

Registered Number 77912

UNILEVER UK & CN HOLDINGS LIMITED

**REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER
2010**

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Unilever UK & CN Holdings Limited

Registered Number 77912

Directors' Report for the year ended 31 December 2010

The Directors present their report and audited financial statements of the Company for the year ended 31 December 2010

Directors

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

Mr C Fletcher Smith (Resigned 31/08/2010)

Ms T E Lovell (Resigned 07/06/2010)

Mr B Chapman (Resigned 25/03/2010)

Mr G E Neath

Mr N S Fletcher (Appointed 15/06/2010)

Ms A J K Elphick (Appointed 25/03/2010)

Mr S A Jarrold (Appointed 23/12/2010)

Principal activities, review of business and future developments

The principal activity of the Company during the year 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 results of the Company show a profit on ordinary activities before tax of £8,999,000 (2009 - £74,724,000 profit)

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 the coming year which is significantly different from its present activities.

Key performance Indicators

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Principal Risks and Uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to the deterioration of the underlying businesses that support the investments held. Additional risks that this Company and the Unilever group are subject to, and how they are managed, in the context of the Unilever group as a whole is provided in the 2010 Unilever published Annual Report.

Directors' Report for the year ended 31 December 2010 (continued)**Dividends**

A catch up dividend of £235,112,000 (2009 £368,000,000) has been declared and paid on the Ordinary B Shares

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit of the Company for that period.

In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detecting of fraud and other irregularities.

Statement of Provisions of Information to Auditors

Each of the persons who is a Director at the date of approval of this report confirms that

1. So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
2. the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

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Directors' Report for the year ended 31 December 2010 (continued)

Going Concern

The Directors, having made appropriate enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to prepare the financial statements on a going concern basis.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office as auditors of the Company in accordance with the provisions of Section 487(2) of the Companies Act 2006

By Order of the Board



Duly Authorised for and on behalf of
The New Hovema Limited
Company Secretary

Date **21 JULY 2011**

Independent Auditors' report to the Members of Unilever UK & CN Holdings Limited

We have audited the financial statements of Unilever UK & CN Holdings Limited for the year ended 31 December 2010 which comprise the Balance Sheet, the Profit and Loss Account, the Principal Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement (set out on pages 2) the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Independent Auditors' report to the Members of Unilever UK & CN Holdings Limited
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

K Turner

K Turner (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date **21 July 2011**

Unilever UK & CN Holdings Limited

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Profit and Loss Account for the year ended 31 December 2010

	<u>Notes</u>	2010	2009
		£000	£000
Impairment of shares in group undertakings	(2)	-	(300,000)
Operating result/ (loss)		-	(300,000)
Result/(loss) on ordinary activities before interest		-	(300,000)
Income from fixed asset investments	(5)	23,969	388,612
Interest payable and similar charges	(6)	(14,970)	(13,888)
Profit on ordinary activities before taxation		8,999	74,724
Taxation on profit on ordinary activities	(7)	415	111
Profit for the financial year	(13)	9,414	74,835

All operations in the year are, and in the comparative year were, continuing

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The profit 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

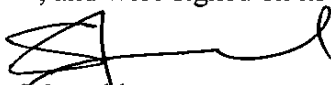
Unilever UK and CN Holdings Limited

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Balance Sheet as at 31 December 2010

	<u>Notes</u>	2010 £000	2009 £000
Fixed assets			
Investments	(9)	<u>3,966,986</u>	<u>3,966,986</u>
Current assets			
Debtors (amounts due within one year)	(10)	499	195
Creditors' amounts falling due within one year	(11)	<u>(288,204)</u>	<u>(62,202)</u>
Net current liabilities		<u>(287,705)</u>	<u>(62,007)</u>
Total assets less current liabilities		3,679,281	3,904,979
Creditors' amounts falling due after more than one year	(11)	<u>(259,846)</u>	<u>(259,846)</u>
Net assets		<u>3,419,435</u>	<u>3,645,133</u>
Capital and reserves			
Called up share capital	(12)	474,898	474,898
Merger reserve	(13)	2,925,793	2,925,793
Other reserves	(13)	33,129	33,129
Profit and loss account	(13)	<u>(14,385)</u>	<u>211,313</u>
Total shareholders' funds	(13)	<u>3,419,435</u>	<u>3,645,133</u>

The financial statements on pages 6 to 17 were approved by the Board of Directors on **21/7/2011**, and were signed on its behalf by


S Jarrold
Director

Unilever UK & CN Holdings Limited**Registered Number 77912****Principal Accounting Policies**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and the applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of preparation

The financial statements contain information about Unilever UK & CN 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 400 of the Companies Act 2006 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.

Cash Flow statement

The Company is a subsidiary of Unilever PLC and its cash flows are included in the consolidated financial statements of Unilever PLC, which are publicly available. Consequently the Company is exempt under the terms of Financial Reporting Standard 1 'Cashflow statements' (revised 1996) from publishing a cash flow statement.

Fixed Asset Investments

Group undertaking investments are entities controlled by the Company, where control is the power directly or indirectly to govern the financial and operating policies of the entity so as to obtain benefit from its activities. Associated company investments are entities in which the group has a long-term interest and over which the group has directly or indirectly significant influence, where significant influence is the ability to influence the financial and operating policies of the entity.

Fixed Asset Investments are carried at cost. A review is performed annually to assess for triggering events that indicate impairment and if required the net realisable value is assessed using a discounted cash flow (DCF) method.

Where the value of an investment is considered to have been impaired, a carrying value below cost is employed.

Foreign Currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling on the date of the transaction or at monthly average rates. Monetary assets and liabilities denominated in foreign currencies have been translated into sterling at the rates current at the year end, and profits/(losses) are taken through the Profit and Loss Account of the year.

Dividends

Final dividends are only recognised when they have been approved by the shareholders and interim dividends are only recognised when paid.

Merger Reserve

On acquisition of a subsidiary, which is subsequently recorded at fair value, a merger reserve is created. On disposal or impairment of this subsidiary externally to the group, the amount recorded in the merger reserve is realised in the Profit and Loss Account.

Principal Accounting Policies (continued)**Preference Shares**

Presentational requirements under Financial Reporting Standard FRS 25 'Financial Instruments Disclosure and Presentation' have been applied. The Company's preference shares carry the characteristics of a liability as opposed to equity, the Company's preference shares are disclosed as a liability in the balance sheet. The associated dividends are disclosed as part of net interest cost

Current Taxation

The charge for current income tax is based on the results for the year as adjusted for items which are not taxed or which are disallowed. It is calculated using tax rates in legislation that has been enacted or substantively enacted by the balance sheet date

Notes to the Accounts for the year ended 31 December 2010**(1) Auditors Remuneration**

The fees for PricewaterhouseCoopers LLP in respect of the statutory audit for the current and prior year are borne by a fellow group company, Unilever U.K. Central Resources Limited. Full details for the year ended 31 December 2010 and prior year comparatives are disclosed in the financial statements of that Company.

(2) Impairment of shares in group undertakings

	2010 £000	2009 £000
Impairment of Fixed Asset Investments	-	300,000

The 2009 impairment of £300,000,000 is the result of Unilever UK Limited paying out a dividend to the Company and reducing the cash assets in Unilever UK Limited, previously included in the VIU calculation. As all other assumptions used to determine the VIU remained unchanged, the impairment reflected only the dividend payment.

(3) Employee Information

Nil employees were employed by the Company during 2010 (2009: nil), no employee costs were incurred by the Company (2009: £nil).

(4) Directors' Emoluments

No remuneration (2009: £nil) was received by the Directors, including the Chairman, from the Company. They are employed as managers by Unilever U.K. Central Resources Limited and Unilever UK Limited. They are remunerated by the aforementioned companies in respect of their services to the group as a whole.

Notes to the Accounts for the year ended 31 December 2010 (continued)

(5) Income from Fixed Assets Investments

	2010 £000	2009 £000
Income from shares in group undertakings	23,969	383,288
Income from other fixed asset investments	-	5,324
Total	<u>23,969</u>	<u>388,612</u>

(6) Interest payable and similar items

	2010 £000	2009 £000
Interest payable on loans from group undertakings	(1,781)	(699)
Interest payable on redeemable preference shares	<u>(13,189)</u>	<u>(13,189)</u>
Total	<u>(14,970)</u>	<u>(13,888)</u>

Interest payable on borrowings, the final repayment of which will be made within 5 years amounted to £nil (2009: £nil)

(7) Taxation on Profit on Ordinary Activities

The taxation credit for taxation is made up as follows:

	2010		2009	
	£000	£000	£000	£000
On profit for the year				
Current tax:				
UK corporation tax	499		33	
Add Double tax relief	<u>-</u>		<u>162</u>	
Total UK taxation		499		195
Foreign taxation		<u>(84)</u>		<u>(84)</u>
Total taxation credit		<u>415</u>		<u>111</u>

Notes to the Accounts for the year ended 31 December 2010 (continued)

(7) Taxation on Result on Ordinary Activities (continued)

The current tax assessed for the year is lower (2009 lower) than the standard rate of corporation tax in the UK (28%) (2009: 28%) The differences are explained below.

	2010 £000	2009 £000
Profit on ordinary activities before tax	8,999	74,724
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 28% (2009 28%)	(2,520)	(20,923)
Effects of		
Double tax relief	-	162
Impairment of shares in group undertakings	-	(84,000)
Gross up for underlying tax on overseas dividends	-	(62)
Foreign taxation	(84)	(84)
Permanent differences	3,019	105,018
Current tax credit for the year	415	111

(8) Dividends

	2010 £000	2009 £000
Ordinary B Shares dividend (equating to £3 05913 per share) (2009 Ordinary A shares dividend equating to £ 9022 per share)	235,112	368,000

Notes to the Accounts for the year ended 31 December 2010 (continued)

(9) Fixed Assets Investments

	Shares in Group Undertakings £000	Other investments Listed £000	Total £000
<u>Cost 1 January 2010 and 31 December 2010</u>	4,285,657	130,329	4,415,986
<u>Provisions for impairment 1 January 2010 and 31 December 2010</u>	(449,000)	-	(449,000)
<u>Net Book Value</u>	3,836,657	130,329	3,966,986
31 December 2010			
1 January 2010	<u>3,836,657</u>	<u>130,329</u>	<u>3,966,986</u>

Market value of listed investments

£270,271

The listed other investment include 60,086,250 shares held in Hindustan Unilever Ltd which are traded on the Bombay Stock Exchange (market price per share at 31 December 2010 Rs 312 30) For the calculation of the market value we used the Unilever closing exchange rate at 31 December 2010 of 69 43 All other investments are not listed

Notes to the Accounts for the year ended 31 December 2010 (continued)

(9) Fixed Assets Investments (continued)

Investments in Group Undertakings

The investments are 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.

Name of Company and Country of Incorporation/ Registration	Description of Shares Held	Proportion of Nominal Value of Shares held and of Voting Rights		Principal Activity
		Direct %	Indirect%	
<u>Malaysia</u>				
Unilever Foods (Malaysia) Sdn Bhd	MYR 75 Ord. shares	100		Foods
Unilever (Malaysia) Holdings Sdn Bhd	MYR 1 Ord shares	70		Holding co
<u>Singapore</u>				
Unilever Singapore Pte Ltd	SGD 1 Ord Shares	100		Holding co
<u>Sri Lanka</u>				
Ceytea Ltd	LKR 10 Ord shares	100		Foods
<u>United Kingdom</u>				
Total Refrigeration Ltd	£1 ord stock	100		Service co
Ben & Jerry’s Homemade Ltd	£1 ord shares	100		Non Trading co
Unilever UK Ltd	£1 ord shares	100		Foods and Home & Personal Care
Helene Curtis Ltd	£1 ord shares	100		Dormant

Notes to the Accounts for the year ended 31 December 2010 (continued)

(9) Fixed Assets Investments (continued)

Other investments listed

Other investments include investments in companies in which UK & CN influence is less than significant

Name of Company and Country of Incorporation/ Registration	Description of Shares held	Proportion of Nominal Value of Shares held Direct
<u>India</u>		
Hindustan Unilever Ltd	Ordinary	2.7%

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

(10) Debtors

	2010 £000	2009 £000
Amounts due within one year		
Corporation Tax	499	195
	<u>499</u>	<u>195</u>

(11) Creditors

	2010 £000	2009 £000
Amounts falling due within one year		
Amounts due to group undertakings	(287,474)	(61,472)
Accruals	(730)	(730)
	<u>(288,204)</u>	<u>(62,202)</u>
	2010 £000	2009 £000
Amounts falling due after more than one year		
Redeemable preference shares	(259,846)	(259,846)
	<u>(259,846)</u>	<u>(259,846)</u>

Amounts due to group undertakings include balances with Unilever U.K. Central Resources Limited which are interest bearing at monthly LIBOR and are unsecured.

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Notes to the Accounts for the year ended 31 December 2010 (continued)

(11) Creditors (continued)

Redeemable Preference Shares

The Class A and Class B Redeemable Preference Shares shall be redeemed on 7 July 2023 and 30 June 2024 respectively. The amount payable upon redemption shall be £10 per redeemable preference share, together with any arrears of preferential dividends. These shares may be redeemed at the Company's option after notice of 28 days has been given to the shareholders.

The Class A and Class B Redeemable preference Shares confer the right to receive a fixed cumulative preferential dividend of 5.53% and 4.83% per annum respectively. On a return of capital on liquidation (other than a redemption or purchase of shares) the Preference Shares rank in priority for the repayment of amounts paid or credited as paid up but carry no rights to further participation in the assets of the Company. The shares carry the right to vote except in cases where there is a resolution on a poll when these rights are restricted.

(12) Called Up Share Capital

	2010 £000	2009 £000
Allotted and fully paid		
407,898,152 Class A ordinary shares of £1 each	407,898	407,898
67,000,000 Class B ordinary shares of £1 each	67,000	67,000
	474,898	474,898

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Notes to the Accounts for the year ended 31 December 2010 (continued)

(13) Reconciliation of movements in Total Shareholders' Funds

	2010	2009
	£000	£000
Profit for the financial year	9,414	74,835
Dividends paid	(235,112)	(368,000)
Net reduction to shareholders' funds	(225,698)	(293,165)
Opening shareholders' funds	3,645,133	3,938,298
Closing shareholders' funds	3,419,435	3,645,133

During 2010 the Company paid a catch up dividend of £235,112,024 to the ordinary shareholders of the Class B shares

Reserves

	<u>Other Reserves</u>	<u>Merger Reserves</u>	<u>Profit and Loss Account</u>	<u>Total</u>
	£000	£000	£000	£000
At 1 January 2010	33,129	2,925,793	211,313	3,170,235
Profit for the financial year	-	-	9,414	9,414
Dividends paid	-	-	(235,112)	(235,112)
At 31 December 2010	33,129	2,925,793	(14,385)	2,944,537

(14) Related Party Transactions and Ultimate Parent Company

The ultimate parent Company and controlling party is Unilever PLC and the immediate holding Company is Unilever U K. Holdings Limited, The Company has not disclosed transactions with fellow, wholly owned subsidiaries in accordance with the exemption under the terms of Financial Reporting Standard 8 as the ultimate parent company produces publicly available consolidated accounts. These accounts are both the smallest and largest group to consolidate these financial statements. Copies of Unilever group accounts can be publicly obtained from Unilever PLC, Investor Relations Department, 100 Victoria Embankment, London EC4Y 0DY