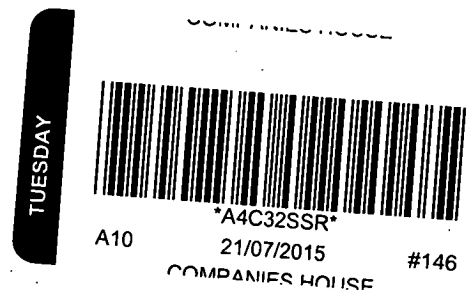


Registered Number: 56350

**LIPTON LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**



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**COMPANY INFORMATION**

**DIRECTORS**

Ms A J K Elphick	(appointed on 30 October 2014)
Mr R C Hazell	(appointed on 30 October 2014)
Mr B K Macauley	(resigned on 30 October 2014)
Mr T H Rowlands	(resigned on 30 October 2014)
Mr J Thurston	(appointed on 30 October 2014 and resigned on 3 December 2014)

**SECRETARY**

None

**REGISTERED OFFICE**

Unilever House  
100 Victoria Embankment  
London  
EC4Y 0DY  
United Kingdom

**REGISTERED OFFICE OF ULTIMATE PARENT COMPANY**

Unilever PLC  
Port Sunlight  
Wirral  
Merseyside CH62 4ZD  
United Kingdom

**INDEPENDENT AUDITORS**

KPMG LLP  
15 Canada Square  
London  
E14 5GL  
United Kingdom

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page 1.

### **Principal activities**

The principal activity of the Company is to act as a holding company. All expenses, including the remuneration of auditors, were borne by the ultimate parent undertaking or a fellow subsidiary.

Due to the Company changing its business activities, all employees were transferred to Unilever UK Limited with effect from 1 January 2012.

The Directors consider that, in the conditions prevailing during the year, the position of the Company's business and its financial position at the end of the year was satisfactory.

### **Financial Results and Dividends**

The results of the Company show a profit on ordinary activities before tax of £nil (2013: £43,000)

Dividends paid during the year amounted to £2,320,000,000 (2013: £nil).

### **Key Performance Indicators**

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

### **Principal Risks and Uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the 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 2014.

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) and from 2015: including FRS 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 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.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**Statement of Provision of Information to Auditors**

Each of the persons who is a Director at the date of approval of this report confirms that:

1. So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
2. The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**Going Concern**

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

**Strategic Report**

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

**Independent Auditors**

As a result of the audit tender carried out by the Unilever Group in 2013, PricewaterhouseCoopers' appointment as external auditor of the Company expired on 1 October 2014 following their conclusion of the audit of the Company's accounts for the year ended 31 December 2013. KPMG LLP have been appointed as the auditors of the Company by way of ordinary resolution of members in accordance with Section 485 of the Companies Act 2006.

By order of the Board



Ms A J K Elphick  
**Director**

Date: 15 July 2015.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIPTON LIMITED**

We have audited the financial statements of Lipton Limited for the year ended 31 December 2014 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) and from 2015: including FRS 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2 and 3, 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](http://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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

### **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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIPTON LIMITED  
(CONTINUED)**

*Sarah Rols*

Sarah Rolls (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

*15 July* 2015

**LIPTON LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014**

	<u>Notes</u>	<b>2014</b> £000	<b>2013</b> £000
Cost of sales		-	24
<b>Gross profit</b>		-	24
Administrative expenses		-	4
<b>Operating profit</b>	(1)	-	28
<b>Profit on ordinary activities before interest</b>		-	28
Interest receivable and similar income	(5)	-	15
<b>Profit on ordinary activities before taxation</b>		-	43
Taxation on profit on ordinary activities	(6)	(13)	(797)
<b>Loss for the financial year</b>		(13)	(754)

The notes on pages 9 to 13 form an integral part of these financial statements.

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

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

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



## BALANCE SHEET AS AT 31 DECEMBER 2014

	<u>Notes</u>	<b>2014</b> £000	<b>2013</b> £000
<b>Current assets</b>			
Debtors (Debtors due after one year £6,815,000; 2013: £nil)	(8)	6,815	7,491
		<u>6,815</u>	<u>7,491</u>
<b>Creditors: amounts falling due within one year</b>	(9)	-	(663)
<b>Net current assets</b>		<u>6,815</u>	<u>6,828</u>
<b>Total assets less current liabilities</b>		<u>6,815</u>	<u>6,828</u>
<b>Net assets</b>		<u>6,815</u>	<u>6,828</u>
<b>Capital and reserves</b>			
Called up share capital	(10)	4,250	4,250
Share premium account	(11)	361	361
Profit and loss account	(11)	2,204	2,217
<b>Total shareholders' funds</b>	(11)	<u>6,815</u>	<u>6,828</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

The financial statements on pages 6 to 13 were approved by the Board of Directors on  
*15 July 2015* and were signed on its behalf by:



Ms A J K Elphick

Director

Date: *15 July 2015.*

**PRINCIPAL ACCOUNTING POLICIES**

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

**Basis of preparation**

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

**Cash Flow Statement**

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

**Current Taxation**

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

**Deferred Taxation**

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

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

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

**Foreign Currencies**

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

**Dividends**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014****(1) Operating Profit**

Operating profit is arrived at after charging/(crediting) the following amounts:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Staff costs	-	16
Redundancy provision release	-	(15)

**(2) 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 and amounts to £4,500 (2013: £10,000, PricewaterhouseCoopers LLP).

The disclosure of fees payable to the auditor and its associates for other (non-audit) services has not been made because the consolidated accounts of the Company's parent are required to disclose other (non-audit) services on a consolidated basis as appropriate.

**(3) Directors' Emoluments**

No remuneration (2013: £nil) was received from the Company by the Directors, including the Chairman. The remuneration of the directors has been borne by another Group company, and are remunerated by that company in respect of their services to the group as a whole.

**(4) Employee Information**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>Staff Costs</b>		
Wages and salaries	-	12
Social security costs	-	1
Other pension costs	-	3
<b>Total</b>	<b>-</b>	<b>16</b>

Due to the Company changing its business activities, employees were transferred to Unilever UK Limited with effect from 1 January 2012. The amounts disclosed above relate to recharged costs.

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

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Interest receivable on amounts due from Unilever Group undertakings	-	15
<b>Total interest receivable</b>	<b>-</b>	<b>15</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**
**(6) Tax on profit on ordinary activities**

The charge for taxation is made up as follows:

	<b>2014</b>		<b>2013</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
On profit for the year				
<b>Current tax:</b>				
UK corporation tax	-		10	
Adjustments for prior years	<u>(13)</u>		<u>37</u>	
<b>Total UK taxation</b>		<u>(13)</u>		<u>47</u>
Adjustments to foreign tax in respect of prior years	-		(844)	
<b>Total foreign taxation</b>		<u>(13)</u>		<u>(844)</u>
<b>Total taxation charge</b>		<u><u>(13)</u></u>		<u><u>(797)</u></u>

The current UK corporate tax rate that has been used for the year is a blended rate of 21.5%. This is on the basis that the rate changed from 23% to 21% as of 1 April 2014.

In addition, a further reduction to the corporation tax rate is proposed to reduce the rate to 20% from 1 April 2015. This further change was substantively enacted on 2 July 2013, before the balance sheet date, and therefore has been included in these financial statements. Such changes do not have a significant effect on the deferred tax balances.

The current tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK (21.5%) (2013: 23.25%). The differences are explained below:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before taxation	-	43
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 21.5% (2013: 23.25%)	-	(10)
Effects of:		
Other short term timing differences	-	20
Adjustments to tax in respect of prior years	(13)	37
Foreign taxation	-	(844)
<b>Current tax charge for the year</b>	<u><u>(13)</u></u>	<u><u>(797)</u></u>

There are no reconciling items relating to intra group transfer pricing policy adjustments in the tax reconciliation for 2014 (2013: none) as no intra group payment will be made for the losses claimed or surrendered relating to such amounts.

The corporation tax creditor includes amounts payable to other group companies in respect of losses claimed by way of group relief. As noted above, no payment is received for losses claimed where taxable income arises as a result of transfer pricing adjustments.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****(6) Tax on profit on ordinary activities (continued)**

	2014 £000	2013 £000
Corporation tax creditor	-	(663)

**(7) Dividends**

	2014 £000	2013 £000
Dividend in specie to Unilever U.K. Holdings Limited	<u>2,320,000</u>	-

**(8) Debtors**

	2014 £000	2013 £000
Amounts due within one year		
Amounts due from Unilever Group undertakings	-	7,491
Amounts due for more than one year		
Amounts due from Unilever Group undertakings	6,815	-
Total debtors	<u>6,815</u>	<u>7,491</u>

Amounts due from Unilever Group undertakings include balances due from Unilever U.K. Central Resources Limited which are non-interest bearing, unsecured and repayable on demand. There's no intention to recall the repayment of the outstanding balance within a year as of 31 December 2014.

**(9) Creditors**

	2014 £000	2013 £000
Amounts falling due within one year		
Corporation Tax	-	(663)
Total	<u>-</u>	<u>(663)</u>

**(10) Called up Share Capital**

	2014 £000	2013 £000
<b>Authorised, allotted, called up and fully paid</b>		
4,250 (2013: 4,250) ordinary shares of 10p each	-	-
4,250,000 (2013: 4,250,000) deferred ordinary shares of £1 each	4,250	4,250
	<u>4,250</u>	<u>4,250</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

**(10) Called up Share Capital (continued)**

The rights of the deferred shares are as follows:

(1) the profits which the Company may determine to distribute in respect of any financial year shall be applied first in paying to the holders of the Ordinary and Deferred Shares *pari passu* a dividend of up to 5 per cent per annum and the balance of the said profits shall be paid to the holders of Ordinary Shares.

(2) on a winding up the assets available for distribution among the members shall be applied first in repaying to the holders of the Ordinary Shares the sum of 10p for each Ordinary Share held by them; second in repaying the holders of the Deferred Shares the sum of £1 each Deferred Share held by them; and any balance of such assets then remaining shall belong to the holders of Ordinary Shares.

(3) save as provided above the holders of the Deferred Shares shall not be entitled to any participation in the profits or assets of the Company.

(4) the holders of the Deferred Shares shall not be entitled to attend or vote at any general meeting of the Company by virtue of or in respect of their holdings of Deferred Shares.

On 10 December 2014 Unilever U.K. Central Resources Limited (“UKCR”) had a £2.320bn receivable (the “**Receivable**”) from Unilever PLC (“PLC”) and a £2.320bn payable to Unilever Finance S.à.r.l (“UFS”). UKCR assigned the Receivable to the Company. In turn the Company undertook an obligation to pay £2.320bn to UFS. Such obligation was transferred by UFS to Lipoma B.V. (“Lipoma”). On 11 December 2014 the Company issued £2.320bn of £0.10p ordinary shares to Lipoma in return for the cancellation of this obligation. On the same day Lipoma transferred its entire shareholding of £2.320bn to Unilever U.K. Holdings Limited (“UKH”), a direct subsidiary of Unilever PLC (“PLC”). On the 12 December 2014 the Company Directors approved a share capital reduction of 23.200bn of the Ordinary Shares of £0.10 creating a distributable reserve of £2.320bn which was subsequently paid as an interim dividend in specie to UKH on 15 December 2014. The payment of the dividend in specie was satisfied by a transfer of the Receivable to UKH.

**LIPTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****(11) Reconciliation of movements in Total Shareholders' Funds**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Loss for the financial year	<b>(13)</b>	<b>(754)</b>
Net reduction to shareholders' funds	<b>(13)</b>	<b>(754)</b>
Opening shareholders' funds	<b>6,828</b>	<b>7,582</b>
Closing shareholders' funds	<b>6,815</b>	<b>6,828</b>

**Reserves**

	<b><u>Share</u></b>	<b><u>Profit and</u></b>	<b><u>Total</u></b>
	<b><u>Premium</u></b>	<b><u>Loss Account</u></b>	
	<b><u>Account</u></b>		
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2014	361	2,217	2,578
Loss for the financial year	-	(13)	(13)
At 31 December 2014	<b>361</b>	<b>2,204</b>	<b>2,565</b>

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

The ultimate parent company and controlling party is Unilever PLC and the immediate holding company is Unilever U.K. Holdings Limited, of which Lipton Limited is a wholly owned subsidiary. The Company has not disclosed transactions with fellow, wholly owned subsidiaries in accordance with the exemption under the terms of Financial Reporting Standard No. 8 "Related party disclosures" as the ultimate parent company produces publicly available consolidated accounts. These accounts are both the smallest and largest group to consolidate these financial statements. Copies of Unilever Group accounts can be publicly obtained from Unilever PLC, Corporate Relations Department, Unilever House, 100 Victoria Embankment, London EC4Y 0DY and [www.unilever.com](http://www.unilever.com).