in subsidiaries	(9)	4,614	(44,499)
Profit on ordinary activities before interest		<u>4,104</u>	<u>233,672</u>
Interest and similar income	(2)	276,721	458,938
Profit on ordinary activities before taxation	(3)	<u>280,825</u>	<u>692,610</u>
Taxation on profit on ordinary activities	(4)	(13)	(83,864)
Profit for the financial year		<u>280,812</u>	<u>608,746</u>
Dividends proposed		(180,000)	(1,250,000)
Profit/(Loss) of the year retained		<u>100,812</u>	<u>(641,254)</u>
Profit retained 1 January		104,706	745,960
Profit retained 31 December		<u><u>205,518</u></u>	<u><u>104,706</u></u>

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.

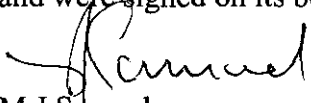
The profit for each financial year represents the total recognised gains of that year.

Unilever UK Holdings Limited

Balance Sheet - 31 December

	<u>Notes</u>	1999 £000	1998 £000
Fixed assets			
Investments	(6)	473,077	473,948
		<hr/>	<hr/>
Current assets			
Debtors	(7)	256,000	328,998
Indebtedness with parent company's central services subsidiary due after more than one year		-	817,873
		<hr/>	<hr/>
Creditors : amounts falling due within one year	(8)	256,000 (187,464)	1,146,871 (1,341,190)
		<hr/>	<hr/>
Net current assets/(liabilities)		68,536	(194,319)
		<hr/>	<hr/>
Total assets less current liabilities		541,613	279,629
Indebtedness with parent company's central services subsidiary		(165,786)	-
Provisions for liabilities and charges	(9)	(161,684)	(166,298)
		<hr/>	<hr/>
Net Assets		214,143	113,331
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	(10)	8,625	8,625
Profit and loss account		205,518	104,706
		<hr/>	<hr/>
Equity Shareholders' funds	(11)	214,143	113,331
		<hr/>	<hr/>

The financial statements on pages 6 to 13 were approved by the Board of Directors on 11 July 2000 and were signed on its behalf by :


M J Samuel
Director

Unilever UK Holdings Limited

Principal Accounting Policies

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

The financial statements contain information about Unilever UK Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under s288 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.

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 : Assets and liabilities denominated 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.

Dividends : Dividends due from group undertakings are credited to the profit and loss account when declared.

Fixed Asset Investments : Fixed Asset 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.

Unilever UK Holdings Limited

Notes to the Accounts - 31 December 1999

(1) Profit on disposal of investments

The profit on disposal of investments is made up as follows :-

	£000
Solan Laboratories Ltd	2,001
Adjustments to proceeds relating to prior year disposals :	
Plant Breeding International Cambridge Limited	240
Chemical Businesses	502
Leverton Group	(43)
John West Foods Limited	(210)
	<u>2,490</u>

(2) Interest and Similar Income/(Charges)

	1999 £000	1998 £000
Income from shares in group undertakings	276,720	457,657
Other interest receivable and similar income	1	1,424
	<u>276,721</u>	<u>459,081</u>
Total interest receivable and investment income	276,721	459,081
	<u>-</u>	<u>(143)</u>
Total interest payable and similar charges	-	(143)
	<u>276,721</u>	<u>458,938</u>

(3) Profit on Ordinary Activities before taxation

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

Unilever UK Holdings Limited

Notes to the Accounts - 31 December 1998

(4) Taxation on Profit (or Loss) on Ordinary Activities

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

	1999 £000	1998 £000
On the profit of the years :-		
United Kingdom Corporation Tax at 30.5% (1998 - 31%)	-	(83,864)
Prior year items		
United Kingdom Corporation Tax	(13)	-
	<u>(13)</u>	<u>(83,864)</u>

(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.

(6) Fixed Assets - Investments

	<u>Shares in</u> <u>Group</u> <u>Undertakings</u> £000	<u>Other</u> <u>Investments</u> £000	<u>Total</u> £000
Cost 1 January	492,201	-	492,201
Additions	1,138	1,000	2,138
Disposals	(2,010)	-	(2,010)
Cost 31 December	<u>491,329</u>	<u>1,000</u>	<u>492,329</u>
Provisions 1 January	(18,253)	-	(18,253)
Disposal	2,001	-	2,001
Increase	(3,000)	-	(3,000)
Provisions 31 December	<u>(19,252)</u>	<u>-</u>	<u>(19,252)</u>
Net Book Value			
31 December	<u>472,077</u>	<u>1,000</u>	<u>473,077</u>
1 January	<u>473,948</u>	<u>-</u>	<u>473,948</u>

There are no investments in listed shares.

Unilever UK Holdings Limited

Notes to the Accounts - 31 December 1999

Investment in Group Undertakings

The investment is in shares in subsidiary undertakings of the company which are all incorporated in the United Kingdom. The names of the principal companies together with the proportion of shares held and principal activity is shown below :

Name of Company	Description of Shares Held	Proportion of Nominal Value of Shares Held		Principal Activity
		Direct	Indirect	
Africa and Eastern (Near East) Ltd	Ordinary	100%		T
Birds Eye Wall's Ltd	Ordinary	100%		F
Calvin Klein Cosmetics UK Ltd	Ordinary	100%		HPC
Colman Products Ltd	Ordinary	100%		F
DiverseyLever Ltd	Ordinary/ Preference	100%		PC
DiverseyLever Equipment Ltd	Ordinary		100%	PC
Elida Fabergé Ltd	Ordinary	100%		HPC
Elizabeth Arden Ltd	Ordinary	100%		HPC
Lever Brothers Ltd	Ordinary	100%		HPC
Lipton Ltd	Ordinary	100%		F
Lipton Tea Company Ltd	Ordinary	100%		H
Myhome Services Limited	Ordinary	100%		HPC
Palace Laundry (London) Limited	Ordinary	100%		HPC
Unilever Company for Industrial Development Ltd	Ordinary	100%		T
UML Ltd	Ordinary	100%		T
Unilever International Market Development Ltd	Ordinary	100%		T
Unilever UK Central Resources Ltd	Ordinary	100%		T
Unipath Ltd	Ordinary	100%		HPC
Van den Bergh Foods Ltd	Ordinary	100%		F

The key to the principal activities listed above are as follows :-

Foods	F
Holding companies	H
Home and Personal Care	HPC
Professional cleaning	PC
Plantations and Plant Science	P
Trading Operations	T

A full list of the company's subsidiary undertakings will be filed with the Registrar of Companies.

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.

Unilever UK Holdings Limited

Notes to the Accounts - 31 December 1998

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 company concerned or where significant influence is exercised over the investment.

<u>Name of Company</u>	<u>Description of Shares Held</u>	<u>Proportion of Nominal Value of Shares Held</u>
Jigsaw Consortium Ltd (incorporated in United Kingdom)	Ordinary	33.3% Direct

(7) Debtors

	1999 £000	1998 £000
Amounts due within one year		
Amounts owed by group undertakings	256,000	328,998

(8) Creditors

	1999 £000	1998 £000
Amounts due within one year		
Taxation on profits	-	83,851
Other creditors	7,464	7,339
Proposed dividend	180,000	1,250,000
	187,464	1,341,190

(9) Provisions for Liabilities and Charges

	£000
At 1 January	166,298
Released to Profit and Loss	(4,614)
	161,684

The provision relates to guarantees by Unilever UK Holdings Limited for amounts owed by its subsidiaries to one of their fellow subsidiaries.

Unilever UK Holdings Limited

Notes to the Accounts - 31 December 1998

(10) Called Up Share Capital

	1999 £000	1998 £000
Authorised		
10,000,000 ordinary shares of £1 each	10,000	10,000
Alloted, called up and fully paid		
8,625,000 ordinary shares of £1 each	8,625	8,625

(11) Reconciliation of Movements in Shareholders' Funds

	1999 £000	1998 £000
Profit for the financial year	280,812	608,746
Dividends	(180,000)	(1,250,000)
Net addition/(reduction)	100,812	(641,254)
Opening shareholders' funds	113,331	754,585
Closing shareholders' funds	214,143	113,331

(12) Contingent Liabilities

Unilever UK Holdings Limited has provided the following guarantees :

- 1) A guarantee has been given to a third party on behalf of DiverseyLever Limited, a 100% owned subsidiary, in respect of a 20 year lease obligation. The lease commenced on 9 March 1998 at an annual rent of £280,200.
- 2) Guarantees have been given to third parties on behalf of Birds Eye Wall's Limited, a 100% owned subsidiary, in respect of its obligations in operating lease agreements for a frozen storage and distribution centre.

None of the above contingent liabilities are expected to give rise to any material loss.

(13) Related Party Transactions

The ultimate parent and immediate holding company is Unilever PLC. 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 Unilever group accounts can be obtained from Unilever PLC, Corporate Relations Department, P O Box 68, Blackfriars, London EC4P 4BQ.