

Registered Number 05671842

**RAHU CATALYTICS LIMITED**

**REPORT AND ACCOUNTS 2006**

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## **Rahu Catalytics Limited**

### **Directors' Report for the Period ended 31 December 2006**

The Directors present their report and the audited financial statements of the Company for the period ended 31 December 2006. The company was incorporated on 11 January 2006 and commenced seeking markets for its products the same day

#### **Directors**

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

Mr M P Muth (appointed 11 January 2006)  
 Mr J D F Coombs (appointed 11 January 2006)  
 Mr P L Smith (appointed 23 January 2006)  
 Mr G Fletcher (appointed 1 March 2007)

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

The principal activity of the Company during the period consisted of the technical analysis of chemical catalysts used for bleaching together with seeking customers in the paper pulp and cotton industries

The results of the Company show a pre-tax loss of £336,776 and sales of £167 during the period

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

#### **Key Performance Indicators**

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

#### **Principal Risks and Uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to competitive pricing, commodity, raw and packaging material pricing, consumption levels, physical risks, legislative, fiscal and regulatory conditions. Further discussion of these risks and uncertainties in the context of the Unilever group as a whole is provided in the Unilever published Annual Report.

## **Rahu Catalytics Limited**

### **Post Balance Sheet Event**

After the year end additional share capital subscriptions totalling £390,002 were made to provide additional working capital for the company.

### **Research and Development**

The Company's research and development laboratories continue to investigate new methods and materials both to improve the quality and performance of the existing brands and to provide opportunities for the introduction of new products

### **Dividend**

No ordinary dividend has been paid Preferred Share Dividends have not been declared, but are cumulative at a rate of 6% per annum

### **Creditor Payment Policy**

The Company does not follow any specified code or standard on payment practice. However in the absence of dispute, amounts due to trade and other supplies are settled as expeditiously as possible within their terms of payment.

### **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, with the exception of the changes arising on the adoption of new accounting standards in the year, as explained in principal accounting policies,
- make judgements and estimates that are reasonable and prudent

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

## **Rahu Catalytics Limited**

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 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 234ZA of the Companies Act 1985.

### **Auditors**

During the period PricewaterhouseCoopers LLP were appointed as Auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

By Order of the Board



G Fletcher  
Director

Date

18 Nov 07

## **Rahu Catalytics Limited**

### **Independent Auditors' Report to the Members of Rahu Catalytics Limited**

We have audited the financial statements of Rahu Catalytics Limited for the year ended 31 December 2006, which comprise the Profit and Loss Account, the Balance Sheet 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 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 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.

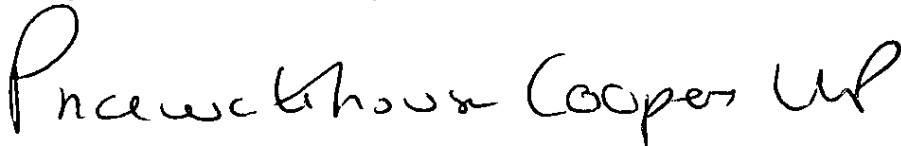
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**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 2006 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

**Emphasis of matter - Going concern**

In forming our opinion, we have considered the adequacy of the disclosures made in the accounting policies note on page 8 concerning the fundamental uncertainty as to the successful trading and fund raising by the company in 2007 and 2008. In view of the significance of this uncertainty concerning going concern, we consider that they should be drawn to your attention but our opinion is not qualified in this respect.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

Date 19 October 2007

**Rahu Catalytics Limited****Profit and Loss Account – Period ended 31 December 2006**

	<u>Notes</u>	<b>2006</b> £000
Turnover	(1)	-
Cost of sales		-
		<hr/>
Gross profit		-
Administrative expenses		(341)
		<hr/>
Operating loss	(2)	(341)
		<hr/>
Loss on ordinary activities before interest		(341)
Net interest receivable	(5)	4
		<hr/>
Loss on ordinary activities before taxation		(337)
Taxation on Loss on ordinary activities	(6)	105
		<hr/>
Loss for the financial year		(232)
Dividend appropriation		11
		<hr/>
Retained loss for the financial year		(243)
		<hr/>
Accumulated losses 31 December	(11)	<u>(243)</u>

All operations in the 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 each financial year represents the total recognised losses of that year and therefore no separate statement of total recognised gains and losses has been presented.

**Rahu Catalytics Limited****Balance Sheet – 31 December 2006**

	<u>Notes</u>	<b>2006</b> £000
<b>Fixed assets</b>		
Goodwill and intangible assets	(7)	<u>96</u>
<b>Current assets</b>		
Debtors	(8)	114
Cash at bank and in hand		<u>515</u>
		629
<b>Creditors: amounts falling due within one year</b>	(9)	<u>( 517)</u>
<b>Net current assets</b>		<u>112</u>
<b>Total assets less current liabilities</b>		208
<b>Net assets</b>		<u>208</u>
<b>Capital and reserves</b>		
Called up share capital	(10)	440
Profit and loss account	(11)	(232)
<b>Equity shareholders' funds</b>		<u>208</u>

The financial statements on pages 6 to 15 were approved by the Board of Directors on  
 18/10/07 and were signed on its behalf by:

  
 G. Fletcher  
 Director



## **Rabu Catalytics Limited**

### **Principal Accounting Policies**

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and the applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, except for any changes arising on adoption of the new accounting standards as described below, are set out below.

The financial statements are prepared on a going concern basis, which the Directors believe to be appropriate as they believe the Company will raise the additional funding necessary from its current shareholders and third party investors in the period subsequent to the year end. The Directors have prepared cash flow projections for the company covering the period ending 12 months from the date of their approval of these financial statements. The Directors believe that appropriate funding will be generated or raised within the required timescale and on this basis that the company will be able to operate within its available facilities. Should the external funding not be completed within the required timescale, the Directors would be required to review the going concern basis of preparation and would make adjustments to these accounts as appropriate.

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

**Goodwill and Intangible Assets** No value is attributable to internally generated intangible assets. Goodwill and intangible assets purchased are capitalised and amortised in operating profit over the period of their useful life.

**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 or at monthly average rates. Monetary assets and liabilities denominated in foreign currencies have been translated into sterling at the covered rates of exchange and at rates current at the period end, and profits/losses are taken through the Profit and Loss Account of the period.

**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.

## **Rahu Catalytics 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.

**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.

**Preference Shares:** Presentational requirements under FRS25 Financial Instruments Disclosure and Presentation have been applied. Where a Company's preference shares carry the characteristics of a liability as opposed to equity, the Company's preference shares are disclosed as a liability in the balance sheet. The associated dividends are disclosed as part of net interest cost.

**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.

**Rahu Catalytics Limited****Notes to the Accounts – 31 December 2006****(1) Turnover**

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

The geographical analysis of turnover is as follows:-

	2006
	£
European Union	167
	<hr/>
	167

The Company, in the opinion of the Directors, does not carry on classes of business substantially different from each other. Consequently, no segmental analysis of the business is included in these accounts.

**(2) Operating Loss**

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

	2006
	£000
Amortisation	
- intangible assets	15
Auditors' remuneration	
- audit services	5
- non audit services	-
	<hr/>

**(3) Directors' Emoluments**

The Directors, except Mr P L. Smith, including the Chairman, are employed as managers by Unilever UK Central Resources Limited and they are remunerated by that Company in respect of their services to the group as a whole. Unilever UK Central Resources Limited charges the Company for management and other services.

Mr. P L. Smith is a consultant and was paid for consultancy services amounting to £163,369 during the period.

**Rahu Catalytics Limited****(4) Employee Information**

The average number of persons employed by the Company, including Directors, during the year is analysed below:

	2006
Production	
Marketing, selling and distribution	1
Administration	2
	<hr/>
Total	3
	<hr/>

**(5) Net interest receivable**

	2006 £000
Other interest receivable and similar income	11
	<hr/>
Total interest receivable and investment income	11
	<hr/>
Interest payable on loans from group undertakings	( 7 )
	<hr/>
Total interest payable and similar charges	( 7 )
	<hr/>
Total	4
	<hr/>

**Rahu Catalytics Limited****(6) Taxation on Profit (or Loss) on Ordinary Activities**

The credit for taxation is made up as follows

	2006	
	£000	£000
On loss for the period		
Current tax		
UK corporation tax	105	
Total UK current taxation		105
Total taxation credit		105

The current tax credit for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below.

	2006 £000
Loss on ordinary activities before tax	(337)
Loss on ordinary activities multiplied by the standard rate of corporation tax in UK of 30%	101
Effects of	
Capital allowances lower than depreciation	4
Current tax credit for the period	105

**(7) Intangible Assets**

	<u>Cost</u> £000	<u>Amortisation</u> £000	<u>Net Book Value</u> £000
At 11 January 2006	-	-	-
Acquisitions	111	-	111
Charged to profit and loss	-	(15)	(15)
At 31 December 2006	111	(15)	96

Intangible assets comprise Intellectual Property Right licences granted to Rahu Catalytics Limited by Unilever plc during the period

**Rahu Catalytics Limited****(8) Debtors**

	2006 £000
Amounts due within one year	
Group relief receivable	105
Prepayments and accrued income	9
	<hr/>
Total debtors	114

**(9) Creditors**

	2006 £000
Amounts due within one year	
Amounts owed to group undertakings	330
Accruals and deferred income	187
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Total	517

Amounts owed to group undertakings include balances with Unilever UK Central Resources Ltd and Unilever NV which are interest bearing at monthly LIBOR and are unsecured

**(10) Called up Share Capital**

Number of shares	A Ordinary Shares of £0.01	B Ordinary Shares of £0.01	B Preferred Shares of £0.01	Total
<b>Authorised</b>				
At 11 January 2006	100,000	-	-	100,000
Increase during the period	-	100,000	500,000,000	500,100,000
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	100,000	100,000	500,000,000	500,200,000
<b>Issued, called up and fully paid</b>				
At 11 January 2006	1	-	-	1
Issued	9,299	700	44,018,800	44,028,799
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	9,300	700	44,018,800	44,028,800

**Rahu Catalytics Limited****(10) Called up Share Capital (Continued)**

<b>£'000</b>	<b>A Ordinary Shares of £0.01</b>	<b>B Ordinary Shares of £0.01</b>	<b>B Preferred Shares of £0.01</b>	<b>Total</b>
<b>Authorised</b>				
At 11 January 2006	1	-	-	1
Increase during the period	-	1	5,000	5,001
At 31 December 2006	1	1	5,000	5,002
<b>Issued, called up and fully paid</b>				
At 11 January 2006	-	-	-	-
Issued during the period	-	-	440	440
At 31 December 2006	-	-	440	440

The rights of the different classes of non-equity shares are as follows:

**B Preferred Shares (non Voting)**

B preferred shares carry no right to dividends. However at the date of redemption each holder of B Preferred Shares is entitled to receive a fixed cumulative preferential dividend at the rate of 6 per cent per annum of the issue price of each share.

**Ordinary Shares**

The A and B Ordinary Shares rank parri passu save that the Articles contain valuation provisions should a holder of B Shares leave the company's employment.

**Rahu Catalytics Limited****(11) Reconciliation of movements in Total Shareholders' Funds**

	2006 £000
Retained loss for the financial period	(243)
Write back of dividend appropriation	11
Share issue	440
Net addition	<u>208</u>
Opening total shareholders' funds	-
Closing total shareholders' funds	<u>208</u>

**Reserves**

	<b><u>Profit and Loss</u></b> <b><u>Account</u></b> £000
At 11 January 2006	-
Retained loss for the period	(243)
Write back of dividend appropriation	<u>11</u>
At 31 December 2006	<u>(232)</u>

**(12) 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 as the ultimate parent company produces publicly available accounts. Copies of Unilever PLC accounts can be publicly obtained from Unilever PLC, Corporate Relations Department, PO Box 68, Blackfriars, London EC4P 4BQ.

**(13) Post Balance Sheet Event**

After the year end additional share capital subscriptions totalling £390,002 were made to provide additional working capital for the company.