

UNILEVER INTERNATIONAL
MARKET DEVELOPMENT COMPANY LIMITED

REPORT AND ACCOUNTS 1994

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UNILEVER INTERNATIONAL
MARKET DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR 1994

DIRECTORS: Mr D C C Stevenson - Chairman
 Mr F L P Cardoner
 Mr P J Harris
 Mr D L Parker
 Mr G T C Probert
 Mr T W Vaughan

REVIEW OF ACTIVITIES

There was no significant change in the principal activities of the Company which consisted of the export of consumer goods. 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 1995 significantly different from its present activities.

PROFITS AND DIVIDEND

The Profit and Loss Account for the year and statement of retained profits are set out on Page 7 of the Accounts.

The profit of the year is £4,145,000 (1993 = £1,365,000) which has been transferred to reserves, out of which a dividend of £1,500,000 (1993 = £1,500,000) has been declared.

CHANGES IN TANGIBLE FIXED ASSETS

The movement in tangible fixed assets during the year is set out in Note 10 to the Accounts.

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DIRECTORS' INTERESTS

According to the Register of Directors' Interests, the notifiable interests of the Directors in office at 31 December 1994 in the share and loan capital of the Company's ultimate holding company, Unilever PLC and its subsidiaries were as follows:

	At 01.01.1994	At 31.12.1994
UNILEVER PLC Ordinary shares of 5p each		
Mr D C C Stevenson	725	725
Mr D L Parker	941	710
Mr G T C Probert	3345	NIL
Mr T W Vaughan	1361	1929
Mr P J Harris	NIL	424

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

	At 01.01.94	Granted	Exercised	At 31.12.94
Mr D C C Stevenson (a)	24108	907	-	25015
Mr D L Parker (a)	11550	4129	-	15679
Mr D L Parker (b)	2498	-	710	1788
T W Vaughan (b)	1200	301	568	933
Mr P J Harris (b)	1723	377	424	1676

- a) under the Unilever PLC 1985 UK Executive Share Option Scheme and subject to the Rules of that Scheme;
- b) under the Unilever PLC 1985 Sharesave Scheme and subject to the Rules of that Scheme.

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The Directors, excluding Mr F L P Cardoner, in common with all employees of Unilever PLC and its UK subsidiaries have a beneficial interest in the undermentioned Unilever PLC Ordinary Shares of 5p each, acquired by the Unilever Employee Share Trust for the purpose of satisfying options granted to employees:-

	At 01.01.94	At 31.12.94
The Directors	14,463,461	15,495,553

EMPLOYEE INVOLVEMENT

The Company's policy is that its employees should be given the opportunity to hear at first hand and on a regular basis details of the extent and state of the business. It also believes that there should be regular forums where employees' representatives can discuss, with management, matters of relevance to their local interest groups.

The Company operates a Company Council on which sit representatives of all the Staff Groups. The Chairman, Commercial Director and Personnel Director are permanent members of the Council. Business items and company-wide matters put forward by representatives are discussed and there is a regular review of the state of the business.

These are monthly meetings with representatives of managers and with representatives of other staff groups.

In the Spring of each year the Company holds an Annual review at which the results of the previous year and plans for the forthcoming year are presented to all its UK employees. Trends, brand and market information are fully explored.

A further invitation was made to eligible employees of the Company to participate in the Unilever PLC Sharesave Scheme under which further options were granted in June 1994.

EMPLOYMENT OF DISABLED PERSONS

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

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

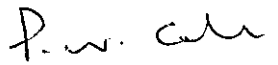
Disabled employees generally are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

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AUDITORS

Coopers & Lybrand remain in office as Auditors of the Company in accordance with the provisions of section 386 of the Companies Act 1985.

By Order of the Board



P W Cole
Company Secretary

Date: 14.3.95

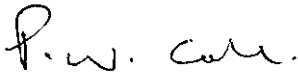
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STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR PREPARING THE ACCOUNTS

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 period.

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 1994. The directors also confirm that applicable accounting standards have been followed, subject to the departure from SSAP 15 disclosed in the statement of principal accounting policies, and that the accounts have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company, and for taking reasonable steps to prevent and detect fraud and other irregularities.



By Order of the Board
P W COLE
Secretary

Date: 14.3.95

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MARKET DEVELOPMENT COMPANY LIMITED
REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts on pages 7 to 18.

Respective responsibilities of directors and auditors

As stated on page 5 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Bases of opinion

We conducted our audit in accordance with Auditing Standards, issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers + Lybrand.

Chartered Accountants and Registered Auditors
Bristol

14th March 1995.

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PROFIT AND LOSS ACCOUNT - YEAR ENDED 31ST DECEMBER 1994

	NOTES	1994 £'000	As Restated 1993 £'000
Turnover - continuing operations	(1)	101,748	108,029
- discontinued operations		-	<u>3,281</u>
- total		101,748	111,310
Cost of Sales	(2)	<u>(73,932)</u>	<u>(82,566)</u>
Gross Profit		27,816	28,744
Distribution Costs	(2)	(14,049)	(16,937)
Administrative Expenses	(2)	(15,505)	(11,570)
Other Operating Income	(4)	<u>4,253</u>	<u>2,298</u>
Operating Profit - continuing operations	(3)	2,515	1,381
- discontinued operations		-	<u>1,154</u>
- total		2,515	2,535
Interest and Similar Charges/Income	(5)	(103)	61
Exceptional items - profit on disposal of Norway business	(6)	<u>2,250</u>	-
Profit on Ordinary Activities Before Taxation		4,662	2,596
Taxation on Profit on Ordinary Activities	(7)	<u>(517)</u>	<u>(1,231)</u>
Profit for the Financial Year		4,145	1,365
Dividends Paid or Proposed		<u>(1,500)</u>	<u>(1,500)</u>
Profit/(Loss) for the year transferred to reserves	(17)	2,645	(135)
Retained profit 1st January		4,192	4,327
Goodwill written off		(458)	-
Retained profit 31st December		<u>6,379</u>	<u>4,192</u>

continued overleaf

UNILEVER INTERNATIONAL
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Statement of total recognised gains and losses

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

The Notes on Pages 10 to 18 form part of these Accounts

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MARKET DEVELOPMENT COMPANY LIMITED

BALANCE SHEET - 31ST DECEMBER 1994

	NOTES	1994 £'000	£'000	1993 £'000	£'000
Fixed Assets					
Tangible assets	(10)	9,309		9,577	
Investments	(11)	<u>5</u>		<u>5</u>	
			9,314		9,582
Current Assets					
Stocks	(12)	8,775		7,354	
Debtors	(13)	30,271		26,523	
Cash at bank and in-hand		<u>10,329</u>		<u>6,226</u>	
		49,375		40,103	
Creditors: amounts falling due within one year	(14)	<u>(20,009)</u>		<u>(22,447)</u>	
Net current assets			29,366		17,656
Total assets less current liabilities			<u>38,680</u>		<u>27,238</u>
Indebtedness with parent company's central services subsidiary		31,351		21,810	
Provisions for liabilities and charges	(15)	<u>700</u>		<u>986</u>	
			32,051		22,796
Capital and Reserves					
Called up share capital	(16)	250		250	
Profit retained		<u>6,379</u>		<u>4,192</u>	
Equity Shareholders funds	(17)		<u>6,629</u>		<u>4,442</u>
			<u>38,680</u>		<u>27,238</u>

Date: 14.3.95

..... (Director)
(D L Parker)

The Notes on Pages 10 to 18 Form Part of These Accounts

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PRINCIPAL ACCOUNTING POLICIES

The Accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards, except that full provision has been made for deferred taxation liabilities for the reasons explained below.

The company is a wholly owned subsidiary of Unilever PLC and the cashflows 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. The comparative figures have been restated, where necessary, to present the results in accordance with Financial Reporting Standard No.3.

TANGIBLE FIXED ASSETS: Tangible Fixed Assets are stated at cost less accumulated depreciation.

DEPRECIATION: Depreciation on Tangible Fixed Assets is provided by the straight line method at percentage of cost related to expected average life of the assets. The major classes of depreciable assets with their estimated useful lives are summarised below; the spread of lives recognises the diversity of the assets within each class:-

Land	N/A
Buildings	25 - 40 Years
Plant and Machinery	4 - 25 Years
Motor Vehicles	4 - 5 Years

Leasehold land the buildings are depreciated over the length of the lease, being the remainder of 999 years.

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

This policy differs from Statement of Standard Accounting Practice No. 15 ("SSAP15") which requires that no provision should be made for deferred taxation when it is probable, based on reasonable assumptions, that a liability will not crystallise. The Directors have varied from the requirements of SSAP15 in order to achieve consistency with the consolidated accounts of Unilever PLC, where full provision is made for deferred taxation in accordance with Dutch law as currently applied.

Future capital expenditure forecasts are generally determined on a Group basis and the Directors are therefore unable to calculate the effect of this departure from SSAP15. The effects of the departure for the Unilever group as a whole are disclosed in the consolidated accounts of Unilever PLC.

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

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

FOREIGN CURRENCIES: Balances expressed in foreign currencies have been translated at the rates of exchange current at the year end, excepting those covered by forward exchange contracts. Any accruing profits/losses are included in Operating Profit.

CASH AND DEPOSITS: Cash and deposits are stated after deducting full provision for all amounts held in bank accounts in countries which presently prohibit the transfer of funds to the United Kingdom.

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

Details of recent actuarial valuations of the Unilever Superannuation Fund are set out in the annual accounts of Unilever UK Central Resources Limited, which indicate that the fund was in surplus at the balance sheet date. The accounting effects of amortisation of this surplus over the estimated service lives of the employees in the scheme are dealt with in the accounts of Unilever UK Central Resources Limited in respect of all sponsoring companies. Company and employee contributions, suspended from 1 January 1991 are to be reintroduced from April 1995.

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

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

GOODWILL: Goodwill is written off against reserves in the year in which it arises.

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NOTES TO THE ACCOUNTS - 31ST DECEMBER 1994

NOTES TO THE PROFIT AND LOSS ACCOUNT

(1) TURNOVER

Turnover is from continuing operations. It includes group sales and represents sales at invoiced value, excluding value added tax.

A geographical analysis of turnover is not provided since, in the opinion of the Directors, the disclosure of such information would be prejudicial to the interest of the Company.

(2) OPERATING COSTS

		1994	As Restated 1993
		£'000	£'000
Cost of Sales	- continuing operations	73,932	81,264
	- discontinued operations	<u>-</u>	<u>1,302</u>
	- total	73,932	82,566
Distribution costs	- continuing operations	14,049	16,414
	- discontinued operations	<u>-</u>	<u>523</u>
	- total	14,049	16,937
Administrative expenses	- continuing operations	15,505	11,495
	- discontinued operations	<u>-</u>	<u>75</u>
	- total	15,505	11,570

(3) OPERATING PROFIT

The operating profit is of continuing operations and is arrived at after charging the following amounts.

	1994	1993
	£'000	£'000
Wages and salaries	11,900	11,035
Social Security costs	938	855
Other pension costs	<u>238</u>	<u>413</u>
Total staff costs	13,076	12,303
Depreciation	1,577	1,334
Lease expenditure		
- plant and machinery	115	171
- other Tangible Assets	658	198
Auditors' remuneration for audit services	12	12
Remuneration of company's auditors for provision of non-audit services to the company.	-	16

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NOTES TO THE ACCOUNTS - 31ST DECEMBER 1994

(4) **OTHER OPERATING INCOME**

During 1992 the responsibility for a number of markets was transferred to UIMDC from a fellow Unilever subsidiary. One market was accepted on establishment of its future viability, this condition being fulfilled in 1994. Goodwill of £457,863 has now been paid for this transfer, see note 17. The 1992 and 1993's profits of £748,081 were recorded as part of other operating income.

(5) **INTEREST AND SIMILAR CHARGES**

	<u>1994</u> <u>£'000</u>	<u>1993</u> <u>£'000</u>
Total interest receivable and similar income	31	77
Total interest payable and similar charges	<u>(134)</u>	<u>(16)</u>
Total	<u>(103)</u>	<u>61</u>

(6) **EXCEPTIONAL ITEM - TRANSFER OF BUSINESS**

The receipt of a goodwill payment on the transfer to a fellow Unilever subsidiary of a market developed by UIMDC.

(7) **TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

The charge for taxation is made up as follows:-

	<u>1994</u> <u>£'000</u>	<u>1993</u> <u>£'000</u>
On the profit for the year:-		
United Kingdom Corporation Tax @ 33 %	(855)	(1,522)
Less: Foreign Tax Relief	687	1,020
Plus: Foreign Taxes	(717)	(1,077)
Deferred Taxation	<u>254</u>	<u>(114)</u>
	(631)	(1,693)
Prior Year items:-		
Foreign Taxes	82	229
Deferred Taxation	<u>32</u>	<u>233</u>
	<u>(517)</u>	<u>(1,231)</u>

UNILEVER INTERNATIONALMARKET DEVELOPMENT COMPANY LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1994(8) DIRECTORS' EMOLUMENTS

The Directors, including the Chairman, are employed as managers by either Unilever UK Central Resources Limited or Unilever Employment Services BV and they are remunerated by these companies in respect of their service to the group as a whole. Their emoluments are dealt with in the group accounts and they receive no emoluments from the company. Unilever UK Central Resources Limited and Unilever Employment Services BV charge the Company for Management and other services.

(9) EMPLOYEES' INFORMATION

The average number of employees employed by the Company during the year is analyzed below:

	<u>1994</u>	<u>1993</u>
Production	278	221
Marketing, Selling and Distribution	79	76
Administration	<u>255</u>	<u>252</u>
	<u>612</u>	<u>549</u>

UNILEVER INTERNATIONAL
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NOTES TO THE ACCOUNTS - 31ST DECEMBER 1994

NOTES TO THE BALANCE SHEET

(10) TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u> £'000	<u>Plant and Machinery</u> £'000	<u>Motor Vehicles</u> £'000	<u>Assets in course of construction</u> £'000	<u>Total</u> £'000
<u>Gross Book Value</u>					
1st January	3,007	13,579	1,206	-	17,792
Additions at cost	1	1,087	347	8	1,443
Transfers (to)/from group companies	-	(44)	-	-	(44)
Disposals	-	(278)	(296)	-	(574)
31st December	<u>3,008</u>	<u>14,344</u>	<u>1,257</u>	<u>8</u>	<u>18,617</u>
<u>Depreciation Provision</u>					
1st January	979	6,786	450	-	8,215
Depreciation charge for the year	53	1,295	229	-	1,577
Transfers (to)/from group companies	-	(44)	-	-	(44)
Disposals	-	(244)	(196)	-	(440)
31st December	<u>1,032</u>	<u>7,793</u>	<u>483</u>	<u>-</u>	<u>9,308</u>
<u>Net Book Amount</u>					
1st January	<u>2,028</u>	<u>6,793</u>	<u>756</u>	<u>-</u>	<u>9,577</u>
31st December	<u>1,976</u>	<u>6,551</u>	<u>774</u>	<u>8</u>	<u>9,309</u>

The net book amount of land and buildings comprises:-

	<u>1994</u> £'000	<u>1993</u> £'000
Buildings	1,110	1,162
Land :		
Freehold	375	375
Leasehold - long term (50 years and over)	<u>491</u>	<u>491</u>
Total :	<u>1,976</u>	<u>2,028</u>
Capital Commitments		
Contracted for	47	214
Authorised but not contracted for	530	630

UNILEVER INTERNATIONALMARKET DEVELOPMENT COMPANY LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1994(11) FIXED ASSETS - INVESTMENTSCost
£'000

Group Undertakings - Shares

5Investment in Group Undertakings

The investment is in a subsidiary undertaking of the Company. Its name together with its country of incorporation is listed below. The investment is in shares and the proportion held is also shown below:-

<u>Name of Company and Country of Incorporation/Registration</u>	<u>Description of Shares Held</u>	<u>Proportion of Nominal Value of Issued Shares Held</u>
Lipton Export Limited England and Wales	Ordinary Shares of £1 each	100%

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

Group accounts have not been prepared because the company is a wholly owned subsidiary of a United Kingdom company.

(12) STOCKS

	<u>1994</u> <u>£'000</u>	<u>1993</u> <u>£'000</u>
Raw materials and consumables	1,730	1,790
Finished Goods and Other Stocks	<u>7,045</u>	<u>5,564</u>
	<u>8,775</u>	<u>7,354</u>

(13) DEBTORS

Amounts due within one year		
Trade debtors	17,315	15,231
Amounts owed by group undertakings	7,847	5,983
Other debtors	1,857	4,912
Prepayments and accrued income	<u>3,252</u>	<u>397</u>
Total debtors	<u>30,271</u>	<u>26,523</u>

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NOTES TO THE ACCOUNTS - 31ST DECEMBER 1994

(14) **CREDITORS**

	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
Amounts due within one year		
Bank loans and overdrafts	-	174
Trade creditors	5,380	5,045
Amounts owed to group undertakings	8,513	7,103
Taxation on profits	(74)	786
Social Security	103	92
Other creditors	52	2,192
Proposed dividend	1,500	1,500
Accruals and deferred income	<u>4,535</u>	<u>5,555</u>
Total Creditors	<u>20,009</u>	<u>22,447</u>

(15) **PROVISIONS FOR LIABILITIES AND CHARGES**

	<u>Deferred Taxation</u>	
	<u>1994</u>	<u>1993</u>
At 1st January	986	1,105
(Credited) to Profit and Loss	<u>(286)</u>	<u>(119)</u>
At 31st December	<u>700</u>	<u>986</u>

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

	<u>1994</u>	<u>1993</u>
Accelerated capital allowances	984	1,125
Short term timing differences	<u>(284)</u>	<u>(139)</u>
	<u>700</u>	<u>986</u>

UNILEVER INTERNATIONAL
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NOTES TO THE ACCOUNTS - 31ST DECEMBER 1994

(16) **CALLED UP SHARE CAPITAL**

	Authorised Issued and Fully Paid	
	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
Ordinary shares of £1 each	<u>250</u>	<u>250</u>

The Directors regard Unilever PLC, registered in England and Wales as being the ultimate holding company. Copies of Unilever group accounts can be obtained from Unilever PLC, External Affairs Dept, PO Box 68, Unilever House, London EC4P 4BQ.

(17) **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
Profit for the financial year	4,145	1,365
Dividends	(1,500)	(1,500)
Goodwill written off	(458)	—
Net addition/(reduction)	2,187	(135)
Opening shareholders' funds	4,442	4,577
Closing shareholders' funds	6,629	4,442

(18) **CONTINGENT LIABILITIES**

	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
Guarantees	<u>5</u>	<u>80</u>

The above contingent liability is not expected to give rise to any material loss.

(19) **OPERATING LEASE COMMITMENTS**

	<u>1995</u>	<u>1994</u>
	<u>£'000</u>	<u>£'000</u>
Payments committed to be made in -		
in respect of Land and Buildings on leases expiring:		
After 5 years	650	650
in respect of other assets, on lease expiring:		
After 5 years	108	108