

Unilever U.K. Central Resources Limited

Registered Number: 29140

UNILEVER U.K. CENTRAL RESOURCES LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

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Unilever U.K. Central Resources Limited

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Unilever U.K. Central Resources Limited

Directors' Report for the year ended 31 December 2008

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

Directors

The directors of the company during the year were as follows:

Mr C G Broe

Mr S J Carter (resigned on 29 February 2008)

Mr C V Natraj

Mr G E Neath

Mr M J Parkington

Mr A D Walters

Mr C V Natraj resigned from the company on 16 February 2009 and Mr J F Crilly was appointed on the same day.

Principal activities, review of business and future developments

There was no significant change in the principal activities of the company, which consisted of providing services and undertaking research in the United Kingdom.

The results of the company show a pre-tax loss on ordinary activities of £31,050,000 (2007: profit £28,749,000).

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 2009 which is significantly different from its present activities.

Key Performance Indicators

The Unilever Group operations are managed on a regional and category basis and the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate as the performance and position of the company is included in the performance indicators for Europe and the category information in the Unilever Group Annual Report and Accounts, which does not form part of this report.

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 Group are considered to relate to the recoverability of amounts due from other group companies, volatility within the defined benefit pension schemes, legislative, fiscal and regulatory conditions. Further discussion of these risks and uncertainties, and how they are managed, in the context of the Unilever group as a whole is provided in the Unilever published 2008 Annual Report and Accounts.

Unilever U.K. Central Resources Limited

Directors' Report for the year ended 31 December 2008 (continued)

Research and development

A large proportion of the central research and engineering resources of Unilever are based in the United Kingdom (UK) and operated by the company. The two largest units are the research laboratories at Port Sunlight, on Merseyside, and Colworth, Bedfordshire, in total having around 1,450 scientific staff. These units work closely with associated research laboratories in the Netherlands, China, India and the United States, and with individual company development departments throughout the world to provide a firm technical base for the improvement, innovation and safety assurance of Unilever products and processes.

Dividend

The directors have not recommended the payment of a dividend in the financial year (2007: nil).

Tangible fixed assets

The company's land and buildings are used for providing services and research in the United Kingdom. The company's assets are not held for resale. The directors consider that the difference between their market value and the value at which they are included in the balance sheet is not significant enough to be drawn to the attention of the members.

Employee involvement

The Board recognises the importance of communications with, and the fullest possible involvement of, employees in the business.

The company has continued and extended its support of consultation during the year. Staff are located principally in the Head Office buildings in London, at the Port Sunlight and Colworth laboratories and at Unilever Europe IT (UEIT) at St. Davids Park.

At all these locations the company has developed and encouraged consultative systems over a long period. These comprise local or departmental committees, with Head Office and Laboratory Councils, to which employees elect or appoint representatives.

These groups meet regularly and there are rules to ensure that specific information relating to the interests of employees, including safety at work and services available to staff, is published periodically, both to employees as individuals, and to their representatives within the consultative systems.

Eligible employees of the company were again invited to participate in the Unilever Sharesave Scheme under which further share options on Unilever shares were granted.

Employment of disabled persons

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

Unilever U.K. Central Resources Limited

Directors' Report for the year ended 31 December 2008 (continued)

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

Creditor payment policy

The company complies with the Better Payment Practice Code of the Better Payment Practice Group, a successor code to the Prompt Payment Code of the Confederation of British Industry. It continues to be the company's policy to follow the Code in respect of all suppliers. Copies of the Code may be obtained from the Department of Trade and Industry.

The ratio, expressed in days, between the amounts invoiced to the company by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 15 days (2007: 15 days).

Political and charitable donations

The company made charitable donations amounting to £1,270,380 (2007: £246,554). The main charitable donations were made to the World Food Program (£845,782.40). No political contributions were made.

Unilever U.K. Central Resources 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;
- 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; and
- 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 Disclosure of Information to the 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 that
2. the director has taken all the steps that he ought to have taken as a director in order to make himself 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. Central Resources Limited

Statement of Directors' responsibilities in respect of the Directors' Report and financial statements (continued)

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.


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

Duly authorised for and on behalf of

The New Hovema Limited

A handwritten signature in black ink, appearing to be 'A. Hovema', written over a horizontal line.

Secretary

28 October 2009

Unilever U.K. Central Resources Limited

Independent Auditors' Report to the Members of Unilever U.K. Central Resources Limited

We have audited the financial statements of Unilever U.K. Central Resources Limited for the year ended 31 December 2008, which comprise the Profit and Loss account, the Balance Sheet, the Statement of total Recognised Gains and Losses, the Principal Accounting Policies 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 whether 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. Central Resources Limited

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

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 2008 and of its loss 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, United Kingdom

Date: *30 October 2009*

Unilever U.K. Central Resources Limited

Profit and Loss Account - For the Year ended 31 December 2008

	<u>Notes</u>	2008 £000	2007 Restated £000
Turnover		640,381	544,978
Administrative expenses		(644,194)	(558,151)
Operating loss	(1)	(3,813)	(13,173)
(Loss) / gain on disposal of fixed assets	(2)	(100)	10,738
Interest and similar charges	(3)	(92,615)	(84,959)
Other finance income	(12)	65,288	76,943
Gains on settlement	(12)	190	39,200
(Loss) / profit on ordinary activities before taxation		(31,050)	28,749
Taxation on (loss) / profit on ordinary activities	(4)	(18,960)	(13,363)
(Loss) / profit for the year	(16)	(50,010)	15,386

All operations in the year and in the prior year are continuing.

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

The 2007 Turnover and Administrative expenses have been restated (both amounts increased by £89,981,000, so in total no change in the Operating Profit) to appropriately classify items within turnover and administrative expenses.

Statement of Total Recognised Gains and Losses ('STRGL')

	<u>Notes</u>	2008 £000	2007 £000
(Loss) / Profit for the year	(16)	(50,010)	15,386
Pensions and similar obligations:			
Net actuarial (losses) / gains recognised	(12)	(614,692)	168,356
Deferred tax thereon		90,195	(61,770)
Current tax thereon		81,918	-
Total recognised (losses) / gains for the year		(492,589)	121,972
Prior year adjustment for adoption of amendment to FRS17		(4,411)	-
Total recognised (losses) / gains since last annual report		(497,000)	121,972

Unilever U.K. Central Resources Limited

Balance Sheet – As at 31 December 2008

	<u>Notes</u>	2008 £000	Restated 2007 £000
Fixed assets			
Tangible assets	(7)	289,769	303,436
Investments	(8)	32,737	32,737
		322,506	336,173
Current assets			
Debtors (amounts due after one year £3,123,576 (2007: £2,402,199))	(9)	3,292,927	2,797,437
Cash at bank and in hand		1,927	113
		3,294,854	2,797,550
Creditors: amounts falling due within one year	(10)	(215,532)	(244,150)
Net current assets		3,079,322	2,553,400
Total assets less current liabilities		3,401,828	2,889,573
Creditors: amounts falling due after more than one year	(10)	(3,967,415)	(3,189,619)
Provisions for liabilities and charges	(11)	(20,092)	(24,973)
Net assets/(liabilities) excluding net pension asset and liability		(585,679)	(325,019)
Pensions and similar obligations			
Net pension asset for funded schemes in surplus	(12)	578	61,029
Net pension liability for funded schemes in deficit	(12)	(200,204)	(9,980)
Net pension liability for unfunded schemes	(12)	(187,460)	(206,206)
Total Pensions and similar obligations		(387,086)	(155,157)
Net liabilities		(972,765)	(480,176)
Capital and reserves			
Called up share capital	(13)	100,000	100,000
Loss retained	(16)	(1,072,765)	(580,176)
Total Equity shareholders' deficit		(972,765)	(480,176)

The financial statements on pages 9 to 31 were approved by the Board of Directors on 28 October 2009, and were signed on its behalf by:



Mr G E Neath
Director

Unilever U.K. Central Resources 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 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. Central Resources 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 subsidiaries 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 cash flow statement 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.

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their historic purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the useful economic lives of the assets concerned.

Freehold buildings	40 years
Computers	5 years
Plant and machinery	10-15 years
Motor vehicles	4-6 years

Freehold land is not depreciated.

Leases

Lease rental payments in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Tangible fixed assets held under finance leases (i.e. leases which transfer to the company substantially all the benefits and risks of ownership) are treated as if they had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profits in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful economic lives of the equivalent owned assets.

Unilever U.K. Central Resources Limited
Principal Accounting Policies (continued)

Turnover

Turnover excludes value added tax and comprises service fees to Unilever PLC. Unilever UK Central Resources Ltd recognises turnover based on the criteria of a full performance of a contract or delivery services.

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.

Research and development

Expenditure on research and development of new products is charged to the profit and loss account in the year in which it is incurred.

Fixed asset investments

Fixed Asset Investments are generally carried at cost. Where the value of an investment is considered to have been impaired, a carrying value below cost is employed and disclosed. In the year the company has performed a valuation review of all investments held in light of the significant changes to the underlying market conditions.

Pensions and other post-retirement benefits

The operating and financing costs of the defined benefit plans are recognised separately in the profit and loss account; service costs are systematically spread over the service lives of employees, and financing costs are recognised in the periods in which they arise. Variations from expected costs, arising from the experience of the plans or changes in the actuarial assumptions, are recognised immediately in the statement of total recognised gains and losses. The costs of individual events such as past service benefit enhancements, settlements and curtailments are recognised immediately in the profit and loss account. The liabilities and the assets of defined benefit plans are recognised at fair value in the balance sheet.

The company has adopted the amendment to FRS 17, 'Retirement benefits'. As a result of this quoted securities held as plan assets in the defined benefit pension scheme are now valued at bid price rather than mid-market value.

The effect of this change is that the value of plan assets at 31 December 2007 has been restated from £5,712,832,000 to £5,706,706,000, a decrease of (£6,126,000), resulting in an increase of the pension deficit of £6,126,000 (after tax: £4,411,000). Current and prior year profit have been unaffected by this change.

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.

Unilever U.K. Central Resources Limited
Principal Accounting Policies (continued)

Deferred taxation (continued)

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 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 date, and profits/losses are taken through the Profit and Loss account of the year.

Share based payments

Under the Unilever Global Performance Share Plan (GPSP), the employees of the company are granted an award of the parent's shares by the company itself. Therefore, these options are accounted for as cash settled based payments under FRS 20 "share-based payments". For these cash settled share based payments, the fair value of the liability is determined at each balance sheet date and the charge recognised through the profit and loss account over the period in which the related services are provided by the employees.

The company operates a Share Matching Plan which enables managers to invest part of their annual bonus in Unilever PLC and NV shares which will be matched by the company with the same number of shares. The managers are required to keep all shares for an agreed period and be employed by Unilever on the vesting date. Given these conditions, the expense of awarding these shares is based on the fair value of the shares at the date that the award is made and spread over the vesting period.

Unilever PLC grants options over its shares to eligible employees under an Employee Share Save Scheme. In order to meet these commitments shares are purchased with finance provided by Unilever PLC and are held by the Unilever Employee Share Trust (Jersey). In consideration of Unilever PLC granting options to its employees the company has agreed to contribute its share of the cost of holding the shares. The right to receive dividends on shares held by the Trust has been waived.

Unilever U.K. Central Resources Limited

Notes to the accounts – 31 December 2008

(1) Operating Loss

The operating loss is arrived at after charging the following amounts:

	2008 £000	2008 £000	2007 £000	2007 £000
Exchange adjustments		6,682		(2,413)
Depreciation on owned tangible fixed assets		26,271		27,617
Depreciation on assets held under finance leases		7,612		4,394
Auditors' remuneration for audit services		197		197
Research & development expenditures		177,555		171,204
Operating lease expenditure				
- plant and machinery		76		73
- cars		216		297
- land and buildings	11,243		7,926	
Less sublease receipts	(1,935)		(968)	
		9,308		6,958
- Operating exceptional item – restructuring costs		11,018		5,382

(2) (Loss)/Gain on disposal of fixed assets

	2008 £000	2007 £000
Profit on the sale of North Wing of Unilever House	-	6,256
Additional profit on the sale of Unilever House*	-	4,377
Yearly release (spread over the 20yr lease agreement) from deferred income of the profit on the sale of Unilever House	1,970	985
Loss on disposal computer equipment after outsourcing North America and Asia/Amet IT services	(1,751)	-
Other	(319)	(880)
	(100)	10,738

* Based on the sale and lease contract, the company was entitled to an additional profit for creating additional floor space beyond the planned amount on construction of Unilever House, additional payments from Sloane Blackfriars Ltd (company with which Unilever entered into sale and lease back agreement with) were made at a rate per additional square feet of floor space created.

Unilever U.K. Central Resources Limited

Notes to the accounts – 31 December 2008 (continued)**(3) Interest and similar charges**

	2008 £000	2007 £000
Other interest receivable and similar income	8,898	2,944
Interest payable on bank loans, overdrafts and other loans that are not repayable by instalments and are due wholly within 5 years	<u>(101,513)</u>	<u>(87,903)</u>
	<u>(92,615)</u>	<u>(84,959)</u>

(4) Taxation on (loss)/profit on ordinary activities

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

	2008 £000 £000		2007 £000 £000	
On (loss)/profit for the year:				
Current tax:				
UK corporation tax	15,967		(87,829)	
Adjustments for prior years	<u>8,811</u>		<u>1,442</u>	
Total UK taxation		24,778		(86,387)
Foreign taxation	<u>3</u>		<u>11</u>	
Total foreign taxation		<u>3</u>		<u>11</u>
Total current tax charge/(credit) for the year		24,781		(86,376)
Deferred taxation	(5,119)		99,777	
Adjustments for prior years	<u>(702)</u>		<u>(38)</u>	
Total deferred taxation		<u>(5,821)</u>		<u>99,739</u>
Total taxation charge on ordinary activities		<u>18,960</u>		<u>13,363</u>

Unilever U.K. Central Resources Limited

Notes to the accounts – 31 December 2008 (continued)**(4) Taxation on (loss)/profit on ordinary activities (continued)**

The current tax for the period is lower (2007: lower) than the standard rate of corporation tax in the UK (28.5%) (2007 – 30%). The differences are explained below:

	2008	2007
	£000	£000
(Loss) / profit on ordinary activities before taxation	(31,050)	28,749
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007 – 30%)	(8,849)	8,625
Effects of:		
Permanent differences	26,155	15,688
Capital allowances higher than depreciation	15	(1,810)
R&D tax credit	(4,355)	(4,329)
Short term timing differences	3,001	(106,003)
Foreign taxation	3	11
Prior year adjustments	8,811	1,442
Current tax charge/(credit) for the year	24,781	(86,376)

(5) Directors' emoluments

The directors who served during the year ended 31 December 2008 (with the exception of Mr C G Broe and Mr M J Parkington) are employed as managers by Unilever PLC or another group company and they are remunerated by the company in respect of their services to the group as a whole. Their emoluments are dealt with in the group accounts and they receive no emoluments from the company.

Mr C G Broe and Mr M J Parkington are remunerated by Unilever U.K. Central Resources Limited and details of their emoluments for the year are provided below:

	2008	2007
	£000	£000
Aggregate emoluments	407	638
Aggregate pension scheme contributions	97	104

Retirement benefits are accruing to these directors in respect of their qualifying services in one of the Unilever UK Company pension schemes detailed in Note 12.

	2008	2007
	£000	£000
Highest paid director		
Aggregate Emoluments	211	297
Accrued pension to end of year	44	47

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(6) Employee information

The average number of persons employed by the company, including directors, during the year and the total staff costs are specified below:

	2008	2007
Research and development	1,429	1,457
Administration	1,168	1,239
	<u>2,597</u>	<u>2,696</u>
	2008	2007
	£000	£000
Wages and salaries	170,723	161,576
Social security costs	13,432	18,856
Pension costs	69,958	72,111
Share based payments	14,065	7,002
	<u>268,178</u>	<u>259,545</u>
Total staff costs		

(7) Tangible fixed assets

	<u>Land and buildings</u>	<u>Plant and machinery</u>	<u>Computer equipment</u>	<u>Motor vehicle</u>	<u>Assets under construction</u>	<u>Total</u>
	£000	£000	£000	£000	£000	£000
Cost						
As at 1 January 2008	186,764	133,943	170,295	4,548	7,582	503,132
Additions at cost, less grants	(15)*	1,005	367	1,122	23,703	26,182
Disposals	-	(2,428)	(76,647)	(1,516)	-	(80,591)
Transfers between categories	4,007	13,592	1,966	-	(19,565)	-
As at 31 December 2008	190,756	146,112	95,981	4,154	11,720	448,723
Depreciation						
As at 1 January 2008	22,517	65,498	109,611	2,070	-	199,696
Depreciation charge for the Year	7,826	10,852	14,353	852	-	33,883
Disposals	-	(1,506)	(71,948)	(1,171)	-	(74,625)
As at 31 December 2008	30,343	74,844	52,016	1,751	-	158,954
Net book value						
As at 31 December 2008	160,413	71,268	43,965	2,403	11,720	289,769
As at 31 December 2007	164,247	68,445	60,684	2,478	7,582	303,436

*Grants received in relation to prior year addition, were higher than current year additions.

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(7) Tangible fixed assets (continued)

The net book value of land and buildings as at year end comprises:

	2008	2007
	£000	£000
Land	1,526	1,961
Freehold Buildings	44,546	41,844
Leasehold Buildings	114,341	120,442
	160,413	164,247
	2008	2007
	£000	£000

Assets held under finance leases included above:

Net book value	117,482	124,925
Depreciation charge	7,612	4,394

In 2004 the company entered into a sale-and-leaseback agreement with a third party regarding the Head Offices in London, United Kingdom. From 2004 to 2007 the Head Office was refurbished, and the company was able to use the building again as from 2 July 2007 onwards. As the agreement de facto was a finance lease the building was reinstated as an asset for an amount of £123,491,000. The gain of £39,892,000 on the initial sale was treated as deferred income and is being released over the term of the lease agreement (i.e. 20 years from the date the company first moved into the building; termination date: 28 September 2027). The building is being depreciated over the same 20 year period commencing 2 July 2007.

(8) Fixed Assets – Investments

	Shares in Group companies £000	Works of Art £000	Total £000
Cost 1 January 2008	32,008	729	32,737
Cost 31 December	32,008	729	32,737
Net Book Value 1 January 2008	32,008	729	32,737
Net Book Value 31 December 2008	32,008	729	32,737

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(8) 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 are shown below.

Name of Company and Country of Incorporation/ Registration and voting rights	Description of Shares Held	Proportion of Nominal Value of Shares Held		Principal Activity
		Direct%	Indirect%	
<u>England and Wales</u>				
Unilever General Partner (Colworth Park) Ltd.	Ordinary	100%		Dormant
Unilever LP (Colworth Park) Limited	Ordinary	100%		R&D centre

In the opinion of the directors, the value of the investment in each subsidiary, consisting of shares and amounts owing, is not less than the amount at which that investment is stated in the balance sheet.

(9) Debtors

	2008 £000	2007 £000
Amounts due within one year:		
Amounts owed by Group companies	22,311	85,267
Corporation Tax	117,949	248,038
Trade debtors	2,227	4,114
Prepayments and accrued income	25,032	40,408
Other debtors	1,832	17,411
	<u>169,351</u>	<u>395,238</u>
Amounts due after more than one year:		
Indebtedness with Parent company	251,657	1,708,905
Amounts owed by Group companies	2,845,779	670,669
Prepayments and accrued income	23,237	21,474
Other debtors	2,903	1,151
	<u>3,123,576</u>	<u>2,402,199</u>
Total debtors	<u>3,292,927</u>	<u>2,797,437</u>

Amounts owed by Group companies include balances with Unilever NV, Unilever Finance International BV, Unilever Overseas Holdings Ltd and Unilever UK&CN Holdings Ltd which are interest bearing at monthly LIBOR, and are unsecured.

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(10) Creditors

	2008 £000	2007 £000
Amounts due within one year:		
Obligations under finance leases (see Note 17)	(3,015)	(2,762)
Bank loans and overdrafts	(3,782)	(2,613)
Trade creditors	(13,144)	(10,588)
Amounts owed to Group companies	(28,784)	(63,289)
Other taxation and social security	3,824	4,665
Other creditors	(43,953)	(39,722)
Accruals and deferred income	(126,678)*	(129,841)
	<u>(215,532)</u>	<u>(244,150)</u>
Amounts due within 1 to 2 years		
Obligations under finance leases (see Note 17)	(3,200)	(4,414)
Amounts owed to Group companies	(3,798,872)	(3,013,695)
Accruals and deferred income	(16,106)*	(18,582)
	<u>(3,818,178)</u>	<u>(3,036,691)</u>
Amounts due within 2 to 5 years		
Obligations under finance leases (see Note 17)	(16,138)	(13,952)
Amounts owed to Group companies	-	-
Accruals and deferred income	(7,880)*	(7,880)
	<u>(24,018)</u>	<u>(21,832)</u>
Amounts due after 5 years		
Obligations under finance leases (see Note 17)	(102,318)	(106,225)
Accruals and deferred income	(22,901)*	(24,871)
	<u>(125,219)</u>	<u>(131,096)</u>
Total creditors	<u>(4,182,947)</u>	<u>(3,433,769)</u>

* Including the unamortised balance of a deferred profit on the sale of Unilever House in 2004: amounts due within one year £1,970,000 (2007:£1,970,000); amounts due within 1 to 2 years £1,970,000 (2007:£1,970,000) amounts due within 2 to 5 years £5,910,000 (2007:£5,910,000); amounts due after 5 years £24,871,000 (2007:£26,841,000).

Amounts owed to Group companies include balances with Unilever NV which are interest bearing at monthly LIBOR and are unsecured.

The overdraft is repayable on demand and it is secured by way of the Unilever PLC joint and several agreements. The above inter-company loan is repayable otherwise than by instalments after more than five years and is unsecured.

The rate of interest on the loan is set at LIBOR.

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(11) Provisions for liabilities and charges

Deferred tax balances in respect of pensions are reported as a separate component of the pensions balances (see Note 12).

	<u>Deferred taxation</u> £000	<u>Restructuring/ Other</u> £000	<u>Total</u> £000
As at 1 January 2008	10,718	14,255	24,973
Charged/(released) to profit and loss account (a)	(5,823)	10,539	4,716
Utilisation of provision	-	(9,597)	(9,597)
As at 31 December 2008	4,895	15,197	20,092

(a) In 2008, restructuring continued at the research laboratories at Port Sunlight and at Colworth (both in the United Kingdom).

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

	2008 £000	2007 £000
Accelerated capital allowances	19,796	21,176
Short term timing differences	(14,901)	(10,458)
	4,895	10,718

(12) Pensions and similar obligations

All related assets and liabilities of below mentioned pension schemes are shown in the company and provide benefits to employees of Unilever PLC and its subsidiary companies in the UK.

(a) UUKPF:

The company is a member of a Group pension scheme providing benefits based on final pensionable pay for employees of Unilever PLC and its subsidiary companies in the UK. The assets of the scheme are held separately from those of the Group in an independently administered fund known as the Unilever UK Pension Fund (UUKPF). Actuarial advice is provided by a firm of Consulting Actuaries and valuation reports are produced annually. The latest report available is for 2008.

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(12) Pensions and similar obligations (continued)

(b) UNIAC:

The UNIAC Pension Fund provides benefits to certain employees who have expatriate service. The assets of the scheme are held separately from those of the Group in an independently administered fund known as the UNIAC Fund. Actuarial advice is provided by a firm of Consulting Actuaries and valuation reports are produced annually. The latest report available is for 2008.

(c) Supplementary Pension Fund (SPF):

The Supplementary Pension Fund provides benefits to certain employees in respect of top up arrangements. The assets of the scheme are held separately from those of the Group in an independently administered fund. Actuarial advice is provided by a firm of Consulting Actuaries and valuation reports are produced annually. The latest report available is for 2008.

(d) Unfunded arrangements:

In addition to the funded pension schemes described above, provisions are held in the accounts of the company with respect to ex-gratia and top up pensions granted by Unilever PLC and its subsidiaries in the United Kingdom and also for special contractual early retirement benefits granted to selected employees of these companies. Provisions are also held in respect of pension promises for UK employees working in countries in the European Union.

The capital costs of unfunded retirement benefits for employees of Unilever U.K. Central Resources Limited retiring before normal retirement age are charged to the Profit and Loss Account in the year in which the decision to retire an employee is made. In addition where employees work for other subsidiaries of Unilever in the UK provision is also made for the ex-gratia benefits granted to these employees. Unilever U.K. Central Resources Limited receives consideration equal to the capital/service cost of these benefits for accepting responsibility for their payment. In subsequent years, interest credited to the provisions is charged in the company's Profit and Loss Account. With effect from October 2008, ex-gratia benefits are being funded via the Unilever UK Pension Fund with a contribution being made by the employing company to the Fund equal to the capital cost of the benefits.

The liability and level of service/capital costs are assessed by Consulting actuaries for the ex-gratia and early retirement schemes and valuation reports are produced annually. The latest reports available are for 2008.

(12) Pensions and similar obligations (continued)

In addition to the above, provisions are also held for post employment healthcare for early retired Managers of the company and for past and present directors of Unilever PLC. The

figures also include provisions for employee long service awards which are accrued over the period of their employment.

Assumptions

	2008	2007	2006
Discount rate	6.5%	5.8%	5.1%
Inflation assumption	2.8%	3.0%	2.9%
Rate of increase in salaries	4.3%	4.5%	4.4%
Rate of increase in pensions	2.8%	3.0%	2.9%
Expected long term rates of return, on:			
Equities	7.5%	8.0%	8.0%
Bonds	5.2%	5.0%	5.2%
Others	5.8%	6.2%	6.3%

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(12) Pensions and similar obligations (continued)

Balance Sheet

The assets, liabilities and surplus/(deficit) position of the pension plans and similar obligations as at the balance sheet date are:

	2008 £000	Restated 2007 £000	2006 £000
Assets			
Equities	3,060,887	3,765,333	3,399,188
Bonds	790,893	941,860	885,623
Other	903,554	1,046,720	1,033,852
Total market value of assets	4,755,334	5,753,913	5,318,663
Present value of liabilities	(5,274,801)	(5,922,202)	(6,005,168)
Net deficit of plans	(519,467)	(168,289)	(686,505)
Irrecoverable surplus	(18,153)	(47,207)	(44,959)
Related deferred tax asset	150,534	60,339	219,439
Net pension liability	(387,086)	(155,157)	(512,025)
Of which in respect of:			
Funded plans in surplus:			
Aggregate surplus	18,955	131,970	45,745
Irrecoverable surplus	(18,153)	(47,207)	(44,959)
Related deferred tax liability	(224)	(23,734)	(236)
Net pension asset	578	61,029	550
Funded plans in deficit:			
Aggregate deficit	(278,061)	(13,861)	(472,520)
Related deferred tax asset	77,857	3,881	141,756
Net pension liability	(200,204)	(9,980)	(330,764)
Unfunded plans in deficit:			
Aggregate deficit	(260,361)	(286,398)	(259,730)
Related deferred tax asset	72,901	80,192	77,919
Net pension liability	(187,460)	(206,206)	(181,811)

Amounts for 2006, shown above, have not been restated for the amendment to FRS 17, 'Retirement Benefits' as a comparable restated value cannot be reliably quantified.

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(12) Pensions and similar obligations (continued)

Profit and Loss Account

The charge to the profit and loss account comprises:

	2008 £000	2007 £000
Charged to operating profit:		
Current service cost	(62,579)	(69,826)
Special termination benefits	(23,716)	(13,663)
Past service credit / (cost)	12,587	(56)
Gains on curtailments	3,830	11,434
Defined contribution pension costs	(80)	-
Total operating cost	(69,958)	(72,111)
Charged to other finance income/(costs):		
Interest on retirement benefits	(334,244)	(287,594)
Expected return on assets	399,532	364,537
Total other finance income	65,288	76,943
Gains on settlement	190*	39,200**
Total exceptional items	190	39,200
Net charge to the profit and loss account (before tax)	(4,480)	44,032

* This amount represents Ben & Jerry's section 75 Pension payment to Unilever UK Pension Fund (UUKPF).

** This amount represents the transfer of the Unilever Bestfoods UK Limited employees to Unilever UK Limited.

Statement of total recognised gains and losses ('STRGL')

The following amounts have been recognised in the Statement of total recognised gains and losses:

	2008 £000	2007 £000
Actual return less expected return on assets	(1,322,371)	17,997
Experience losses on plan liabilities	(22,683)	(6,995)
Changes in assumptions	701,308	159,602
Actuarial (losses)/gains recognised in the STRGL	(643,746)	170,604
Change in unrecognised surplus	29,054	(2,248)
	(614,692)	168,356
Prior year adjustment for adoption of amendment to FRS17 (before tax)	(6,126)	-
Net actuarial (losses)/gains recognised in the STRGL (before tax)	(620,818)	168,356

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(12) Pensions and similar obligations (continued)

Reconciliation of change in deficit

Movements in the deficit during the year:

	2008 £000	2007 £000 As restated
Deficit as at 1 January	(168,289)	(686,505)
Prior year adjustment	-	(6,126)
Current service cost	(62,579)	(69,829)
Special termination benefits	(23,716)	(13,663)
Past service credit/(cost)	12,587	(56)
Settlements and curtailments	3,830	11,434
Other finance income	65,287	76,943
Actuarial (loss)/gain	(643,746)	170,604
Payments/funding	297,159	348,909
Deficit as at 31 December	<u>(519,467)</u>	<u>(168,289)</u>

The deficit amortisation contributions agreed with the Trustees and paid in 2009 amounted to £111,500,000.

History of experience gains and losses

	2008	2007	2006	2005	2004
Actual return less expected return on plan assets (£000)	(1,322,371)	17,997	111,206	550,298	130,422
As a % of plan assets at year end	(27.8)%	0.3%	2.1%	11.4%	3.3%
Experience losses on plan liabilities (£000)	(22,683)	(6,995)	(50,307)	(2,611)	8,299
As a % of plan liabilities at year end	(0.4)%	(0.1)%	(0.8)%	(0.04)%	0.2%
Total actuarial gains/(losses) (£000)	(643,746)	170,604	131,175	(159,507)	(6,612)
As a % of plan liabilities at year end	12.2%	2.9%	2.2%	(2.6)%	(0.1)%

Unilever UK Central Resources Limited acts as a sponsoring company on behalf of other Group companies in UK. The figures above relate to the total UK position as it is not possible to separate the assets and liabilities of all the member companies.

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(13) Called up Share Capital

	2008	2007
	£000	£000
Authorised		
100,000,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid		
100,000,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

(14) Share Based Payments

The company contributes the costs of the below mentioned Share Based Payment schemes granted by Unilever PLC to the eligible employees.

As at 31 December 2008, the company had the following share-based compensation plans.

(1) Employee Option Scheme

Unilever PLC grants options over its shares to eligible employees under an Employee Share Save Scheme. In order to meet this commitment shares are purchased with finance provided by Unilever PLC and are held by the Unilever Employee Share Trust (Jersey). In consideration of Unilever PLC granting options to its employees the company has agreed to contribute its share of the cost of holding the shares. The Unilever Employee Share Trust (Jersey) is not subject to FRS 20 and relevant disclosures are made in Unilever PLC as the sponsoring company.

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(14) Share Based Payments (continued)

(2) Global Performance Share Plan

This plan was introduced in 2005 and under this plan the company awards conditional shares to managers which will vest three years later at a level between 0% and 150% (for middle management) or 200% (for senior executives). The GPSP conditions for middle management are achievement of underlying sales growth and ungeared free cash flow targets over a three year period. For senior executives, in addition to these two conditions, there is an additional target based on TSR ranking in comparison with a peer group over the three year period. In 2007 the Global Share Incentive Plan (GSIP) was introduced. The provisions of this plan are comparable with GPSP with the same performance conditions. Starting in 2008, awards to GSIP participants normally vest at a level between 0% and 200%.

Under the GPSP, the employees of the company are granted an award of the parent's shares by the company itself. Therefore, these options are accounted for as cash settled share based payments under FRS 20 "share-based payment". For these cash settled share based payments, the fair value of the liability is determined at each balance sheet date and the charge recognised through the profit and loss account over the period in which the related services are provided by the employees.

A summary of the status of the GPSP as at 31 December 2008 and 2007, and changes during the years are given below:

	<u>2008</u> Unilever PLC shares	<u>2008</u> Unilever NV shares	<u>2007</u> Unilever PLC shares	<u>2007</u> Unilever NV shares
As at 1 January	771,003	441,096	557,510	130,635
Transfers	202,788	191,303	-	-
Awarded	637,645	545,824	349,749	310,461
Vested	(324,316)	(213,814)	-	-
Forfeited	-	-	(136,256)	-
As at 31 December	1,287,120	964,409	771,003	441,096

The charge to the profit and loss account for GPSP amounted to £14,064,878 (2007: £7,001,642).

The fair value of the award was £15.79 (2007: £18.90) per PLC share and €17.34 (2007: €25.15) per NV share, based on the market value at the year end, and the total liability as at 31 December 2008 was £25,011,428 (2007: £10,946,550).

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(14) Share Based Payments (continued)

(3) Share Matching Plans

The company operates a Share Matching Plan which enables managers to invest part of their annual bonus in Unilever PLC and NV shares which will be matched by the company with the same number of shares. The managers are required to keep all shares for an agreed period and should be employed by Unilever on the vesting date. Given these conditions, the expense of awarding these shares is based on the fair value of the shares as at the date that the award is granted, and is spread over the vesting period.

(4) Restricted Share Plan

In specific one-off cases a number of executives are awarded the right to receive NV and PLC shares at a specified date in the future, on the condition that they are still employed by Unilever at that time. The amount to be paid to the company by participants to obtain the shares at vesting is zero.

(5) TSR Long-Term Incentive Plan

Under this plan, introduced in 2001, grants are made to Executive Directors and some senior executives. The level of share award which will vest three years later will vary in accordance with the Total Shareholder Return in comparison with a peer group. If the ranking is below the median, the share award will lapse; the higher the ranking above the median, the higher the share award. The amount to be paid to the company by participants to obtain the shares at vesting is zero.

(15) Reconciliation of movements in Total shareholders' deficit

	2008	2007
	£000	£000
Retained (loss)/profit for the financial year	(50,010)	15,386
Actuarial pensions (losses)/gains, net of tax	(442,579)	106,586
Net (decrease)/increase in total shareholders' deficit	(492,589)	121,972
Opening total shareholders' deficit	(480,176)	(597,737)
Prior year adjustment for amendment to FRS17	-	(4,411)
Closing total shareholders' deficit	(972,765)	(480,176)

Unilever U.K. Central Resources Limited
Notes to the accounts – 31 December 2008 (continued)

(16) Reconciliation of movements in Profit retained

	2008 £000	2007 £000
Loss retained as at 1 January	(580,176)	(697,737)
Prior year adjustment for amendment to FRS17	-	(4,411)
(Loss)/profit for the year	(50,010)	15,386
Pensions - Actuarial (losses)/gains, net of tax	(442,579)	106,586
Loss retained as at 31 December	<u>(1,072,765)</u>	<u>(580,176)</u>

(17) Leases and other financial commitments

As at 31 December 2008 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2008 £000	2007 £000
Land and buildings:		
Within 1 year	158	3,530
Within 2 to 5 years	1,617	192
After 5 years	5,732	5,951
	<u>7,507</u>	<u>9,673</u>
Plant and machinery:		
Within 1 year	80	88
Within 2 to 5 years	84	80
After 5 years	-	-
	<u>164</u>	<u>168</u>

Future minimum obligations under finance leases are:

	2008 £000	2007 £000
Obligations falling due:		
Within 1 year	10,402	10,610
Within 2 to 5 years	50,032	50,536
After 5 years	155,576	165,566
	<u>216,010</u>	<u>226,712</u>
Less finance charges allocated to future periods	<u>(91,339)</u>	<u>(99,359)</u>
Net obligations	<u>124,671</u>	<u>127,353</u>

Obligations on finance leases due within one year and after more than one year are disclosed in Note 10 – Creditors.

Unilever U.K. Central Resources Limited

Notes to the accounts – 31 December 2008 (continued)**(17) Leases and other financial commitments**

In 2004, the company entered into a sale and leaseback agreement with Sloane Blackfriars Limited to lease the main offices in London (former Unilever House) for an initial period of 23 years (up to September 2027).

The date from which Unilever was entitled to exercise its rights to use the leased asset, was based upon the date that rent was first payable, this commenced from September 2007 onwards. This is considered the date of commencement of the rental lease and hence the start date of the finance lease and the commencement of recognition of revenue. The current rent amounts to approximately £10 million per annum and is subject to yearly review.

Rent for Unilever Research Laboratory Colworth Park in Bedford will increase by 13% every five years (equivalent to 2.5% per annum).

Other financial commitments:

As per the end of 2008, the company has the following Financial Commitments:

	2008	2007
	£000	£000
Outsourcing contract commitments*	48,619	64,533
Sponsorship	-	2,945
Other commitments	206	2,246
Total Other Financial Commitments	48,825	69,724

* The Outsourcing contract commitments consists of Accenture – HR £43,822,000 and Accenture IT £4,797,000.

Of which due:

	2008	2007
	£000	£000
Within 1 year	11,984	18,033
Within 2 to 5 years	36,841	46,689
After 5 years	-	5,002
	48,825	69,724

(18) Capital Commitments

	2008	2007
	£000	£000
Capital expenditure authorised but not contracted for	7,698	3,133

Notes to the accounts – 31 December 2008 (continued)**(19) Related Party Transactions and Ultimate Parent Company**

The ultimate parent company is Unilever PLC and the immediate holding companies are Blackfriars Nominees Limited and The New Hovema Limited. The beneficiary company is Unilever UK Holdings Ltd. The company has not disclosed transactions with fellow subsidiaries in which the ultimate parent owns more than 90% of the issued share capital, in accordance with the exemption under the terms of Financial Reporting Standard No. 8 as the ultimate parent company produces publicly available consolidated accounts and these accounts are the largest and smallest consolidated group to include Unilever UK Central Resources Limited. Copies of Unilever group accounts can be publicly obtained from Unilever PLC, Corporate Relations Department, 100 Victoria Embankment, London, EC4Y 0DY, United Kingdom.