

Registered Number 17049

UNILEVER U.K. HOLDINGS LIMITED

REPORT AND ACCOUNTS 2007

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**Unilever U.K. Holdings Limited****Directors' Report for the Year ended 31 December 2007**

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2007

The Directors of the Company during the period and up to the date of signing the financial statements were as follows -

Mr B Chapman  
Mrs T E Lovell  
Mr G E Neath  
Mr T H Rowlands

**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 auditors, were borne by the parent company or a fellow subsidiary. The Company also acts as the sponsoring company for the Unilever 2004 Employee Benefit Trust, (referred to as EBT in the accounts), and in line with the requirements of UITF 32, the results, assets and liabilities are consolidated in the Company's accounts

The results of the Company show a pre-tax profit of £25,943,000 (2006 profit £341,517,000)

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

**Dividend**

No dividend has been declared (2006 - Nil)

## **Unilever U.K. Holdings Limited**

### **Statement of Directors' responsibilities in respect of the Directors' Report and financial statements**

The Directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently, with the exception of the changes arising on the adoption of new accounting standards in the year, as explained in principal accounting policies,
- make judgements and 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The Directors confirm that they have complied with the above requirements in preparing the financial statements

The Directors are responsible for keeping proper records that 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of Provision 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

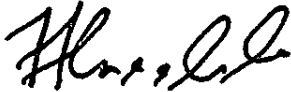
This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985

**Unilever U.K. Holdings Limited**

**Auditors**

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

By Order of the Board

A handwritten signature in black ink, appearing to be 'H. M. S.', written over the printed name of the Company Secretary.

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

Date 9 September 2008

**Unilever U.K. Holdings Limited****Independent Auditors' Report to the Members of Unilever UK Holdings Limited**

We have audited the financial statements of Unilever UK Holdings Limited for the year ended 31 December 2007, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Directors' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

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

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

**Unilever U.K. Holdings Limited****Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

Date *9 September 2008*

**Unilever U.K. Holdings Limited**
**Profit and Loss Account – Year ended 31 December 2007**

	<b>Notes</b>	<b>2007</b> £000	<b>2006</b> £000
Administrative (expense) / income		(7,124)	115,739
Comprising			
Amounts written off investments	(5)	(5,338)	(3,303)
Provision against indebtedness in subsidiaries		(527)	120,536
Other		(1,259)	(1,494)
Other operating income		685	483
Operating (loss) / profit	(2)	(6,439)	116,222
Profit / (loss) on disposal of investments	(1)	32,099	(170,991)
Income from shares in group undertakings		106	396,176
Interest and similar income	(3)	177	110
Profit on ordinary activities before taxation		25,943	341,517
Taxation on profit on ordinary activities	(4)	10,419	12,490
Profit for the financial year		36,362	354,007

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

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


**Statement of total recognised gains and losses**

	<b>2007</b> £000	<b>2006</b> £000
Profit for the financial year	36,362	354,007
Gain arising on unrealised profit on intra-group sale of investment	-	-
Total recognised gains relating to the year	36,362	354,007

**Unilever U.K. Holdings Limited****Balance Sheet – 31 December 2007**

	<b><u>Notes</u></b>	<b>2007</b> £000	<b>2006</b> £000
<b>Fixed assets</b>			
Investments	(5)	4,921,955	4,911,166
<b>Current assets</b>			
Debtors	(6)	368,100	341,682
<b>Creditors: amounts falling due within one year</b>	(7)	(4,877)	(3,656)
<b>Net current assets</b>		<u>363,223</u>	<u>338,026</u>
<b>Total assets less current liabilities</b>		5,285,178	5,249,192
Provision for liabilities and charges	(8)	(7,092)	(6,784)
<b>Net assets</b>		<u>5,278,086</u>	<u>5,242,408</u>
<b>Capital and reserves</b>			
Called up share capital	(9)	8,625	8,625
Other reserves	(11)	4,513,773	4,513,773
Reserves – Unilever 2004 Employee Benefit Trust	(10)	293	465
Profit and loss account	(11)	755,395	719,545
<b>Equity shareholders' funds</b>	(12)	<u>5,278,086</u>	<u>5,242,408</u>

The financial statements on pages 6 to 18 were approved by the Board of Directors on 9 September 2008 and were signed on its behalf by



T H Rowlands  
Director



## **Unilever U.K. Holdings Limited**

### **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 1985 and the applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, except for any changes arising on adoption of the new accounting standards as described below, are set out below.

#### **Basis of preparation**

The financial statements contain information about Unilever UK Holdings Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under S228 of the Companies Act 1985 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Unilever PLC, a company incorporated in England and Wales.

#### **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 No 1 (revised 1996) from publishing a cash flow statement.

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

**Deferred Taxation:** Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

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

**Unilever U.K. Holdings Limited****Principal Accounting Policies (continued)**

**Provisions:** Provisions are recognised when either a legal or constructive obligation, as a result of a past event, exists at the balance sheet date and where the obligation can be reasonably estimated

**Dividends:** Final dividends are only recognised in the profit and loss account when they have been approved by the shareholders and interim dividends are only recognised when paid

**Unilever U.K. Holdings Limited****Notes to the Accounts – 31 December 2007****(1) Profit/(Loss) on disposal of investments**

	2007 £000	2006 £000
Disposal of		
Langholm Capital investments	31,262	3,515
Enterprise Plc	90	-
My Home Plc	747	-
Liquidation of dormant companies	-	(174,550)
My Kind of People Ltd	-	44
	<u>32,099</u>	<u>(170,991)</u>

**(2) Operating profit**

The Directors, including the Chairman, are employed as managers by Unilever UK Central Resources Limited or another group company and they are remunerated by those Companies in respect of their services to the group as a whole

Auditor remuneration was borne by another group company This amounted to £7,400 (2006 £7,000)

£5,338,000 was provided during the year against the carrying value of the investments (Note 5)

**(3) Interest and Similar Income**

	2007 £000	2006 £000
Other interest receivable and similar income - EBT	177	110
	<u>177</u>	<u>110</u>
Total interest receivable and investment income	177	110

**Unilever U.K. Holdings Limited****Notes to the Accounts – 31 December 2007****(4) Taxation on Profit (or Loss) on Ordinary Activities**

The credit for taxation is made up as follows

	2007 £000	2006 £000
On profit (loss) for the year		
Current tax		
UK corporation tax	9,904	9,948
UK Income tax for EBT at 40%	(350)	(239)
	<u>9,554</u>	<u>9,709</u>
Adjustments for prior years	865	2,781
	<u>10,419</u>	<u>12,490</u>
Total UK taxation credit		

The current tax for the year is lower (2006 lower) than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 £000	2006 £000
Profit on ordinary activities before tax	<u>25,943</u>	<u>341,517</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (2005 – 30%)	(7,783)	(102,455)
Effects of		
Permanent differences - EBT	(91)	(61)
Permanent differences - Other	9,367	45,661
Profit on disposal of investments	9,630	(51,297)
Dividend income from group of companies	32	118,852
Non deductible impairment loss	(1,601)	(991)
Adjustments in respect prior periods	865	2,781
	<u>10,419</u>	<u>12,490</u>
Current tax charge for the year		

Certain deferred tax assets totalling £Nil (2006 £7,297,000) in respect of capital losses have not been recognised at 31 December 2007 as the likelihood of future economic benefit at the balance sheet date is not sufficiently assured These assets would be recognised if utilisation of the losses becomes reasonably certain

## Unilever U.K. Holdings Limited

## Notes to the Accounts – 31 December 2007

## (5) Fixed Assets – Investments

	Shares in Group Undertakin gs	Associated Companies and Other Investment s	Total
	£000	£000	£000
<b><u>Cost 1 January 2007</u></b>	5,341,563	22,860	5,364,423
Additions	3,477	14,229	17,706
Disposals	(60)	(1,519)	(1,579)
Cost 31 December	5,344,980	35,570	5,380,550
<b><u>Provisions 1 January 2007</u></b>	(451,586)	(1,671)	(453,257)
Charged during the year	(5,338)	-	(5,338)
Provisions 31 December 2007	(456,924)	(1,671)	(458,595)
<b><u>Net Book Value</u></b>			
31 December 2007	4,888,056	33,899	4,921,955
31 December 2006	4,889,977	21,189	4,911,166
Carrying value of listed investments		600	
Market value of listed investments		7,203	

**Unilever U.K. Holdings Limited****Notes to the Accounts – 31 December 2007****Fixed Assets – Investments** (continued)**Investment in Group Undertakings**

The investment is in subsidiary undertakings of the Company. Their names together with their country of incorporation/registration are listed below. A description of the shares and the proportion held is 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 %	
Alleggra Foods Ltd	Ordinary	72%		F
Creavite Ltd	Ordinary	90%		F
Iota Nanosolutions Ltd	Ordinary	83%		HPC
Kappametrics Ltd	Ordinary	81%		T
Lipton Ltd	Ordinary	100%		F
Magnum Chilled Desserts Ltd	Ordinary	52%	33%	F
Persil Services Ltd	Ordinary	75%		HPC
Rahu Catalytics Ltd	Ordinary	85%		
Unifusion Ltd	Ordinary	100%		F
Unilever Company for Industrial Development Ltd	Ordinary	100%		T
Unilever Company for Regional Marketing and Research Ltd	Ordinary	100%		T
Unilever UK & CN Holdings Ltd	Ordinary	62%		H
Unilever UK Central Resources Ltd	Ordinary	100%		T
Unilever Ventures Ltd	Ordinary	100%		I
Voltea Ltd	Ordinary/Preferred	79%		F
MiLife Coaching Ltd	Ordinary	94%		T
Hydra Polymers Ltd	Ordinary	100%		T

All the above companies are registered in England.

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

Foods	F	Holding companies	H
Home and Personal Care	HPC	Investment Services	I
Trading Operations	T		

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

**Unilever U.K. Holdings Limited****Notes to the Accounts – 31 December 2007****Fixed Assets – Investments (continued)****Associated Companies and Other Investments**

Included in investments are the following investments which amount to 20% or more of the nominal value of the allotted shares of the companies concerned or where significant influence is exercised over the investment

<b>Name of Company and Country of Incorporation/Registration</b>	<b>Description of Shares Held</b>	<b>Proportion of Nominal Value of Shares held</b>
Arecor Ltd	Ordinary	23 3% Direct
Brainjuicer Group Plc	Ordinary	40 0% Direct
Jigsaw Consortium Ltd	Ordinary	33 3% Direct
Insense Ltd	Ordinary	38 4% Direct
Langholm Capital Partners LP	Contribution	40 0% Direct
Vitamin Brands Ltd	Ordinary/Convertible	40 0% Direct
PharmaKodex Ltd	Preference	19 9% Direct
	Ordinary/ Preference	

In the opinion of the Directors, the value of the investment in subsidiary undertakings, associated companies 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

**(6) Debtors**

	<b>2007 £000</b>	<b>2006 £000</b>
<b>Amounts due within one year</b>		
Amounts owed by group undertakings	345,700	327,609
Group relief receivable	20,717	12,729
Other debtors	1,683	1,344
<b>Total</b>	<b>368,100</b>	<b>341,682</b>

Amounts owed by group undertakings include balances with Unilever UK Central Resources Ltd and Unilever N V which are interest bearing at monthly LIBOR and are unsecured

**Unilever U.K. Holdings Limited****Notes to the Accounts – 31 December 2007****(7) Creditors**

	2007 £000	2006 £000
Amounts due within one year		
Amounts owed to group undertakings	(137)	-
Income Tax EBT	(295)	(202)
Other creditors	(4,445)	(3,454)
<b>Total</b>	<b>(4,877)</b>	<b>(3,656)</b>

**(8) Provisions for Liabilities and Charges**

	<b>Total</b> £000
At 1 January 2006	(6,784)
Charged to Profit and Loss	(527)
Utilisation	219
<b>At 31 December 2006</b>	<b>(7,092)</b>

- a) £4,597,000 relates to guarantees by the Company for amounts owed by its subsidiaries to one of their fellow subsidiaries  
b) £2,495,000 relates to provision for indemnities in respect of disposed companies

**(9) Called up Share Capital**

	2007 £000	2006 £000
<b>Authorised</b>		
10,000,000 ordinary shares of £1 each	10,000	10,000
<b>Allotted and fully paid</b>		
8,625,000 ordinary shares of £1 each	8,625	8,625



**Unilever U.K. Holdings Limited****Notes to the Accounts – 31 December 2007****(10) Unilever 2004 Employee Benefit Trust (EBT)**

The results, assets and liabilities of Unilever 2004 Employee Benefit Trust have been consolidated in the accounts as the Company acted as a sponsoring company. The key figures are as follows:

**Profit and Loss Account**

	2007 £000	2006 £000
Operating profit	685	483
Interest receivable	177	110
Profit before taxation	862	593
Taxation	(350)	(240)
Profit for the financial year	512	353
Profit distribution	(684)	-
Profit for the financial year	(172)	353

**Balance Sheet**

	2007 £000	2006 £000
Debtors	5,033	4,121
Creditors due within one year	(4,740)	(3,656)
Net assets	293	465

**Unilever U.K. Holdings Limited****Notes to the Accounts – 31 December 2007****(11) Reserves**

	<u>Other Reserves</u>	<u>Reserves EBT</u>	<u>Profit and Loss Account</u>	<u>Total</u>
	£000	£000	£000	£000
At 1 January 2007	4,513,773	465	719,545	5,233,783
Retained profit for the year	-	512	35,850	36,362
EBT Distribution	-	(684)	-	(684)
At 31 December 2007	<u>4,513,773</u>	<u>293</u>	<u>755,395</u>	<u>5,269,461</u>

The other reserves represent unrealised profit on inter-group sale of investments in 2002 and 2005

The reserves for the EBT can only be used for the benefit of the UK employees of the Unilever Group

**(12) Reconciliation of movements in Equity Shareholders' Funds**

	2007 £000	2006 £000
Retained profit for the financial year	36,362	354,007
Profit distribution EBT	(684)	-
Net addition	<u>35,678</u>	<u>354,007</u>
Opening equity shareholders' funds	5,242,408	4,888,401
Closing equity shareholders' funds	<u>5,278,086</u>	<u>5,242,408</u>

**Unilever U.K. Holdings Limited****(13) Contingent Liabilities**

The Company has provided the following guarantees

- a) Guarantees have been given to third parties on behalf of Unilever UK Limited, a fellow subsidiary, in respect of its obligations in operating lease agreements for a frozen storage and distribution centre
- b) Guarantees have been given to third parties on behalf of Unilever UK Limited, a fellow subsidiary, in respect of its obligations in operating lease agreements for a distribution centre

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

The Company has also entered into a commitment to invest in Langholm Capital Partners LP (the fund) a sum up to €96.7m. The commitment includes management fees and funds for suitable investments by Langholm Capital Partners LP. Under terms of the agreement the commitment runs until December 2013, although only management fees and follow-on investments are payable after December 2008. At 31 December 2007, €61.1m was invested in Langholm Capital Partners LP including management fees.

**(14) Related Party Transactions and Ultimate Parent Company**

The ultimate parent and immediate holding company is Unilever PLC. The Company has not disclosed transactions with fellow subsidiaries in accordance with the exemption under the terms of Financial Reporting Standard No 8 as the ultimate parent company produces publicly available accounts. Copies of Unilever group accounts can be publicly obtained from Unilever PLC, Corporate Relations Department, PO Box 68, Blackfriars, London EC4P 4BQ.