

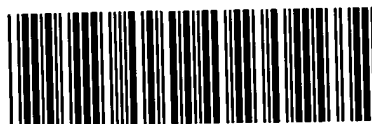
Registered number: 00077912

UNILEVER UK & CN HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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COMPANY INFORMATION

DIRECTORS	Ms. A J K Elphick Ms. A L King Ms. L A Beaumont (Resigned on 1 st April 2023) Ms. G A Hodson (Appointed on 1 st April 2023)
COMPANY SECRETARIES	Mr. J O Earley Mr. R C Hazell (Resigned on 28 th November 2022)
REGISTERED NUMBER	00077912
REGISTERED OFFICE	Unilever House 100 Victoria Embankment London EC4Y 0DY United Kingdom
INDEPENDENT AUDITOR	KPMG LLP Statutory Auditor Chartered Accountants 15 Canada Square Canary Wharf London E14 5GL United Kingdom

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

INTRODUCTION

The Directors present their strategic report on Unilever UK & CN Holdings Limited (also referred to as "Company") for the year ended 31 December 2022.

The Company is one of the entities within the "Unilever Group". In this context the term "Unilever Group" and "Companies of the Unilever Group" or "Group Companies" means Companies where Unilever PLC, either directly or indirectly, is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company. Companies in which Group companies have significant influence but not control are classified as "Associated Companies".

BUSINESS REVIEW

The principal activity of the Company is to act as a holding Company. This includes owning directly or indirectly investments in Unilever Group Companies. The Company will continue with this activity in the foreseeable future.

The Company's loss for the financial year was £651,357,000 compared to profit of £45,735,000 in 2021. This was primarily due to impairment of investments in year 2022 (Refer Note 9 for more details on impairment).

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 was 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.

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.

The Company's ultimate parent undertaking, Unilever PLC, includes the Company in its consolidated financial statements. Further discussion of the principal risks of the business, and how they are managed in the context of the Unilever Group, is provided in the consolidated financial statements of Unilever Group. These statements are prepared in accordance with International Financial Reporting Standards and provided in the published Unilever Group Annual Report for the year ended 31 December 2022, available at www.unilever.com.

FINANCIAL KEY PERFORMANCE INDICATORS

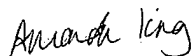
Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

SECTION 172 STATEMENT

The Company acts a holding Company within the Unilever Group and therefore, does not have direct relationships with employees, suppliers and customers. The Company holds investments in other Unilever Group Companies and therefore, has a business relationship with such entities. During the accounting year under review the Company has considered its activities and decisions however, as a holding company there has been limited business activity during the year. The Company approved the financial accounts for the year ended 31 December 2021 which gave our stakeholders a view of the current financial position of the Company. No other business activity that would impact our stakeholders took place within the Company during 2022.

This report was approved by the Board on 25/09/23 and signed on its behalf by
Ms. A L King on 25/09/23.



Ms. A L King
Director

Registered Office: Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom

Company Registration Number: 00077912

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present their report and the financial statements for the year ended 31 December 2022.

The Directors' report and audited financial statements of the Company have been prepared in accordance with Companies Act 2006.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as a holding Company. All expenses, including the remuneration of the auditor, were borne by the ultimate parent undertaking or a fellow subsidiary. There was no significant change in the principal activities of the Company during the year.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £651,357,000 (2021: £45,735,000). This was primarily due to impairment of investments in year 2022 (Refer Note 9 for more details on impairment).

Dividend was paid during the year amounting to £98,000,000. (2021: £Nil).

FUTURE OUTLOOK

No significant change in the business of the Company has taken place during the year or is expected in the immediately foreseeable future. The Directors do not expect any development in the Company's business in the coming year which is significantly different from its present activities. and there are no immediate plans to liquidate the Company. The Directors believe that the balances held will be realised at their reported carrying value in the normal course of business and so the financial statements continue to be prepared on a going concern basis.

DIRECTORS

The Directors who held office during the year, and to the date of this report were as follows:

Ms. A J K Elphick

Ms. A L King

Ms. L A Beaumont (Resigned on 1st April 2023)

Ms. G A Hodson (Appointed on 1st April 2023)

POLITICAL AND CHARITABLE DONATIONS

The Company made no donations or incurred any political and charitable expenditure during the year (2021: £Nil).

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

EMPLOYEE ENGAGEMENT

The Company does not have any direct employees but is required to make this statement as it has employees in subsidiary companies and / or other Group Companies. The Unilever Group recognises the changing world of work and the importance of employee engagement.

In particular the Unilever Group promotes the following:

- Reshaping how we work including flexible and agile working, lifelong learning and listening to our employees;
- Acting with integrity through our Code of Business Principles and other policies; and
- Safety and wellbeing of employees.

The Unilever Group is also working towards evolving the Company culture through:

- Purpose first; working with employees helping them to define their purpose and how they can reach it in their working life.
- Fit for the future; simplifying and flattening our internal structure and working in more networked ways.
- Workplace for everyone; becoming a diverse and inclusive organisation.

The Company and its subsidiaries are working towards these aims in their operations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

UNILEVER UK & CN HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR


The Directors who held office at the date of approval of this Directors' Report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the Board on 25/09/23 and signed on its behalf by
Ms. A L King on 25/09/23.



Ms. A L King
Director

Registered Office: Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom

Company Registration Number: 00077912

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNILEVER UK & CN HOLDINGS LIMITED**

Opinion

We have audited the financial statements of Unilever UK & CN Holdings Limited ("the Company") for the year ended 31 December 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNILEVER UK & CN HOLDINGS LIMITED**

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

Accordingly, we did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted to unrelated accounts, and entries involving cash account criteria used.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the Management, the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably. The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst, the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Management and inspection of

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNILEVER UK & CN HOLDINGS LIMITED**

regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those report and, accordingly, we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNILEVER UK & CN HOLDINGS LIMITED**

are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Williams (Senior Statutory Auditor)
for and on behalf of
KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

Canary Wharf London

E14 5GL

United Kingdom

Date : 28 September 2023

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Income from shares in group undertakings	6	126,833	61,960
Net interest payable and similar charges	7	(18,006)	(14,157)
Exchange Gain/(loss)		30	(1)
Impairment of Investments	9	(758,105)	-
Impairment on trade receivables	10	(754)	(457)
Result from ordinary activities before taxation		(650,002)	47,345
Taxation on result from ordinary activities	8	(1,355)	(1,610)
(Loss)/profit for the year		(651,357)	45,735

There were no recognised gains or losses for the year other than those included in the Profit and Loss Account.

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
(Loss)/profit for the year		(651,357)	45,735
Other comprehensive income:			
Items that may not be reclassified subsequently to profit or loss:			
Net change in fair value of equity instruments at fair value through Other Comprehensive Income	9	128,986	(33,100)
Total comprehensive (loss)/income for the year		(522,371)	12,635

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	9	<u>3,832,117</u>	<u>4,461,236</u>
		3,832,117	4,461,236
Current assets			
Trade and other current receivables: Amounts falling due within one year	10	<u>23,008</u>	<u>7,866</u>
		23,008	7,866
Current liabilities			
Trade and other current payables: Amounts falling due within one year	11	<u>(157,162)</u>	<u>(351,551)</u>
Net current liabilities		(134,154)	(343,685)
Total assets less current liabilities		<u>3,697,963</u>	<u>4,117,551</u>
Trade and other payables: Amounts falling due more than one year	11	<u>(460,629)</u>	<u>(259,846)</u>
Net assets		<u>3,237,334</u>	<u>3,857,705</u>
Called up share capital	12	474,898	474,898
Merger reserve		247,426	247,426
Fair value reserve		1,411,101	1,282,115
Other reserve		33,129	33,129
Profit and loss account		<u>1,070,780</u>	<u>1,820,137</u>
Shareholders' funds		<u>3,237,334</u>	<u>3,857,705</u>

This report was approved by the Board on 25/09/23 and signed on its behalf by
Ms. A L King on 25/09/23.

Aminda King

Ms. A L King
Director

Registered Office: Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom

UNILEVER UK & CN HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £000	Merger reserve £000	Other reserves £000	Fair value reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2022	474,898	247,426	33,129	1,282,115	1,820,137	3,857,705
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(651,357)	(651,357)
Other comprehensive income for the year	-	-	-	128,986	-	128,986
Total comprehensive (loss)/income for the year	-	-	-	128,986	(651,357)	(522,371)
Transaction with owners, recorded directly in equity						
Dividend Payout	-	-	-	-	(98,000)	-
At 31 December 2022	474,898	247,426	33,129	1,411,101	1,070,780	3,237,334

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Merger reserve £000	Other reserves £000	Fair value reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2021	474,898	247,426	33,129	1,315,215	1,774,402	3,845,070
Total comprehensive income for the year						
Profit for the year	-	-	-	-	45,735	45,735
Other comprehensive income for the year	-	-	-	(33,100)	-	(33,100)
Total comprehensive income for the year	-	-	-	(33,100)	45,735	12,635
Dividend Payout	-	-	-	-	-	-
At 31 December 2022	474,898	247,426	33,129	1,282,115	1,820,137	3,857,705

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Company is a private company incorporated, domiciled and registered in England. The registered number is 00077912 and the registered address is Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has been set out below where advantages of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Unilever PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Unilever Group are prepared in accordance with International Financial Reporting Standards and provided in the published Unilever Group Annual Report, available at www.unilever.com.

In these financial statements, where applicable, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 'Presentation of financial statements';
 - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
 - (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliation between the carrying amount at the beginning and end of the period);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) 10(d) (statement of cash flows);
 - (ii) 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - (iii) 16 (statement of compliance with all IFRS);
 - (iv) 38A (requirement to present a minimum of two statements for each of the primary financial statements, including cash flow statements and related notes);
 - (v) 38B-D (additional comparative information);
 - (vi) 40A-D (requirements for a third balance sheet);

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

- (vii) 111 (cash flow statement information); and
- (viii) 134-136 (capital management disclosures);
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures' (key management compensation);
- Paragraph 33(c) of IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations' (cash flows of the discontinued operations);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

As the consolidated financial statements of Unilever Group includes equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures where applicable:

- Certain disclosures required by IFRS 2 Share-based payment in respect of details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company;
- Certain disclosures required by IFRS 13 Fair value measurement in respect of valuation techniques and inputs used for fair value measurement of assets and liabilities;
- IFRS 7 Financial Instruments: Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 CONSOLIDATION

The Company is a wholly owned subsidiary of Unilever U.K. Holdings Limited. It is included in the consolidated financial statements of Unilever Group which are publicly available. Therefore, the Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

1.3 MEASUREMENT CONVENTION

The financial statements are prepared on the historical cost basis except that the following liabilities are stated at their fair value: Financial Liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1.4 GOING CONCERN

When preparing financial statements, Management makes an assessment of the Company's ability to continue as a going concern. The Company shall prepare financial statements on a going concern basis unless Management either intends to liquidate the Company or to cease trading or has no realistic alternative but to do so. When Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, the Company shall disclose those uncertainties. When the Company does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the Company is not regarded as a going concern.

Notwithstanding net current liabilities of £134,154,000 as at 31 December 2022, the financial statements have been prepared on a going concern basis, since Unilever PLC has formally indicated its intention and ability to continue to provide financial support to the Company to meet its liabilities as and when they become due, for at least the next twelve months from the date of approval of these financial statements.

1.5 FINANCIAL INSTRUMENTS*Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity instruments, Trade and other receivables and trade and other payables. Investments in subsidiaries and associates are stated at cost less impairment. Trade and other receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in subsidiaries and associates are carried at cost less impairment. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by investment basis. Dividends from these investments continue to be recognised in profit or loss. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Equity instruments measured at FVOCI

All investments in equity instruments classified under financial assets are initially measured at fair value. The Company may on initial recognition irrevocably elect to measure the same at FVOCI if the same is not held for trading. The Company makes such election on an instrument by-instrument basis. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Dividend Income- Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

Financial liabilities are initially recognised at fair value, less any directly related transaction costs. Other financial liabilities, excluding derivatives, are subsequently carried at amortised cost, with the exception of financial liabilities which the group has elected to measure at fair value through profit or loss.

1.6 IMPAIRMENT*Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "Cash-Generating Unit").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Profit and Loss Account. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

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1.7 PREFERENCE SHARES

Presentational requirements under IAS 32 'Financial Instruments: Presentation' have been applied. Where preference shares carry the characteristics of a liability as opposed to equity, the preference shares are disclosed as liability in the balance sheet. The associated dividends are disclosed as part of the interest costs. An option of the issuer to redeem the shares for cash does not satisfy the definition of a financial liability, because the issuer does not have a present obligation to transfer financial assets to the shareholders. In these circumstances, the preference shares are accounted within equity. An obligation may arise in the future, however, when the issuer of the shares exercises its option, usually by formally notifying the shareholders of an intention to redeem the shares. Refer Note 11 for more details.

1.8 FOREIGN CURRENCY TRANSLATION*Functional and presentation currency*

The Company's functional and presentational currency is s British pound sterling (GBP).

Transactions and balances

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognized in the profit and loss account.

1.9 INTEREST INCOME AND EXPENSE

Interest income and expense are recognized in the Profit and Loss Account using the effective interest method.

1.10 CURRENT AND DEFERRED TAXATION

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognized in the Profit and Loss Account except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized or that the Company has determined it is appropriate to recognize the deferred tax asset as it is recoverable due to the fact that the Company is part of a UK group for group relief purposes.

1.11 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS OF EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY

All standards or amendments to standards that have been issued under FRS 101 and are effective from 1 January 2023 onwards are not applicable to the Company.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investments

The Company makes an estimate of the recoverable value of the investments. For description of Management's approach see Note 1.6.

Impairment of trade and other current receivables

The Company makes an estimate of the recoverable value of the trade and other current receivables. When assessing impairment of trade and other current receivables, Management considers factors including the ageing profile of receivables and historical experience.

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3. AUDITORS' REMUNERATION

The fees for KPMG LLP (and its associates, if applicable) in respect of the statutory audit for the current year are borne by a fellow Unilever group company, Unilever U.K. Central Resources Limited.

	2022 £	2021 £
Audit of these financial statements	5,152	5,152

4. EMPLOYEE INFORMATION

No employees were employed by the Company during 2022 (2021: Nil) and no employee costs were incurred by the Company (2021: £Nil).

5. DIRECTORS' REMUNERATION

No remuneration (2021: £Nil) was paid by the Company to the Directors. All Directors are employed by Unilever U.K. Central Resources Limited or Unilever PLC and are remunerated by those companies respectively in respect of their services to the Unilever Group as a whole. None of these costs are charged to the Company.

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2022 £000	2021 £000
Dividend income from listed investments		
Dividends from Hindustan Unilever Limited	22,994	18,569
Dividend income from Group Undertakings		
Dividends from Unilever Malaysia Holdings Sdn. Bhd.	87,636	34,786
Dividends from Unilever Singapore Pte Limited	16,203	8,605
Total	<u>126,833</u>	<u>61,960</u>

7. NET INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £000	2021 £000
Interest payable on loans from group undertakings	(4,818)	(968)
Dividend on redeemable preference shares	(13,189)	(13,189)
Total	<u>(18,007)</u>	<u>(14,157)</u>

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8. TAXATION

The tax (charge)/credit is made up as follows:

Recognised in the profit and loss account	2022 £000	2021 £000
Current taxation		
Current tax for the year	915	184
Adjustment in respect of prior years	29	63
Foreign tax suffered	(2,299)	(1,857)
Total current tax charge	(1,355)	(1,610)
Tax charge on results from ordinary activities	(1,355)	(1,610)

The UK rate of corporation tax will increase from 19% to 25% from 1 April 2023. This is not expected to have a material effect on the company's future tax charge.

The current tax assessed for the year is higher (2021: lower) than the standard rate of corporation taxation in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
Reconciliation of tax (charge)/credit		
(Loss)/ Profit for the year	(650,002)	47,345
Total tax charge	(1,355)	(1,610)
Tax using the UK corporation tax rate of 19% (2021: 19%)	123,500	(8,996)
Effects of:		
Under provided in prior years	29	63
Tax exempt revenues – dividend	24,098	11,772
Non-deductible interest on preference share	(2,506)	(2,506)
Permanent differences – other	6	-
Withholding Tax on exempt dividends	(2,299)	(1,856)
Impairment of Investments	(144,040)	-
Impairments of intercompany receivables	(143)	(87)
Total tax (charge)/credit	(1,355)	(1,610)

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9. INVESTMENTS

	Subsidiary undertakings £000	Listed investments £000	Total £000
Cost			
At 1 January 2022	3,107,972	130,329	3,238,301
At 31 December 2022	3,107,972	130,329	3,238,301
Impairment			
At 1 January 2022	(59,180)	-	(59,180)
Impairment charge*	(758,105)	-	(758,105)
At 31 December 2022	(817,285)	-	(817,285)
Fair value adjustment**			
At 1 January 2022	-	1,282,115	1,282,115
Changes in fair value	-	128,986	128,986
At 31 December 2022	-	1,411,101	1,411,101
Net book value			
At 31 December 2022	2,290,687	1,541,430	3,832,117
At 31 December 2021	3,048,792	1,412,444	4,461,236

*Our investment in Unilever UK Group Limited ("the investee") during the current year has been impaired by an amount of GBP 758,105,000. The investee's performance is as per the expectations of management, despite this an impairment has been recorded in order to reflect the enterprise value in light of the current market conditions. We have used discounted cash flow model to determine the enterprise value of the investee of which the weighted average cost of capital is a key input. One of the components of WACC i.e., the risk-free interest rate has increased significantly as compared to 2021 contributing to a reduction in the present value of the future cash flows of the investee thereby lowering the enterprise value. This has led to booking an impairment as of 31 December 2022. Management will monitor the movement in the risk-free interest rates and the performance of the investee on a yearly basis and make decisions about impairment based on the available information as at each balance sheet date.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on both external and internal sources of information.

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Key assumptions:	(In percent)	
	2022	2021
Discount rate	8.13	5.20
Terminal value growth rate	2.26	1.40

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA rate, consistent with the assumptions that a market participant would make.

**Investments designated at FVOCI are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve).

Subsidiary undertakings and associates

The investments are in subsidiary undertakings. Their names together with their country of incorporation/registration are listed below. A description of the shares held, and the proportion held is also shown below:

Name	Address of the registered office	Class of shares held	Proportion of nominal value of shares held		Principal activity
			Direct %	Indirect%	
Unilever Singapore Pte Limited	20 Pasir Panjang Road, #06-22 Mapletree Business City, 117439, Singapore	Ordinary	100%	-	Personal Care
Ceytea (Pvt) Limited	No: 258 M Vincent Perera Mawatha, Colombo 14, Sri Lanka	Ordinary	100%	-	Foods
Unilever Malaysia Holdings Sdn. Bhd.	Level 34, Menara TN Jalan Pantai Baru, 59200, Kuala Lumpur, Malaysia	Ordinary	100%	-	Foods
CPC (UK) Pension Trust Ltd	Unilever House, 100 Victoria Embankment, London	-	-	100%	Dormant
Unilever UK Limited	Unilever House, Springfield Drive, Leatherhead, KT22 7GR, United Kingdom	Ordinary	-	89.87%	Holding
Accantia Group Holdings	Unilever House, 100 Victoria	Ordinary	-	89.87%	Holding

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Name	Address of the registered office	Class of shares held	Proportion of nominal value of shares held		Principal activity
			Direct %	Indirect%	
	Embankment, London, EC4Y 0DY, United Kingdom				
Unilever UK Group Limited	Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom	As per breakdown below			Holding
		Shares Held	% of Class	Voting %	Capital %
- Ordinary A shares	£1 per share	25,200,000	10%	1.50%	0.83%
- Ordinary B shares	£1 per share	2,736,855,000	97%	82.45%	89.04%
- Ordinary C shares	£1 per share	89,867	89.87%	-	-

During the current year, two of the company's subsidiaries Unilever Foods (Malaysia) Sdn Bhd and Unilever (Malaysia) Holdings Sdn Bhd have been merged and the resulting entity is Unilever (Malaysia) Holdings Sdn Bhd. Unilever Foods (Malaysia) Sdn Bhd ceases to exist. Pursuant to the merger, all assets, and liabilities of Unilever Foods (Malaysia) Sdn Bhd will be merged into Unilever (Malaysia) Holdings Sdn Bhd. From the company's perspective, two Investments are now combined into one and hence there is no impact on the profit and loss statement of the Company on account of this transaction.

Listed investments

Listed investments include investments in companies in which the Company's influence is less than significant.

Listed investments include 60,086,250 shares representing 2.56% held in Hindustan Unilever Limited whose shares are listed on the Bombay Stock Exchange Limited (market price per share as at 31 December 2022 amounts to INR 2,559.75). For the calculation of the market value, the closing exchange rate at 31 December 2022 of INR 99.7813 per GBP has been used. The market value of the listed investment is £1,541,429,507.

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Name	Address of the registered office	Class of shares held	Proportion of nominal value of shares held		Principal activity
			Direct %	Indirect%	
Hindustan Unilever Limited	Unilever House, B. D. Sawant Marg, Chakala, Andheri (E), Mumbai, 400 099, India	Ordinary	2.56%		Home Care

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

10. TRADE AND OTHER CURRENT RECEIVABLES

	2022 £000	2021 £000
Due within one year		
Group relief receivable	1,128	539
Amounts owed by group undertakings	23,117	7,353
Less: Impairment of trade receivables	(1,237)	(26)
Total	23,008	7,866

Amounts owed by Group undertakings include balances from Unilever PLC and Unilever Finance International AG which are interest bearing, unsecured and payable on demand.

11. TRADE AND OTHER CURRENT PAYABLES

	2022 £000	2021 £000
Due within one year		
Amounts owed to Group undertakings	(65,945)	(351,551)
Redeemable Preference Shares	(91,217)	-
Total	(157,162)	(351,551)
Due more than one year		
Redeemable Preference Shares	(168,629)	(259,846)
Financial Liability -Loan from Group undertakings	(292,000)	-
Total trade and other payables	(460,629)	(611,397)

Amounts falling due within one year include current account balances with Unilever UK Holdings Limited which are interest bearing, unsecured and repayable on demand while amount due

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more than year include Unilever Finance International AG, which are interest bearing, unsecured and repayable in year 2025 and 2027.

The Class A and Class B Redeemable Preference Shares shall be redeemed on 7 July 2023 (which was subsequently changed to 27 November 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. CAPITAL AND RESERVES

	2022 £000	2021 £000
Allotted, called up and fully paid		
407,898,152 (2021: 407,898,152) Ordinary A shares of £1 each	407,898	407,898
67,000,000 (2021: 67,000,000) Ordinary B shares of £1 each	67,000	67,000
	<u>474,898</u>	<u>474,898</u>

The rights, restrictions and provisions attaching to the Ordinary A Shares shall be identical to those of the Ordinary B Shares save for the following:

Voting

- (1) For each vote at a general meeting upon any resolution proposed at such meeting on a show of hands, every holder of the Ordinary A Shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote, and on a poll every holder thereof present in person or by proxy shall have three votes for every two fully paid Ordinary A Shares of which he is the holder
- (2) Any resolution of the Company to vary, modify, alter or abrogate any of the rights or privileges attaching to the Ordinary A Shares, including the rights and privileges as to participation in the profits and assets of the Company, dividends, voting and redemption shall not be passed unless approved by or on behalf of a majority of not less than three-fourths of all the holders of the Ordinary A Shares entitled to vote at a general meeting of the Company at such time.

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(3) For each vote at general meeting upon any resolution proposed at such meeting on a show of hands, every holder of the Ordinary B Shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself member entitled to vote, shall have one vote, and on a poll every holder thereof present in person or by proxy shall have one vote for every fully paid Ordinary B Share of which he is the holder.

Reserves

Merger Reserve

Merger reserve relate to reserve created on the acquisition of Unilever UK Limited.

Fair valuation reserve

The fair value reserve includes the cumulative net change in the fair value of equity securities designated at FVOCI.

Other reserve

Other reserves relate to unrealized profit on inter-group disposal of assets. Hence, the reserves are non-distributable.

13. CONTROLLING PARTY

The ultimate parent company and controlling party is Unilever PLC and the immediate holding company is Unilever U.K. Holdings Limited, incorporated in England. The Company has not disclosed transactions with fellow, wholly owned subsidiaries in accordance with the exemption under the terms of International Accounting Standard (IAS) 24 "Related party disclosures" as the ultimate parent company produces publicly available consolidated financial statements. Copies of Unilever Group financial statements can be publicly obtained from Unilever Group, Group Corporate Secretary's Department, 100 Victoria Embankment, London EC4Y 0DY and www.unilever.com.

14. PARENT COMPANY SUPPORT

Unilever PLC has indicated its intention and ability to continue to provide support to allow the Company to continue at its current level of operations for the foreseeable future.

15. SUBSEQUENT EVENTS

The Class A Redeemable Preference Shares were originally due for redemption on 7 July 2023. However, on 13 September 2023, resolution has been passed to adopt new Articles of Association and changed the redemption date to 27 November 2023. The amount payable upon redemption shall be sum of £10 per redeemable preference share, together with any arrears of preferential dividends.