

Registered number: 17049

UNILEVER U.K. HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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UNILEVER U.K. HOLDINGS LIMITED

COMPANY INFORMATION

| | | |
|----------------------------|--|---|
| DIRECTORS | Ms A J K Elphick | (resigned 31 October 2016) |
| | Mr J W Barnes | |
| | Ms R Cook | (appointed 20 July 2017) |
| | Mr C J Leighton-Davies | (resigned 20 July 2017) |
| | Mr R C Hazell | (appointed 11 November 2016) |
| | Ms A L King | (appointed 11 November 2016) |
| | Mr J Thurston | (appointed 13 December 2016 and resigned 16 January 2017) |
| COMPANY SECRETARIES | Mr R C Hazell | |
| | Mr J O Earley | (appointed 22 March 2016) |
| | Ms S Magol | (appointed 22 March 2016) |
| | Mr J Thurston | (resigned 23 February 2016) |
| REGISTERED NUMBER | 17049 | |
| REGISTERED OFFICE | Unilever House 100 Victoria Embankment London EC4Y 0DY United Kingdom | |
| INDEPENDENT AUDITOR | KPMG LLP Statutory Auditor Chartered Accountants 15 Canada Square London E14 5GL United Kingdom | |

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Directors present their report and the financial statements for the year ended 31 December 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 applicable law and United Kingdom Accounting Standards (United Kingdom 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

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.

RESULTS AND DIVIDENDS

The (loss) for the year, after taxation, amounted to £7,114,000 (2015: (loss) £21,575,000).

No dividend was paid during the year (2015: £4,000,000,000).

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS

The Directors who held office during the year were:

| | |
|------------------------|--|
| Ms A J K Elphick | (resigned 31 October 2016) |
| Mr J W Barnes | |
| Ms R Cook | (appointed 20 July 2017) |
| Mr C J Leighton-Davies | (resigned 20 July 2017) |
| Mr R C Hazell | (appointed 11 November 2016) |
| Ms A L King | (appointed 11 November 2016) |
| Mr J Thurston | (appointed 13 December 2016 and resigned 16 January 2017) |

POLITICAL AND CHARITABLE DONATIONS

The Company made no donations or incurred any political and charitable expenditure during the year (2015: £NIL).

FUTURE DEVELOPMENTS

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.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to the deterioration of the underlying businesses that support the investments held. Additional risks that this Company and the Unilever Group are subject to, and how they are managed, in the context of the Unilever Group as a whole is provided in the Unilever Group published annual report for the year ended 31 December 2016.

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.

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

UNILEVER U.K. HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

- 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.

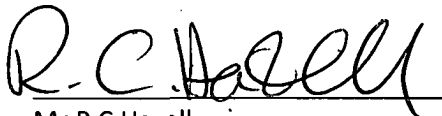
STRATEGIC REPORT

The Company has taken advantage of disclosure exemptions available to small companies under Section 414B of the Companies Act 2006, and has not prepared a strategic report.

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 3 August 2017 and signed on its behalf by



Mr R C Hazell
Director

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

Company registration number: 17049

UNILEVER U.K. HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF UNILEVER U.K. HOLDINGS LIMITED**

We have audited the financial statements of Unilever U.K. Holdings Limited for the year ended 31 December 2016, set out on pages 6 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, set out on page 1, 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.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and

UNILEVER U.K. HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF UNILEVER U.K. HOLDINGS LIMITED**

- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Sarah Rolls

Sarah Rolls (Senior Statutory Auditor)

for and on behalf of

KPMG LLP Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

United Kingdom

Date: 3 August 2017

UNILEVER U.K. HOLDINGS LIMITED

**PROFIT & LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

| | Note | 2016 £000 | 2015 £000 |
|--|------|----------------|-----------------|
| Administrative expenses | | (55) | - |
| Other operating expenses | | - | (27) |
| Operating profit/(loss) | 3 | (55) | (27) |
| Income from shares in group undertakings | 7 | 13,189 | 20,177 |
| Other interest receivable and similar income | 10 | - | 59 |
| Amounts written off investments | 9 | (9,853) | (41,746) |
| Profit/(loss) on disposal of fixed assets | 8 | (5,137) | (30) |
| Interest payable and similar charges | 10 | (4,598) | - |
| Result on ordinary activities before taxation | | (6,454) | (21,567) |
| Taxation on result on ordinary activities | 11 | (660) | (8) |
| Profit/(loss) and total comprehensive income for the financial year | | (7,114) | (21,575) |

There were no recognised gains or losses for 2016 other than those included in the profit and loss account.

BALANCE SHEET
AS AT 31 DECEMBER 2016

| | Note | 2016 £000 | 2015 £000 |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Investments | 12 | <u>1,173,904</u> | <u>1,191,268</u> |
| | | 1,173,904 | 1,191,268 |
| Current assets | | | |
| Debtors (including £879,000 (2015: £695,000) due after more than one year) | 13 | <u>879</u> | <u>695</u> |
| | | 879 | 695 |
| Current liabilities | | | |
| Creditors: Amounts falling due within one year | 14 | <u>(693,425)</u> | <u>(700,187)</u> |
| | | | |
| Net current assets/(liabilities) | | <u>(692,546)</u> | <u>(699,492)</u> |
| Total assets less current liabilities | | <u>481,358</u> | <u>491,776</u> |
| Provisions for liabilities and other charges | 15 | <u>(2,290)</u> | <u>(2,292)</u> |
| | | | |
| Net assets/(liabilities) | | <u>479,068</u> | <u>489,484</u> |
| Capital and reserves | | | |
| Called up share capital | 16 | <u>8,625</u> | <u>8,625</u> |
| Share premium account | | <u>259,846</u> | <u>259,846</u> |
| Fair value reserves | | <u>709</u> | <u>4,011</u> |
| Other reserves | | <u>435,796</u> | <u>435,796</u> |
| Profit and loss account | | <u>(225,908)</u> | <u>(218,794)</u> |
| | | | |
| Shareholders' funds | | <u>479,068</u> | <u>489,484</u> |

The financial statements were approved by the Board of Directors on 3 August 2017 and were signed on its behalf by



Mr R C Hazell
Director

UNILEVER U.K. HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

| | Called up share capital £000 | Share premium account £000 | Other reserves £000 | Fair value reserves £000 | Profit and loss account £000 | Total equity £000 |
|--|---------------------------------------|-------------------------------------|---------------------------|-----------------------------------|---------------------------------------|----------------------|
| At 1 January 2016 | 8,625 | 259,846 | 435,796 | 4,011 | (218,794) | 489,484 |
| Total comprehensive income for the period | | | | | | |
| Profit/(loss) for the year | - | - | - | - | (7,114) | (7,114) |
| Fair value movement | - | - | - | (3,302) | - | (3,302) |
| Total comprehensive income for the period | - | - | - | (3,302) | (7,114) | (10,416) |
| At 31 December 2016 | 8,625 | 259,846 | 435,796 | 709 | (225,908) | 479,068 |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

| | Called up share capital £000 | Share premium m account £000 | Other reserves £000 | Fair value reserves £000 | Profit and loss account £000 | Total equity £000 |
|--|---------------------------------------|--|---------------------------|-----------------------------------|---------------------------------------|----------------------|
| At 1 January 2015 | 8,625 | 259,846 | 435,796 | 6,377 | 3,802,781 | 4,513,425 |
| Total comprehensive income for the period | | | | | | |
| Profit/(loss) for the year | - | - | - | - | (21,575) | (21,575) |
| Fair value movement | - | - | - | (2,366) | - | (2,366) |
| Total comprehensive income for the period | - | - | - | (2,366) | (21,575) | (23,941) |
| Transactions with owners, recorded directly in equity | | | | | | |
| Dividends | - | - | - | - | (4,000,000) | (4,000,000) |
| Total contributions by and distributions to owners | - | - | - | - | (4,000,000) | (4,000,000) |
| At 31 December 2015 | 8,625 | 259,846 | 435,796 | 4,011 | (218,794) | 489,484 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

Unilever U.K. Holdings Limited (the "Company") is a private company incorporated, domiciled and registered in the UK. The registered number is 17049 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"). The amendments of FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards as adopted by the EU ("Adopted IFRSs"), 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 PLC are prepared in accordance with International Financial Reporting Standards and provided in the published Unilever PLC 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:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

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

- IFRS 2 Share Based Payments in respect of group settled share based payments;

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (continued)

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company; and
- Certain disclosures required by IFRS 13 Fair value measurement and the disclosures required by IFRS 7 Financial Instrument 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 PLC. 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 assets and liabilities are stated at their fair value: Venture Investments.

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.

Unilever U.K. Holdings Limited has net current liabilities. These financial statements have been prepared on a going concern basis because Company Unilever PLC has formally indicated that it will continue to provide financial and other support to the Company to enable it to trade and meet its liabilities as and when they become due, for at least the next twelve months.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (continued)**1.5 DISPOSAL**

Any disposals that have occurred during the year have not been deemed by management to have had a material effect on the nature and focus of the reporting entity's operations and as such do not warrant disclosure as discontinued operations.

1.6 DEBTORS

Debtors are amounts due for services performed in the ordinary course of business and other receivables. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as due within one year. If not, they are presented as due after more than one year.

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.7 VALUATION OF INVESTMENTS

Investments in Group undertakings 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.

Ventures investments in debt and equity securities held by the Company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit and loss.

Investments in Group undertakings are held at cost less accumulated impairment losses. Where the value of an investment is considered to have been permanently impaired, a carrying value below cost method is employed and any impairment charge is taken to the Profit and Loss Account.

The carrying amounts of the Company's fixed assets investments 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (continued)

inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Impairment losses recognised 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 recognised.

1.8 CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. If payment is expected in one year or less, they are classified as due within one year. If not, they are presented as due after more than one year.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.9 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.10 FOREIGN CURRENCY TRANSLATION*Functional and presentation currency*

The company's functional and presentational currency is GBP.

Transactions and balances

Transactions in foreign currencies are translated to the Company's functional currencies 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 retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (continued)

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 retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.11 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.12 INTEREST INCOME AND EXPENSE

Interest income and expense are recognised in the Profit and loss account using the effective interest method.

1.13 CURRENT AND DEFERRED TAXATION

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

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 realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rate applicable to the sale of the property except for that part of the property that is depreciable and the company's business model is to consume substantially all of the value through use. In the latter case the tax rate applicable to income tax is used.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised or that the Company has determined it is appropriate to recognise 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 fixed assets investments

The company makes an estimate of the recoverable value of the fixed assets investments. For description of management's approach see Note 1.6 Valuation of investments.

Impairment of debtors

The company makes an estimate of the recoverable value of the debtors. When assessing impairment of debtors, management considers factors including the ageing profile of receivables and historical experience;

Provisions

The Company had recognised provisions for legal cases which relates to obligations for indemnities in respect of disposed companies;

3. OPERATING PROFIT/(LOSS)

| | 2016 | 2015 |
|---|-------------|-------------|
| | £000 | £000 |
| The operating profit/(loss) is stated after (debiting)/crediting: | | |
| Administrative expenses | (55) | - |
| Other operating expenses | - | (27) |
| Operating profit/(loss) | (55) | (27) |

4. 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.

| | 2016 | 2015 |
|-------------------------------------|--------------|-------|
| | £ | £ |
| Audit of these financial statements | 3,625 | 2,565 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent company.

5. EMPLOYEE INFORMATION

No employees were employed by the Company during 2016 (2015: no employees) and no employee costs were incurred by the Company (2015: £NIL).

6. DIRECTORS' REMUNERATION

No remuneration (2015: £NIL) was paid by the Company to the Directors, including the Chairman. 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.

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

| | 2016 £000 | 2015 £000 |
|--|---------------|---------------|
| Dividends from Unilever UK & CN Holdings Limited | 13,189 | 13,189 |
| Dividends from Unilever Innovations Limited | - | 6,806 |
| Dividends from The New Hovema Limited | - | 182 |
| Total | 13,189 | 20,177 |

8. PROFIT/(LOSS) ON DISPOSAL OF FIXED ASSETS

The profit/(loss) on disposal of fixed assets is made up as follows:

| | Note | 2016 £000 | 2015 £000 |
|--|------|----------------|--------------|
| Disposal of Venture investment in SNOG | | (5,137) | - |
| Liquidation of SPA & SALON Int. and The New Hovema | | - | (30) |
| Profit/(loss) on disposal | | (5,137) | (30) |

9. AMOUNTS WRITTEN OFF INVESTMENTS

| | 2016 £000 | 2015 £000 |
|---------------------------------|----------------|-----------------|
| Amounts written off investments | (9,853) | (41,746) |
| Total | (9,853) | (41,746) |

UNILEVER U.K. HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

An impairment loss of £9,872,000 was recognized in the investment in Brooke Bond Foods and £19,228 reversal of previous year impairment provision in Iota Nanosolutions Limited was recognized writing it down to the recoverable amount (2015: £38,000,000 recognised in the investment in Unilever UK & CN Holdings Limited, £7,702,575 recognised in Unilever Innovations Limited, £19,228 recognised in Iota Nanosolutions Limited and £3,975,594 reversal of previous year impairment provision in Unilever International Market Development Company Limited).

10. INTEREST RECEIVABLE/(PAYABLE) AND SIMILAR INCOME/(CHARGES)

| | 2016 | 2015 |
|---|----------------|-------------|
| | £000 | £000 |
| Interest receivable on loans to group undertakings | - | 59 |
| Total interest receivable and similar income | - | 59 |
| Interest payable on loans from group undertakings | (4,598) | - |
| Total interest payable and similar charges | (4,598) | - |
| Total | (4,598) | 59 |

No exchange differences (2015: £NIL) have been credited to Interest receivable on loans to group undertakings. No exchange differences (2015: £NIL) have been debited to interest payable on loans to group undertakings.

11. TAXATION

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

| Recognised in the profit and loss account | 2016 | 2015 |
|--|----------------|-------------|
| | £000 | £000 |
| <i>UK corporation tax</i> | | |
| Current tax on income for the period | 969 | (8) |
| Adjustments in respect of prior periods | (1,629) | - |
| Total current tax | (660) | (8) |
| Tax (charge)/credit on profit/(loss) on ordinary activities | (660) | (8) |

The current U.K. corporate tax rate that has been used for the period is a rate of 20% (2015: 20.25%). This is on the basis that the rate changed from 21% to 20% as of 1 April 2015.

A further reduction to the main rate was substantively enacted in October 2015 to reduce the rate to 19% from 1 April 2017. An additional reduction to 17% effective from 1 April 2020 was substantively enacted on 6 September 2016, before the balance sheet date, and therefore has been included in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The current tax assessed for the year is higher (2015: higher) than the standard rate of corporation taxation in the UK (20%) (2015: 20.25%). The differences are explained below:

| | 2016 £000 | 2015 £000 |
|---|--------------|--------------|
| Reconciliation of tax expense | | |
| Profit/(loss) for the year | (6,454) | (21,567) |
| Total tax expense | <u>(660)</u> | <u>(8)</u> |
| Tax using the UK corporation tax rate of 20% (2015: 20.25%) | 1,291 | 4,367 |
| Effects of: | | |
| Non-deductible impairment of investment | (3,017) | (8,450) |
| Tax exempt revenues – dividends | 2,638 | 4,086 |
| Permanent differences – other | 57 | (11) |
| (Under)/over provided in prior years (current tax) | (1,629) | - |
| Total tax expense | <u>(660)</u> | <u>(8)</u> |

UNILEVER U.K. HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. INVESTMENTS

| | Subsidiary undertakings and associates £000 | Ventures investments £000 | Total £000 |
|--------------------------------|--|---------------------------------|--------------------|
| Cost | | | |
| At 1 January 2016 | 8,808,647 | 15,421 | 8,824,068 |
| Additions | 383 | 2,961 | 3,344 |
| Disposals | (2,416) | (5,137) | (7,553) |
| At 31 December 2016 | 8,806,614 | 13,245 | 8,819,859 |
| Impairment | | | |
| At 1 January 2016 | (7,633,651) | (3,160) | (7,636,811) |
| Impairment charge | (9,871) | 18 | (9,853) |
| At 31 December 2016 | (7,643,522) | (3,142) | (7,646,664) |
| Fair value adjustment * | | | |
| At 1 January 2016 | - | 4,011 | 4,011 |
| Charge for the year | - | (3,302) | (3,302) |
| At 31 December 2016 | - | 709 | 709 |
| Net book value | | | |
| At 31 December 2016 | 1,163,092 | 10,812 | 1,173,904 |
| At 31 December 2015 | 1,174,996 | 16,272 | 1,191,268 |

* Investments held as available-for-sale 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 and associates of the Company. 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 Innovations Limited (formerly Lipton Limited) | Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | | Holding |
| Unilever Company for Industrial Development Limited | Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | | Trading |

UNILEVER U.K. HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

| | | | | |
|--|---|---------------------|---------|-------------|
| Unilever Company for Regional Marketing and Research Limited | Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | Trading |
| Unilever UK & CN Holdings Limited | Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom | Ordinary/Preference | 100.00% | Holding |
| Unilever U.K. Central Resources Limited | Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | Trading |
| Unilever Ventures Limited | 5th Floor 6 St. Andrew Street, London, EC4A 3AE | Ordinary | 100.00% | Holding |
| Unidis Forty Nine Limited | Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | Non-Trading |
| Unidis Nineteen Limited (in liquidation) | 1 More London Place London, SE1 2AF, United Kingdom | Ordinary | 100.00% | Non-Trading |
| UML Limited | Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | Non-Trading |
| Unidis Sixty Six Limited (in liquidation) | 1 More London Place London, SE1 2AF, United Kingdom | Ordinary | 100.00% | Non-Trading |
| Brooke Bond Foods Limited (in liquidation) | 1 More London Place London, SE1 2AF, United Kingdom | Ordinary | 100.00% | Foods |
| U.A.C. Holdings Limited (liquidated on 17 February 2017) | 1 More London Place London, SE1 2AF, United Kingdom | Ordinary | 100.00% | Holding |
| Unilever Pension Trust Limited | Unilever House, Springfield Drive, Leatherhead, KT22 7GR, United Kingdom | Ordinary | 100.00% | Non-Trading |
| Unilever Superannuation Trustees Limited | Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | Non-Trading |
| Unilever Employee Benefit Trustees Limited | Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | Non-Trading |

UNILEVER U.K. HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

| | | | | |
|--|--|--------------------------|------------------|-------------|
| USF Nominees Limited | Unilever House, Springfield Drive, Leatherhead, KT22 7GR, United Kingdom | Ordinary | 100.00% | Non-Trading |
| The Company of African Merchants Limited (liquidated on 17 February 2017) | 1 More London Place London, SE1 2AF, United Kingdom | Ordinary | 100.00% | Non-Trading |
| Unilever UK Pension Fund Trustees Limited | Unilever House, Springfield Drive, Leatherhead, KT22 7GR, United Kingdom | Ordinary | 100.00% | Non-Trading |
| MBUK Trading Limited | Unilever House, 100 Victoria Embankment, London, England, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | Foods |
| T2 Tea (UK) Limited | Unilever House, 100 Victoria Embankment, London, England, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | Trading |
| Unilever Overseas Buying Services Limited (liquidated on 17 February 2017) | 1 More London Place London, SE1 2AF, United Kingdom | Ordinary | 100.00% | Non-Trading |
| REN Limited | 1st Floor, 16 Charles II Street, London, England, SW1Y 4QU, United Kingdom | Ordinary | 100.00% | Trading |
| Murad Europe Limited | Unilever House, 100 Victoria Embankment, London, England, EC4Y 0DY, United Kingdom | Ordinary | 100.00% | Trading |
| Unilever Ventures Fund III LP | Unilever House, 100 Victoria Embankment, London, England, EC4Y 0DY, United Kingdom | Partnership Interest | 28.75% | Holding |
| Froosh AB | Hammarby Kaj 24, 120 62, Stockholm, Sweden | Ordinary A Ordinary B | 74.72% 24.90% | Holding |
| Unilever Ventures India Advisory Private Limited | Unilever House, B. D. Sawant Marg, Chakala, Andheri (E), Mumbai, 400 099, India | Ordinary | 99.90% | Trading |

UNILEVER U.K. HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

| | | | | |
|---|--|--|-----------------|---------------|
| REN USA Inc. | 700 Sylvan Avenue, Englewood Cliffs, New Jersey 07632-3201, United States | Ordinary | 100.00% | Non-Trading |
| Unilever Tea Tanzania Limited | P.O. Box 40, Mufindi | Ordinary | 0.01% | Refreshments |
| T2 Singapore PTE Limited | 20 Pasir Panjang Road, #06-22 Mapletree Business City, 117439 | Ordinary | 100.00% | Refreshments |
| Brandtone Holdings Limited | 51-54 Pearse Street, Dublin 2 | Ordinary | 99.00% | Holding |
| Lever Brothers (Exports and Marketing) Limited | 258 M Vincent Perera Mawatha Colombo 14, Sri Lanka | Ordinary | 0.00% | Holding |
| Unilever Birds Eye Foods Pakistan (Private) Limited | Avari Plaza, Fatima Jinnah Road, Karachi 75530 | Ordinary | 25.00% | Foods |
| Unilever South East Africa (Private) Limited | Abdul Majid Motor City, Chipembere Highway, Ginnery Corner Blantyre | Ordinary | 0.00% | Personal Care |
| Ren Skincare Limited | The Edison, 223-231 Old Marylebone Road, London, England, NW1 5QT, United Kingdom | Ordinary | 100.00% | Trading |
| Unilever Foods (Malaysia) Sdn Bhd | Level 34, Menara TM Jalan Pantai Baru, 59200, Kuala Lumpur, Malaysia | Ordinary | 100.00% | Foods |
| Unilever (Malaysia) Holdings Sdn Bhd | Level 34, Menara TM Jalan Pantai Baru, 59200, Kuala Lumpur, Malaysia | Ordinary | 70.00% | Holding |
| Unilever Singapore Pte Ltd | 20 Pasir Panjang Road, #06-22 Mapletree Business City, 117439, Singapore | Ordinary | 100.00% | Personal Care |
| Ceytea Ltd | No: 258 M, Vincent Perera Mawatha, Colombo 14, Sri Lanka | Ordinary | 100.00% | Foods |
| Unilever UK Group Ltd | Unilever House, 100 Victoria Embankment, London, England, EC4Y 0DY, United Kingdom | Ordinary A Ordinary B Ordinary C | 0.82% 89.05% | Holding |

UNILEVER U.K. HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Participating interests and Other investments

The following were participating interests and other investments of the Company:

| Name | Address of the registered office | Class of shares held | Proportion of nominal value of shares held | | Principal activity |
|---------------------------------------|---|--|--|-----------|--------------------|
| | | | Direct % | Indirect% | |
| Arecor Limited | Chesterford Research Park, Little Chesterford, Saffron Walden, CB10 1XL | Ordinary Ordinary A | 24.22% 35.72% | | Venture |
| Insense Limited | Colworth Park Sharnbrook Bedford MK44 1LQ | Ordinary | 16.45% | | Venture |
| CDDM Technology Limited | First Floor, 59-61 High Street West, Glossop, United Kingdom, SK13 8AZ | Ordinary | 49.53% | | Venture |
| Lumene Holding OY | Lasikuja 2, 02780 Espoo, Finland | Ordinary | 8.2% | | Venture |
| Voltea Limited | 5th Floor 6 St. Andrew Street, London, EC4A 3AE | Ordinary A Preferred A Preferred A1 Preferred B | 35.58% 66.83% 12.44% 18.16% | | Venture |
| Catexel Limited | 5th Floor 6 St Andrew Street, London, EC4A 3AE | Ordinary A Ordinary G Preferred | 97.67% 45.25% 96.67% | | Venture |
| Unilever General Partner COLW. | 15 Atholl Crescent, Edinburgh, EH3 8HA | Ordinary | 100% | | Venture |
| Unilever Ventures General Partner Ltd | 5th Floor 6 St Andrew Street, London, EC4A 3AE | Ordinary | 100% | | Venture |
| Collider 12 (Nominees) Ltd | Collider 12 Accelerator c/o Collider Nominees Ltd 5th Floor 22 Upper Ground Street London SE1 9PD | Ordinary | 100% | | Venture |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. DEBTORS

| | 2016 | 2015 |
|-------------------------------------|----------------|----------------|
| | £000 | £000 |
| Due after more than one year | | |
| Amounts owed by Group undertakings | <u>879</u> | <u>695</u> |
| Total | <u>879</u> | <u>695</u> |
| Total debtors | <u>879</u> | <u>695</u> |

Amounts owed by Group undertakings include balances owed by Murad Europe Limited which are non-interest bearing, unsecured and payable on demand. There is no intention to recall the repayment of this outstanding balance within a year as of 31 December 2016.

14. CREDITORS

| | 2016 | 2015 |
|--|----------------------|----------------------|
| | £000 | £000 |
| Amounts falling due within one year | | |
| Amounts owed to Group undertakings | (692,690) | (700,170) |
| Group relief payable | <u>(735)</u> | <u>(17)</u> |
| Total | <u>(693,425)</u> | <u>(700,187)</u> |
| Total creditors | <u>(693,425)</u> | <u>(700,187)</u> |

Amounts owed to Group undertakings include balances from Unilever U.K. Central Resources Limited which are interest bearing, unsecured and payable on demand.

15. PROVISIONS FOR LIABILITIES AND OTHER CHARGES

| | Legal provision £000 |
|----------------------------|-------------------------------------|
| At 1 January 2016 | (2,292) |
| Utilisation | <u>2</u> |
| At 31 December 2016 | <u>(2,290)</u> |

Legal provisions as per the end of the year relates to provisions for indemnities in respect of disposed companies.

UNILEVER U.K. HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

16. CALLED UP SHARE CAPITAL

| | 2016 | 2015 |
|--|--------------|--------------|
| | £000 | £000 |
| Allotted, called up and fully paid | | |
| 8,625,000 (2015: 8,625,000) Ordinary shares of £1 each | 8,625 | 8,625 |
| Total | 8,625 | 8,625 |

17. OTHER FINANCIAL COMMITMENTS

The Company has provided the following guarantees:

- a) A guarantee by Unilever U.K. Holdings Limited guaranteeing payment and other performance by Unilever U.K. Limited in relation to the Cannock warehousing & distribution operation; and
- b) A guarantee by Unilever U.K. Holdings Limited guaranteeing the performance of payment and other obligations on the part of T2 Tea (U.K.) Limited in relation to a lease for shop premises; and
- c) A guarantee by Unilever U.K. Holdings Limited guaranteeing payment and other performance by Murad Europe Limited in relation to the lease of the Pentonville property.
- d) A guarantee by Unilever U.K. Holdings Limited guaranteeing payment and other performance to Sloane Blackfriars in relation to the lease of the main offices in London (formerly Unilever House).
- e) A guarantee by Unilever U.K. Holdings Limited guaranteeing payment and other obligation to Royal Bank Leasing Limited in relation to the construction and development of high bay distribution center at Doncaster.

18. CONTROLLING PARTY

The ultimate parent company and controlling party is Company Unilever PLC and is also the immediate parent company. 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 PLC, Investor Relations Department, 100 Victoria Embankment, London EC4Y 0DY and www.unilever.com.

19. PARENT COMPANY SUPPORT

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