

Registered Number: 17049

**UNILEVER U.K. HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011**

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## **Directors' Report for the year ended 31 December 2011**

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2011

### **Directors**

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

Ms P Dickson (appointed on 4 August 2011)  
Ms A J K Elphick  
Ms P Finney (appointed on 8 August 2012)  
Mr N S Fletcher  
Mr G Neath (resigned on 6 February 2012)  
Mr T H Rowlands (resigned on 4 August 2011)  
Mr S Jarrold (resigned on 02 July 2012)

### **Principal activities, review of business and future developments**

The principal activity of the Company during the year was to act as a holding Company. The Company also acts as the sponsoring Company for the Unilever 2004 Employee Benefit Trust, (referred to as EBT in the financial statements), and in line with the requirements of UITF 32, the results, assets and liabilities are consolidated in the Company's financial statements. In 2010 Unilever changed its commercial arrangements for the provision of accommodation to expatriate employees in the UK. Consequently the income of the Unilever Employee Benefit Trust resulting from accommodation lease arrangements is expected to reduce over time.

The results of the Company show a loss on ordinary activities before tax of £679,023,000 (2010 profit £51,000), including an impairment of £702,969,000 relating to the Company's investment in Unilever UK & CN Holdings Limited.

The Directors consider that, in the conditions prevailing during the year, the development of the Company's business and its financial position at the end of the year were satisfactory. The Directors do not expect any development in the Company's business in the coming year which is significantly different from its present activities.

### **Key Performance Indicators**

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

### **Principal Risks and Uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Unilever Group and the Company are considered to relate to the deterioration of the underlying businesses that support the investments held. Additional risks that this Company and the Unilever Group are subject to, and how they are managed, in the context of the Unilever Group as a whole is provided in the Unilever Group 2011 published annual report.

The Unilever Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

## **Director's Report for the year ended 31 December 2011 (continued)**

### **Dividends**

No dividend has been declared or paid for the year ended 31 December 2011 (2010 £nil)

### **Statement of Directors' responsibilities**

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and 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 418 of the Companies Act 2006

### **Going Concern**

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

**Independent Auditors**

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

By Order of the Board

A handwritten signature in black ink, appearing to read 'Pamela Dickson', with a stylized flourish at the end.

Ms P Dickson

Director

Date 16 August 2012

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

We have audited the financial statements of Unilever U K Holdings Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet, the Principal Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of Directors and auditors**

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

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**


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

**Independent Auditors' Report to the Members of Unilever U.K. Holdings Limited  
(continued)**

**Matters on which we are required to report by exception**

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

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



Nicholas Campbell-Lambert  
(Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

16 August 2012

**Profit and Loss Account for the year ended 31 December 2011**

	<u>Notes</u>	<b>2011</b> £000	<b>2010</b> £000
Administrative expenses		(455)	(2,158)
Other operating (costs)/income		138	438
Income from shares in Group undertakings		2,944	93
(Impairment)/reversal of impairments in previous years of investments	(1)	(702,969)	64
<b>Operating loss</b>	(1)	<b>(700,342)</b>	<b>(1,563)</b>
Profit on disposal of investments	(2)	21,319	1,610
<b>(Loss)/profit on ordinary activities before interest</b>		<b>(679,023)</b>	<b>47</b>
Interest receivable and similar income	(5)	-	4
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(679,023)</b>	<b>51</b>
Taxation on (loss)/profit on ordinary activities	(6)	281	(6,583)
<b>Loss for the financial year</b>	(14)	<b>(678,742)</b>	<b>(6,532)</b>

The notes on pages 8 to 18 are an integral part of these financial statements

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

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

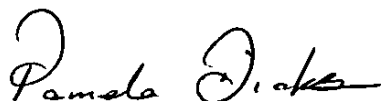
The (loss)/profit for each financial year represents the total recognised gains/(losses) of that year and therefore no separate statement of total recognised gains and losses has been presented

**Balance Sheet as at 31 December 2011**

	<u>Notes</u>	<b>2011</b> £000	2010 £000
<b>Fixed assets</b>			
Investments	(7)	<u>3,106,698</u>	<u>3,803,644</u>
<b>Current assets</b>			
Debtors	(8)	957,129	945,265
<b>Creditors: amounts falling due within one year</b>	(9)	<u>(708)</u>	<u>(6,662)</u>
<b>Net current assets</b>		<u>956,421</u>	<u>938,603</u>
<b>Total assets less current liabilities</b>		4,063,119	4,742,247
Provision for liabilities and other charges	(10)	<u>(6,873)</u>	<u>(6,465)</u>
<b>Net assets</b>		<u>4,056,246</u>	<u>4,735,782</u>
<b>Capital and reserves</b>			
Called up share capital	(11)	8,625	8,625
Other reserves	(14)	1,835,796	2,538,765
Reserves – Unilever 2004 Employee Benefit Trust	(14)	289	1,020
Profit and loss account	(14)	<u>2,211,536</u>	<u>2,187,372</u>
<b>Total shareholders' funds</b>	(13)	<u>4,056,246</u>	<u>4,735,782</u>

The notes on pages 8 to 18 are an integral part of these financial statements

The financial statements on pages 6 to 18 were approved by the Board of Directors on 16 August and were signed on its behalf by



Ms P Dickson  
Director



**Principal Accounting Policies**

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

**Basis of preparation**

The financial statements contain information about Unilever U K Holdings Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Unilever PLC, a company incorporated in England and Wales.

**Cash Flow Statement**

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

**Investments**

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

Other investments include investments in companies in which the Unilever Group's influence is less than significant.

Fixed asset investments are carried at cost, less any provision for impairment, where appropriate. A review is performed annually to assess for triggering events that indicate impairment and if required the net realisable value is assessed using a discounted cash flow (DCF) method.

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

**Current Taxation**

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

**Principal Accounting Policies (continued)****Foreign Currencies**

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

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

Under FRS 21 'Events after the Balance Sheet Date', proposed dividends do not meet the definition of a liability until such time as they have been approved by shareholders at the Annual General Meeting. Therefore, we do not recognise a liability in any period for dividends that have been proposed but will not be approved until after the balance sheet date. This holds for external dividends as well as intra-group dividends paid to the parent company.

**Notes to the Accounts for the year ended 31 December 2011****(1) Operating Loss**

The operating loss is arrived at after (charging)/crediting the following amounts -

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Provision against indebtedness in subsidiaries	(455)	652
Other costs	-	(2,810)
Other operating (costs)/income	138	438
Income from shares in Group undertakings	2,944	93
Impairment of investments	(702,969)	64
	<hr/>	<hr/>
Operating loss	(700,342)	(1,563)

As a result of a Group reorganisation, a valuation of Unilever UK Limited was performed. This valuation indicated a potential impairment of Unilever UK & CN Holding Limited's investment in Unilever UK Limited. An impairment review was carried out and as a result an impairment loss has been recognised in the accounts of Unilever UK & CN Holding Limited, being the difference between the carrying value and the net realisable value of their investment in Unilever UK Limited. The Company has recognised an impairment to reflect the associated reduction in value of its investment in Unilever UK & CN Holding Limited.

**(2) Profit on disposal of investments**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Gains/(losses) on disposal of		
Langholm Capital LLP	55	(213)
Brainjuicer Ltd	3,847	5,664
Rahu Catalytics Ltd	17,942	-
Losses on liquidation of		
Imperative Health Ltd	-	(3,651)
Other	(525)	(190)
	<hr/>	<hr/>
	21,319	1,610

**(3) Directors' Emoluments**

No remuneration (2010: £nil) was received by the Directors from the Company. They are employed by other Unilever Group companies and are remunerated by those companies in respect of their services to the Group as a whole.

**(4) Employee Information**

No employees were employed by the Company during 2011 (2010: £nil), no employee costs were incurred by the Company (2010: £nil).

## Notes to the Accounts for the year ended 31 December 2011 (continued)

**(5) Interest receivable and similar items**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Interest receivable on loans to Group undertakings	-	4
<b>Total interest receivable and similar income</b>	<b>-</b>	<b>4</b>

**(6) Tax on (loss)/profit on ordinary activities**

The taxation credit/(charge) is made up as follows

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
On profit/(loss) for the year		
<b>Current tax:</b>		
UK corporation tax	-	10,980
UK income tax for EBT at 50% (2010 50%)	(75)	(217)
	(75)	10,761
Adjustments to tax in respect of prior years	356	(17,344)
<b>Total taxation (charge)/credit on ordinary activities</b>	<b>281</b>	<b>(6,583)</b>

The current UK tax rate that has been used for the year is a hybrid rate of 26.5%. This is on the basis that the tax rate changed from 28% to 26% as of 1 April 2011. A tax rate change to 25%, which has effect from 1 April 2012, was substantively enacted on 5 July 2011 and has therefore been factored into the UK deferred tax calculations. The effect of these rate changes on the deferred tax balance at the balance sheet date is disclosed in the table below.

In addition, further tax changes to the UK corporation tax system were announced in the March 2012 UK budget statement proposing further reductions in the rate to 22% by 1 April 2014. These further changes have not been substantively enacted at the balance sheet date and therefore have not been included in these financial statements. Such changes are not expected to have a significant effect on the deferred tax balance.

The current tax assessed for the year is higher (2010 higher) than the standard rate of corporation tax in the UK (26.5% (2010 28%)). The differences are explained overleaf.

## Notes to the Accounts for the year ended 31 December 2011 (continued)

## (6) Tax on (loss)/profit on ordinary activities (continued)

	2011 £000	2010 £000
(Loss)/profit on ordinary activities before tax	(679,023)	51
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in UK of 26.5% (2010: 28%)	179,940	(14)
Effects of		
Permanent differences - EBT	(39)	(94)
Permanent differences - Other	-	10,393
Profit on disposal of investments	5,790	450
Dividend income from Group companies	780	26
Non-deductible impairment loss	(186,546)	-
Adjustments to tax in respect of prior years	356	(17,344)
Current tax credit/(charge) for the year on ordinary activities	281	(6,583)

There are no reconciling items relating to intra group transfer pricing adjustments in the tax reconciliation for 2011 as no intra group payment will be made for losses claimed or surrendered relating to such amounts. The 2010 tax reconciliation included reconciling items for transfer pricing adjustments as payment was made for losses claimed or surrendered relating to such amounts.

## (7) Fixed Asset Investments

	Shares in Group undertakings £000	Shares in associated companies £000	Other investments £000	Total £000
<b>Cost 1 January 2011</b>	6,206,107	17,607	9,130	6,232,844
Additions	6,238	450	5,414	12,101
Disposals	(5,862)	-	(217)	(6,079)
31 December 2011	6,206,483	18,057	14,327	6,238,867
<b>Provision for impairment 1 January 2011</b>	(2,426,528)	-	(2,672)	(2,429,200)
Impairment charge (note 1)	(702,969)	-	-	(702,969)
31 December 2011	(3,129,497)	-	(2,672)	(3,132,169)
<b>Net Book Value</b>				
31 December 2011	3,076,986	18,057	11,655	3,106,698
31 December 2010	3,779,579	17,607	6,458	3,803,644

**Notes to the Accounts for the year ended 31 December 2011 (continued)****(7) Fixed Assets Investments (continued)**

The Directors believe that the carrying value of the investments is supported by their underlying net assets

**Investments in Group undertakings**

The investment is in subsidiary undertakings of the Company. The names of the principal investments 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 %	
<u>United Kingdom</u>				
Iota Nanosolutions Ltd	Ordinary	82%		T
Colororb Ltd	Ordinary	75%		T
Kappametrics Ltd	Ordinary	82%		T
Lipton Ltd	Ordinary	100%		F
Froosh International Holdings Ltd	Ordinary	100%		H
Hydra Polymers Ltd	Ordinary	94%		T
Cat Exel Ltd	Ordinary	85%		T
Spa & Salon International Limited	Ordinary	75%		H
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	90%		H
Unilever UK Central Resources Ltd	Ordinary	100%		T
Unilever Ventures Ltd	Ordinary	100%		I
Voltea Ltd	Ordinary/ Preferred	53%		F

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.

**Notes to the Accounts for the year ended 31 December 2011 (continued)****(7) Fixed Assets Investments (continued)****Investments in Associated companies**

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

<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>
Langholm Capital Partners LP	Contribution	40% Direct

The aggregate value of the capital and reserves and the profit in these companies is as follows -

<b>Name of Company</b>	<b>Financial year</b>	<b>Capital and Reserves at the year end €000</b>	<b>Profit for the year ended €000</b>
Langholm Capital Partners LP	30 June 2011	€46,669	€4,327

**Other investments**

Other Investments include investments in companies in which the Unilever Group's influence is less than significant

<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>
Brandtone Ltd	Ordinary	42% Direct
Arecor Ltd	Ordinary/Preferred ordinary	47% Direct
Insense Ltd	Ordinary	29% Direct
P2i Ltd	Preferred ordinary	17% Direct
VH Squared Ltd	Ordinary/Preferred ordinary	35% Direct

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

## Notes to the Accounts for the year ended 31 December 2011 (continued)

**(8) Debtors**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Amounts due within one year		
Amounts due from Group undertakings	955,360	943,676
Other debtors	887	1,589
Corporation tax	882	-
<b>Total</b>	<b>957,129</b>	<b>945,265</b>

Amounts due from Group undertakings include balances with Unilever UK Central Resources Limited which are interest bearing at monthly LIBOR, unsecured and due on demand

**(9) Creditors**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Amounts falling due within one year		
Corporation tax	-	(6,367)
Income tax EBT	(73)	(120)
Other creditors	(635)	(175)
<b>Total</b>	<b>(708)</b>	<b>(6,662)</b>

**(10) Provisions for Liabilities and other charges**

	<b>Total</b>
	<b>£000</b>
<b>At 1 January 2011</b>	<b>(6,465)</b>
Utilisation	47
Charged to Profit & Loss	(455)
<b>At 31 December 2011</b>	<b>(6,873)</b>

£4,565,000 (2010 £4,110,000) relates to guarantees by the Company for amounts due from its subsidiaries to one of their fellow subsidiaries £2,308,000 (2010 £2,355,000) relates to provision for indemnities in respect of disposed companies



**Notes to the Accounts for the year ended 31 December 2011 (continued)****(11) Called up Share Capital**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
<b>Authorised</b>		
10,000,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted and fully paid</b>		
8,625,000 ordinary shares of £1 each	<u>8,625</u>	<u>8,625</u>

**(12) 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. In 2010 Unilever changed its commercial arrangements for provision of accommodation to expatriate employees in the UK. Consequently the income of the Unilever Employee Benefit Trust resulting from accommodation lease arrangements is expected to reduce over time. The key figures are as follows.

**Profit and Loss Account**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Operating profit	138	438
Interest receivable	-	4
Profit before taxation	<u>138</u>	<u>442</u>
Taxation	<u>(75)</u>	<u>(217)</u>
Profit after taxation for the financial year	<u>63</u>	<u>225</u>

**Balance Sheet - EBT**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Debtors	997	1,315
Creditors due within one year	<u>(708)</u>	<u>(295)</u>
Net assets	<u>289</u>	<u>1,020</u>

## Notes to the Accounts for the year ended 31 December 2011 (continued)

## (13) Reconciliation of movements in Total Shareholders' Funds

	2011 £000	2010 £000
Loss for the financial year	(679,536)	(6,532)
Profit distribution for employee benefits	(794)	-
Net reduction to shareholders' funds	(678,742)	(6,532)
Opening shareholders' funds	4,735,782	4,742,314
Closing shareholders' funds	4,056,246	4,735,782

## (14) Reserves

	<u>Other Reserves</u> £000	<u>Reserves EBT</u> £000	<u>Profit and Loss Account</u> £000	<u>Total</u> £000
At 1 January 2011	2,538,765	1,020	2,187,372	4,727,157
Profit/(loss) for the financial year	-	63	(678,805)	(678,742)
Profit distribution for employee benefits	-	(794)	-	(794)
Reserve transfer UKCN impairment	(702,969)	-	702,969	-
At 31 December 2011	1,835,796	289	2,211,536	4,047,621

The other reserves represent unrealised profit on inter-group sale of investments in 2002 and 2005 to Unilever UK & CN Holdings Limited

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

**Notes to the Accounts for the year ended 31 December 2011 (continued)****(15) Commitments**

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 distribution centre
- b) Guarantees have been given to the Trustees of the Unilever UK Supplementary Pension Fund in respect of the obligations of the Company's subsidiaries. The maximum liability for the Unilever UK Supplementary Pension Fund is capped at £49,245,000
- c) Guarantees have been given to The Royal Bank of Scotland Plc on behalf of Colworth Park Limited Partnership in respect of cost overruns relating to new building development. This is capped at £3,500,000. This guarantee has been released in 2012 as the financing arrangement was fully completed on 3<sup>rd</sup> of February 2012.

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

The Company has also entered into a commitment to invest in Langholm Capital Partners LP (the fund) a sum up to £85,803,000 (2010: £85,803,000). 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 are payable after December 2010. At 31 December 2011, £72,188,000 was invested in Langholm Capital Partners LP including management fees.

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

The immediate and ultimate parent company is Unilever PLC. The controlling party is Unilever PLC. The Company has not disclosed transactions with fellow, wholly owned subsidiaries in accordance with the exemption under the terms of Financial Reporting Standard No. 8 as the ultimate parent company produces publicly available consolidated accounts, these are both the smallest and largest group to consolidate these financial statements. Copies of Unilever Group accounts can be publicly obtained from Unilever PLC, Corporate Relations Department, Unilever House, 100 Victoria Embankment, London EC4Y 0DY.