

Registered Number 4906033

UNIFUSION LIMITED

REPORT AND ACCOUNTS 2005

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Registered Number 4906033

Unifusion Limited

Directors' Report for the Year ended 31 December 2005

The Directors of the Company during the year were as follows:-

Dr S A Forsyth	(resigned 7 February 2005)
Mr J D F Coombs	(appointed 7 February 2005)
Mr A Lane	
Mr M J Samuel	(resigned 3 October 2005)

Review of Activities

The principal activity of the Company during the period consisted of commercialising technical information and expertise and providing contract research relating to the field of fusion protein delivery systems.

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.

Results and Dividend

The loss for the year is £ 115,000 (2004 – (£215,000)). No dividend has been declared

Unifusion Limited

Directors' Interests

According to the Register of Directors' Interests, the notifiable interests of the Directors in office at 31 December 2005, in the share capital of the Company's ultimate holding Company, Unilever PLC, were as follows:-

	Unilever PLC	At 01.01.2005 (1.4p shares)	At 31.12.2005 (1.4p shares)
Mr J D F Coombs	Ordinary shares	4,702 (on appointment)	8,653
Mr A Lane	Ordinary shares	156	443

Options to acquire the number of Unilever PLC Ordinary shares listed below were granted, exercised and held as follows :-

		At 01.01.2005	Granted	Exercised	At 31.12.2005
Mr J D F Coombs	(a)	27,500 (On Appointment)	Nil	Nil	27,500
	(b)	3,848	Nil	3,573	275
Mr A Lane	(a)	23,375	Nil	Nil	23,375
	(b)	2,744	Nil	2,744	Nil

(a) under the Unilever 1985 and 1997 Executive Share Option Schemes and subject to the Rules of those Schemes.

(b) under the Unilever PLC 1985 Sharesave Scheme and subject to the Rules of that Scheme.

The Directors, in common with all employees of Unilever PLC and its UK subsidiaries, have a beneficial interest in the under mentioned Unilever PLC ordinary shares acquired by the Unilever Employee Share Trusts (Jersey) for the purpose of satisfying share options granted to employees.

	At 01.01.2005	At 31.12.2005
Mr J D F Coombs	48,811,337 (On Appointment)	43,232,118
The other Director	48,888,961	43,232,118

Unifusion Limited

Auditors

PricewaterhouseCoopers LLP will remain in office as auditors of the Company in accordance with the provisions of Section 386 of the Companies Act 1985.

By Order of the Board

B S Macaulay

B S Macaulay
Secretary

Date: *24 July 2006*

Unifusion Limited**Statement of Directors' Responsibilities for preparing the accounts**

The Directors are required by UK Company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss and total recognised gains or losses of the Company for that year.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 December 2005. The Directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They also have a 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.

Unifusion Limited**Independent Auditors' Report to the Shareholders of Unifusion Limited**

We have audited the financial statements of Unifusion Limited for the year ended 31 December 2005 on pages 7 to 13. 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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

We read the other information contained in the Annual Report, and consider whether it is consistent with the financial statements. This other information comprises only the Directors' Report and the Statement of the Directors' Responsibilities. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

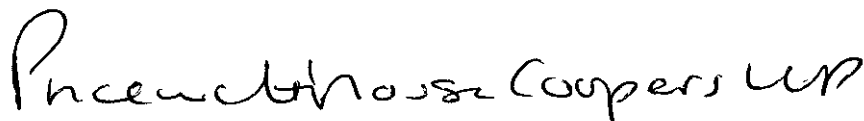
Unifusion Limited**Fundamental Uncertainty**

In forming our opinion, we have considered the adequacy of the disclosure made in the "Principal Accounting Policies" note on page 9 to the financial statements concerning the uncertainty as to the Company's future financial position. For the reasons explained in that note, the financial statements do not include any adjustments that would arise if the financial statements were not drawn up on a going concern basis. In view of this fundamental uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

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 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

Date: 26 July 2006

Unifusion Limited**Profit and Loss Account – Year ended 31 December 2005**

	<u>Notes</u>	2005 £000	2004 £000
Turnover	(1)	108	-
Cost of sales		(76)	-
Gross profit		32	-
Administrative expenses		(194)	(298)
Operating loss	(2)	(162)	(298)
Interest charges	(4)	(3)	(9)
Loss on ordinary activities before taxation		(165)	(307)
Taxation on loss on ordinary activities	(5)	50	92
Loss for the year		(115)	(215)

All operations in the year and in the comparative year were continuing. There are no material differences between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

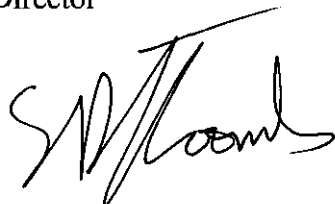
The loss for the financial period represents the total recognised losses of that period and therefore no separate statement of total recognised gains and losses has been presented.

Unifusion Limited**Balance Sheet – 31 December 2005**

	<u>Notes</u>	2005 £000	2004 £000
Current assets			
Debtors	(6)	20	92
Cash at bank and in hand		69	21
		<hr/> 89	<hr/> 113
Creditors: amounts falling due within one year	(7)	(19)	(328)
		<hr/>	<hr/>
Net current assets		70	(215)
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year		-	-
		<hr/>	<hr/>
Net assets		70	(215)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	(8)	400	-
Profit and loss account	(9)	(330)	(215)
		<hr/>	<hr/>
Equity shareholders' funds		70	(215)
		<hr/>	<hr/>

The financial statements on pages 7 to 13 were approved by the Board of Directors on *24th*
July 2006 and were signed on its behalf by:

Mr John D.F. Coombs
 Director



Unifusion Limited**Principal Accounting Policies**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and the applicable accounting standards in the United Kingdom.

The financial statements have been prepared on a going concern basis, which is supported by the projected cash flow of the Company. The projections reflect the expected increase in the level of sales and margins from the Company's main business activities. The Directors recognise that the timings and amount of increases in sales activity and margins are not guaranteed and that as a result the Company's financial position cannot be certain. However, the Directors have a reasonable expectation that the Company will have sufficient working capital for the foreseeable future and consequently believe that it is appropriate for the financial statements to be prepared on a going concern basis.

The financial statements do not contain any adjustments that would arise if the financial statements were not drawn up on a going concern basis. If required these adjustments would be made to the balance sheet of the Company and the Group to increase or reduce the balance sheet values to the recoverable amounts, to provide for further liabilities that might arise and to reclassify long term liabilities as current liabilities.

The Company is a subsidiary of Unilever PLC and its cash flows are included in the consolidated cash flow statement of Unilever PLC. Consequently the Company is exempt under the terms of Financial Reporting Standard No 1 (revised 1996) from publishing a cash flow statement.

Deferred Taxation: Full provision is made for deferred taxation on all significant timing differences arising from the recognition of items for taxation purposes in different periods from those included in the Company accounts. Full provision is made at the rates of tax prevailing at the year-end unless future rates have been enacted or substantively enacted. Deferred tax assets and liabilities have not been discounted.

Research and Development: Expenditure on research and development of new products is charged against profits of the year in which it is incurred.

Foreign Currencies: Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling on the date of the transaction. Liabilities denominated in foreign currencies have been translated into sterling at the rates current at the year end.

Turnover: Turnover comprises the sales of goods and services after deduction of discounts and sales taxes. Revenue is recognised when the risks and rewards of the underlying products have been substantially transferred to the customer.

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.

Unifusion Limited**Principal Accounting Policies (continued)**

Employee Share 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 right to receive dividends on shares held by the Trust has been waived.

Unifusion Limited**Notes to the Accounts – 31 December 2005****(1) Turnover**

The turnover represents sales at invoice value, excluding value added tax.

The geographical analysis of turnover is as follows:-

	2005 £000	2004 £000
Europe	101	-
USA	7	-
	<hr/> 108	<hr/> -

(2) Operating Loss

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

	2005 £000	2004 £000
Auditors' remuneration - audit services	5	5
	<hr/>	<hr/>

(3) Directors' Emoluments

The Directors are employed as managers by Unilever Ventures Limited and they are remunerated by that Company in respect of their services to the Unilever group as a whole. Unilever Ventures Limited does not charge the Company for management or other services.

(4) Interest and Income and Charges

	2005 £000	2004 £000
Other interest receivable and similar income	6	-
Total interest receivable and investment income	<hr/> 6	<hr/> -
Interest payable on loans from group undertakings	(9)	(9)
Total	<hr/> (3)	<hr/> (9)

Unifusion Limited**(5) Taxation on Loss on Ordinary Activities**

The credit for taxation is made up as follows:

	2005	2004
	£000	£000
On loss for the years		
Current tax:		
UK corporation tax credit -		
Losses surrendered for group relief	<u>50</u>	<u>92</u>

There are no reconciling differences between the current tax for the period and the standard rate of corporation tax in the UK (30%).

(6) Debtors

	2005	2004
	£000	£000
Amounts due within one year		
Group relief receivable	<u>20</u>	<u>92</u>

(7) Creditors

	2005	2004
	£000	£000
Amounts due within one year		
Other creditors	19	328
Total	<u>19</u>	<u>328</u>

Unifusion Limited**(8) Called up Share Capital**

	2005 £000	2004 £000
Authorised		
400,090 ordinary shares of £ 1.00 each	400	-
Allotted and fully paid		
400,090 ordinary shares of £ 1.00 each	400	-

(9) Reconciliation of movements in Shareholders' Funds

	2005 £000	2004 £000
Loss for the financial year	(115)	(215)
Opening shareholders' funds	(215)	-
Closing shareholders' funds	(330)	(215)

(10) Related Party Transactions and Ultimate Parent Company

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