



Unilever

ANNUAL ACCOUNTS  
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English version in guilders

# ANNUAL ACCOUNTS

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# GENERAL INFORMATION

## Introduction

This booklet contains the Unilever N.V. annual accounts for 1989, the Auditors' Report thereon, further statutory information, and the company balance sheet of Unilever PLC. The Unilever N.V. annual accounts comprise the company accounts of Unilever N.V., and the consolidated accounts of the N.V. Group, the PLC Group and the combined N.V. and PLC Groups. Currency figures are expressed in guilders, except where stated otherwise.

This booklet is an English translation of the original Dutch publication. There is also an English version issued by PLC with currency figures expressed in pounds sterling and containing the Unilever PLC annual accounts for 1989 together with the Auditors' Report thereon; it is identical with this booklet except for the difference in currency and for certain details which are required only in the United Kingdom or in the Netherlands and which are therefore not included in the N.V. or PLC versions respectively.

The Unilever N.V. Directors' Report for 1989, with figures expressed in guilders, is contained in a separate booklet entitled 'Unilever Annual Report 1989' which is available in Dutch and in an English translation. In addition there is an English version with figures translated into US dollars, as well as an English version issued by Unilever PLC with figures in pounds sterling.

The documents 'Unilever Annual Report 1989' and 'Unilever Annual Accounts 1989' in the Dutch language, with figures expressed in guilders, together comprise the full Annual Report and Accounts and further statutory information, drawn up in accordance with Dutch legislation. Copies of both documents and of all other versions thereof can be obtained without charge on application to Unilever N.V., External Affairs Department, P.O. Box 760, 3000 DK Rotterdam, or Unilever PLC, External Affairs Department, P.O. Box 68, Unilever House, London EC4P 4BQ.

# Unilever

The two parent companies, Unilever N.V. and Unilever PLC, operate as nearly as is practicable as a single company, have the same Directors and are linked by agreements, including an Equalisation Agreement which is designed so that the position of the shareholders of both companies is as nearly as possible the same as if they held shares in a single company. The combined affairs of N.V. and PLC are, therefore, more important to shareholders than those of the two separate companies. Consequently, combined accounts are prepared for Unilever N.V. and Unilever PLC which comprise an aggregation of the consolidated accounts of Unilever N.V. and its group companies and the consolidated accounts of Unilever PLC and its group companies.

The Equalisation Agreement, amongst other things, provides for both companies to adopt the same principles of accountancy and requires as a general rule the dividends and other rights and benefits (including rights on liquidation) attaching to each Fl. 12 nominal of ordinary capital of N.V. to be equal in value at the relevant sterling/guilder rate of exchange to those attaching to each £1 nominal of ordinary share capital of PLC as if each such unit formed part of the ordinary capital of one and the same company.

## **Companies legislation**

The accounts set out on pages 3 to 5 and 7 to 32 have been prepared under the historical cost convention. The accounts comply with Civil Code, Book 2 in the Netherlands and the United Kingdom Companies Act 1985.

## **Accounting standards**

The accounts comply with Accounting Standards (SSAPs) in the United Kingdom, except for the treatment of deferred taxation as explained below, and with current Dutch accounting principles.

United Kingdom Accounting Standard SSAP 15 requires that no provision should be made for deferred taxation when it is probable, based on reasonable assumptions, that a liability will not crystallise. In this respect SSAP 15 is not in agreement with Dutch law as currently applied and, because of that and the Equalisation Agreement, full provision continues to be made for deferred taxation liabilities. The effects of this departure from SSAP 15 are shown in the notes to the accounts.

## **OECD Guidelines**

In preparing our Report and Accounts we adhere to the disclosure recommendations of the OECD Guidelines for Multinational Enterprises.



# ACCOUNTING POLICIES

## Group companies

With the exception of Unilever United States, Inc. and its subsidiaries, to which reference is made below:

- companies included in the consolidation of N.V. (N.V. group companies) are the companies in which, directly or indirectly, N.V. holds more than half of the total issued capital and companies in which, directly or indirectly, N.V. holds half or less of the total issued capital where their consolidation is in accordance with the true and fair view required to be given by the accounts;
- companies included in the consolidation of PLC (PLC group companies) are those in which, directly or indirectly, PLC holds more than half of the equity capital and those in which, directly or indirectly, PLC is a shareholder and controls the composition of a majority of the board of directors.

The shares of Unilever United States, Inc. are owned as to 75% by N.V. and 25% by PLC. The assets and liabilities, turnover and results of Unilever United States, Inc. and its subsidiaries have been allocated to the N.V. and PLC Groups in proportion to their shareholdings.

A list of principal group companies is given on pages 25 to 27.

## Related companies

Related companies (associated companies and trade investments) are those, other than group companies, in which N.V. or PLC directly or indirectly has a shareholding, on a long-term basis, for the purpose of securing a contribution to the Group's activities.

Associated companies are related companies in respect of which N.V. or PLC is in a position to exercise significant influence. The results of associated companies included in the consolidated accounts are for periods ending not earlier than 30th June.

Trade investments are related companies other than associated companies.

A list of principal related companies is given on page 27.

## Foreign currencies

Exchange differences arising in the accounts of individual companies from transactions denominated in foreign currencies are dealt with in the individual companies' profit and loss accounts. Those arising on trading transactions are taken to operating profit; those arising on cash, current investments and borrowings are considered similar in nature to the interest on the corresponding asset or liability and are therefore included with interest receivable or interest payable as appropriate.

In preparing the consolidated accounts in guilders, (a) the profit and loss account for the year, (b) the balance sheet values at the year end other than for the ordinary share capital of PLC, and (c) the source and use of funds for the year are translated at year-end rates of exchange. The ordinary share capital of PLC is translated at the Equalisation Agreement rate of £1 = Fl. 12. The difference between the share capital value in guilders thus derived and the value derived by applying the year-end rate of

exchange is taken up in Other reserves (see note 19 on page 19). The other effects of exchange rate changes during the year on the assets less liabilities at the beginning of the year are recorded as a movement in profit retained.

## Fixed assets

No value is attributed to intangible assets. Purchased goodwill, being the difference between the price paid for new interests and the fair value of the Group's share of their net assets at the date of acquisition, is written off in the year as a movement in profit retained.

Tangible assets are stated at cost (net of capital-based grants) less depreciation. Depreciation is provided by the straight-line method at percentages of cost based on the expected average useful lives of the assets. Estimated useful lives by major class of depreciable assets are as follows, the range of lives within each class reflecting the diversity of the assets:

Freehold buildings (no depreciation on freehold land)	33 – 40 years
Leasehold land and buildings	*) 33 – 40 years
Plant and equipment	5 – 20 years
Motor vehicles	3 – 6 years

\*) or life of lease if less than 33 years

Fixed investments comprise interests in and loans to related companies and other investments held on a continuing basis.

Interests in associated companies are stated in the consolidated balance sheets at the Group's share of their net assets; the Group's share of associated companies' profits and losses is included in the consolidated profit and loss accounts; and its share of their retained profits and reserves accrued since acquisition, or since the initial investment where a company has changed from being a group company to an associated company, is included in consolidated profit retained.

Trade investments are stated at cost less amounts written off and dividends from these shareholdings are accounted for when received.

Other fixed investments, which are stated at cost less amounts written off, consist of long-term shareholdings in companies that are not group companies or related companies and long-term loans other than to group companies or related companies.

## Current assets

Stocks are stated at the lower of cost and estimated net realisable value, after provisions for obsolescence. Cost is mainly average cost. It comprises direct costs and, where appropriate, a proportion of production overheads.

Debtors are stated after deducting adequate provision for doubtful debts.

Current investments are liquid funds temporarily invested and are shown at their realisable value, the difference between this and cost being taken to interest receivable and similar income in the profit and loss accounts.



### **Pensions**

The expected costs of providing retirement pensions and related benefits under defined benefit schemes, whether externally funded or provided for in the consolidated balance sheets, are charged to profit and loss account over the periods benefiting from the employees' services. Variations from expected cost are normally spread over the average remaining service lives of current employees. Pension contributions by group companies to defined contribution schemes are charged to the profit and loss account as incurred.

Provisions are maintained in the consolidated balance sheets for liabilities arising under defined benefit pension schemes which are not externally funded. In relation to funded schemes any differences between the charge to profit and loss account and contributions paid to each scheme are recorded as an asset (prepayment) or liability (provision) in the balance sheet.

### **Deferred taxation**

Deferred taxation, calculated at current rates of tax unless future rates have been enacted, includes:

- (a) tax liabilities arising from the accelerated depreciation of tangible fixed assets for tax purposes;
- (b) tax liabilities relating to stock reliefs;
- (c) estimated future tax relief on the provisions for funded and unfunded pensions;
- (d) tax on short-term and other timing differences;
- (e) provision for taxation on the revaluation of the net assets of new interests acquired.

Provision is not regarded as necessary, and is not made, for taxation which would become payable if retained profits of group companies and associated companies were distributed to the parent companies, as it is not the intention to distribute more than the dividends the tax on which is included in the accounts.

The deferred taxation which would be necessary if SSAP 15 were applied is given for information in notes 6 and 16 on pages 11 and 17 respectively.

### **Research and development**

Expenditure on research and development is charged against the profit of the year in which it is incurred.

### **Turnover**

Turnover comprises sales of goods and services after deduction of discounts and sales taxes. It includes sales to related companies but does not include sales by related companies or sales between group companies.

### **Inter-group pricing for goods and services**

International trade in own manufactured goods between group companies is relatively unimportant in relation to sales to third parties and related companies. The preferred method for determining the transfer prices is to take the market price; where there is no market price, the two managements concerned engage in arm's length negotiations. Normally this will lead to a price fixed at ex-works cost plus an appropriate percentage for a profit mark-up. Where required the method employed is discussed and agreed with the government authorities of the countries concerned.

General services provided by central advisory departments and research laboratories are charged to group companies on the basis of fees under agreements approved where necessary by the government authorities of the countries concerned.

Where a central purchasing department buys goods for a group company for use in its production, then that company is either treated as the buyer in the contract or is given the benefit of the central purchasing department's contract price.

However, where a specialist buying service is provided directly by one unit for another, an appropriate commission is generally either included in the price or shown on the face of the relevant documents. In most of these cases the method applied is based on agreements with the taxation and other government authorities of the countries concerned.

### **Leases**

Lease rental payments, which are principally in respect of operating leases, are charged to the profit and loss accounts on a straight-line basis over the lease term, or between rent reviews where these exist, except in cases where another systematic and rational basis is more appropriate.

### **Current cost information**

Current cost information on tangible fixed assets is given in note 7 on page 12.

### **Proposed change of accounting policy**

In preparing the consolidated accounts with effect from 1st January, 1990 the results of foreign subsidiaries and associates will be translated at average rates of exchange for the year, except for companies in hyper-inflationary economies whose figures will continue to be translated at closing rates for the year. Differences between results at average rates and at closing rates will be recorded as a movement in profit retained.

The impact of this change on the profit and loss accounts for 1988 and 1989, had the change been introduced for those years, is set out on page 36 of 'Unilever Annual Report 1989' which accompanies this booklet.

# REPORT OF THE AUDITORS

## **Report of the auditors to the members of Unilever N.V.**

We have examined the accounts expressed in guilders of Unilever N.V., which include the accounts of the N.V. Group, the PLC Group, and the combined N.V. and PLC Groups.

In our opinion the accounts set out on pages 3 to 5 and 7 to 29 give a true and fair view of the state of affairs of Unilever N.V., the N.V. Group, the PLC Group, and the combined N.V. and PLC Groups at 31st December, 1989 and of their profit and source and use of funds for the year then ended.

Coopers & Lybrand Nederland  
Rotterdam

Coopers & Lybrand Deloitte  
London

As auditors of Unilever N.V.

As auditors of Unilever PLC.

19th March, 1990

A separate audit report has been issued to the members of Unilever PLC on the accounts of Unilever PLC and the PLC Group, in accordance with legal requirements in the United Kingdom, and on the accounts of the N.V. Group and the accounts of the combined PLC and N.V. Groups. Those accounts are expressed in pounds sterling.

# CONSOLIDATED PROFIT AND LOSS ACCOUNTS

for the year ended 31st December

Fl. million

N.V.		PLC			Combined	
1989	1988	1989	1988		1989	1988
43 433	38 848	22 852	23 113	<b>Turnover</b>	<b>66 285</b>	61 961
(39 452)	(35 418)	(20 742)	(21 057)	Operating costs	(60 194)	(56 475)
3 981	3 430	2 110	2 056	<b>Operating profit</b>	<b>6 091</b>	5 486
55	87	115	97	Income from fixed investments	170	184
(441)	(211)	(271)	(197)	Interest	(712)	(408)
3 595	3 306	1 954	1 956	<b>Profit on ordinary activities before taxation</b>	<b>5 549</b>	5 262
(1 368)	(1 381)	(750)	(713)	Taxation on profit on ordinary activities	(2 118)	(2 094)
2 227	1 925	1 204	1 243	<b>Profit on ordinary activities after taxation</b>	<b>3 431</b>	3 168
(115)	(97)	(67)	(50)	Outside interests in group companies	(182)	(147)
2 112	1 828	1 137	1 193	<b>Profit on ordinary activities attributable to shareholders</b>	<b>3 249</b>	3 021
(15)	(15)	—	(1)	Preference dividends	(15)	(16)
(753)	(686)	(411)	(384)	Dividends on ordinary capital	(1 164)	(1 070)
1 344	1 127	726	808	<b>Profit of the year retained</b>	<b>2 070</b>	1 935
1 344	1 127	726	808	<b>Movements in profit retained</b>	<b>2 070</b>	1 935
(3 187)	(333)	(1 182)	(316)	Profit of the year retained	(4 369)	(649)
—	—	(18)	—	Goodwill: group companies and associates	(18)	—
(246)	(44)	(583)	216	Preference capital redemption	(829)	172
(2 089)	750	(1 057)	708	Currency retranslation	(3 146)	1 458
5 729	4 979	4 749	4 041	Net movements during the year	<b>10 478</b>	9 020
3 640	5 729	3 692	4 749	Profit retained – 1st January		
				Profit retained – 31st December	<b>7 332</b>	10 478

## Combined earnings per share

(for details of calculation see page 24)

Guilders per Fl. 4 of ordinary capital  
Pence per 5p of ordinary capital

On a SSAP 15 basis the figures would be:  
Guilders per Fl. 4 of ordinary capital  
Pence per 5p of ordinary capital

Fl. 11.59 Fl. 10.78  
56.43p 44.68p

Fl. 12.38 Fl. 10.82  
60.30p 44.89p

References in boxes relate to the notes on pages 10, 11 and 19.



# CONSOLIDATED BALANCE SHEETS

as at 31st December

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
10 673	9 221	6 076	5 945	16 749	15 166
436	458	293	293	729	751
11 109	9 679	6 369	6 238	17 478	15 917
6 118	5 615	3 868	3 910	9 986	9 525
7 405	6 107	3 176	3 149	10 581	9 256
314	3 298	226	314	540	3 612
619	1 105	486	403	1 105	1 508
14 456	16 125	7 756	7 776	22 212	23 901
2 704	2 180	1 370	1 569	4 074	3 749
9 494	8 447	4 504	4 566	13 998	13 013
2 258	5 498	1 882	1 641	4 140	7 139
13 367	15 177	8 251	7 879	21 618	23 056
3 338	2 153	1 252	1 158	4 590	3 311
708	705	203	336	911	1 041
3 168	2 932	628	647	3 796	3 579
1 580	1 376	899	822	2 479	2 198
(1 015)	368	1 015	(368)	—	—
1 039	1 003	331	291	1 370	1 294
905	905	478	494	1 383	1 399
52	52	73	60	125	112
3 592	5 683	3 372	4 439	6 964	10 122
4 549	6 640	3 923	4 993	8 472	11 633
13 367	15 177	8 251	7 879	21 618	23 056

## Fixed assets

Tangible assets  
Fixed investments

7  
8

## Current assets

Stocks  
Debtors  
Current investments  
Cash at bank and in hand

9  
10  
11  
12

Less:

**Creditors due within one year**  
Borrowings  
Trade and other creditors

13  
14

## Net current assets

## Total assets less current liabilities

## Creditors due after more than one year

Borrowings  
Trade and other creditors

13  
14

## Provisions for liabilities and charges

Pensions and similar obligations  
Deferred taxation and other provisions

15  
16

Inter-group N.V./PLC

17

## Outside interests in group companies

## Capital and reserves

Called up share capital  
Share premium account  
Profit retained and other reserves

18  
19

## Total capital employed

19th March, 1990

References in boxes relate to the notes on pages 12 to 19.

# CONSOLIDATED SOURCE AND USE OF FUNDS

for the year ended 31st December

Fl. million

N.V.		PLC			Combined	
1989	1988	1989	1988		1989	1988
2 112	1 828	1 137	1 193	<b>Operating activities</b>	<b>3 249</b>	3 021
				Profit attributable to shareholders		
				Adjustments to reconcile profit attributable to the funds provided by operating activities:		
824	749	472	475	Depreciation	<b>1 296</b>	1 224
171	204	19	63	Unfunded pension provisions less payments	<b>190</b>	267
351	211	103	13	Taxation charge less payments	<b>454</b>	224
				Changes in working capital:		
(349)	(696)	(280)	(242)	Stocks	<b>(629)</b>	(938)
(1 178)	(772)	(256)	(178)	Debtors	<b>(1 434)</b>	(950)
683	779	178	310	Creditors	<b>861</b>	1 089
(30)	(377)	30	377	Inter-group N.V./PLC	—	—
(304)	51	(134)	(118)	Others	<b>(438)</b>	(67)
<b>2 280</b>	<b>1 977</b>	<b>1 269</b>	<b>1 893</b>	<b>Funds provided by operating activities</b>	<b>3 549</b>	3 870
				<b>Investing activities</b>		
(2 163)	(1 819)	(1 175)	(1 192)	Capital expenditure	<b>(3 338)</b>	(3 011)
(3 608)	(638)	(1 319)	(592)	Acquisition of group companies <span style="float: right;">20</span>	<b>(4 927)</b>	(1 230)
216	193	154	161	Disposal of tangible fixed assets (net book value)	<b>370</b>	354
148	32	129	462	Disposal of group companies <span style="float: right;">20</span>	<b>277</b>	494
10	(24)	(14)	(22)	Acquisition/disposal of fixed investments	<b>(4)</b>	(46)
—	1 613	—	(1 613)	Inter-group N.V./PLC	—	—
<b>(5 397)</b>	<b>(643)</b>	<b>(2 225)</b>	<b>(2 796)</b>	<b>Funds used in investing activities</b>	<b>(7 622)</b>	(3 439)
				<b>Financing activities</b>		
(722)	(621)	(344)	(364)	Dividends paid	<b>(1 066)</b>	(985)
1 275	698	302	203	Additional borrowings due after more than one year	<b>1 577</b>	901
(190)	(693)	(157)	(175)	Reduction of borrowings due after more than one year	<b>(347)</b>	(868)
11	100	(11)	(100)	Inter-group loans due after more than one year – N.V./PLC	—	—
(1)	(12)	4	26	Others	<b>3</b>	14
<b>373</b>	<b>(528)</b>	<b>(206)</b>	<b>(410)</b>	<b>Funds provided by/used in financing activities</b>	<b>167</b>	(938)
<b>(2 744)</b>	<b>806</b>	<b>(1 162)</b>	<b>(1 313)</b>	<b>Increase/(decrease) in net liquid funds</b>	<b>(3 906)</b>	(507)
1 935	1 448	(564)	780	Net liquid funds 1st January	<b>1 371</b>	2 228
124	(319)	(18)	(31)	Currency retranslation	<b>106</b>	(350)
<b>(2 744)</b>	<b>806</b>	<b>(1 162)</b>	<b>(1 313)</b>	<b>Increase/(decrease) in net liquid funds</b>	<b>(3 906)</b>	(507)
<b>(685)</b>	<b>1 935</b>	<b>(1 744)</b>	<b>(564)</b>	<b>Net short-term borrowings 31st December</b>	<b>(2 429)</b>	1 371
				Of which:		
314	3 298	226	314	Current investments	<b>540</b>	3 612
619	1 105	486	403	Cash at bank and in hand	<b>1 105</b>	1 508
(2 704)	(2 180)	(1 370)	(1 569)	Borrowings due within one year	<b>(4 074)</b>	(3 749)
1 086	(288)	(1 086)	288	Inter-group loans due within one year – N.V./PLC	—	—

References in boxes relate to the note on pages 20 and 21.



# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
<b>1 Turnover</b>					
Analysis by geographical areas:					
29 200	25 958	10 532	11 389	39 732	37 347
9 537	8 153	4 757	4 226	14 294	12 379
4 696	4 737	7 563	7 498	12 259	12 235
43 433	38 848	22 852	23 113	66 285	61 961
Analysis by operations:					
22 566	19 840	10 582	11 001	33 148	30 841
9 149	8 588	4 987	4 937	14 136	13 525
5 243	4 287	1 871	1 606	7 114	5 893
3 749	3 493	1 787	1 767	5 536	5 260
2 726	2 640	3 625	3 802	6 351	6 442
43 433	38 848	22 852	23 113	66 285	61 961
<b>2 Operating costs</b>					
(25 491)	(22 863)	(14 856)	(15 157)	(40 347)	(38 020)
(9 665)	(8 466)	(3 805)	(3 761)	(13 470)	(12 227)
(4 296)	(4 089)	(2 081)	(2 139)	(6 377)	(6 228)
(39 452)	(35 418)	(20 742)	(21 057)	(60 194)	(56 475)
These comprise:					
(5 948)	(5 542)	(2 918)	(3 016)	(8 866)	(8 558)
(8)	(7)	(10)	(10)	(18)	(17)
(416)	(469)	(181)	(217)	(597)	(686)
(35)	(42)	(13)	(11)	(48)	(53)
(1 066)	(1 011)	(206)	(224)	(1 272)	(1 235)
(6)	(3)	(3)	(4)	(9)	(7)
(7 479)	(7 074)	(3 331)	(3 482)	(10 810)	(10 556)
(20 485)	(18 410)	(12 072)	(12 052)	(32 557)	(30 462)
(824)	(749)	(472)	(475)	(1 296)	(1 224)
(147)	(135)	(47)	(44)	(194)	(179)
(255)	(217)	(79)	(84)	(334)	(301)
(10)	(8)	(5)	(8)	(15)	(16)
(10 252)	(8 825)	(4 736)	(4 912)	(14 988)	(13 737)
(39 452)	(35 418)	(20 742)	(21 057)	(60 194)	(56 475)
Costs included above:					
(738)	(725)	(480)	(476)	(1 218)	(1 201)
20	(53)	35	(70)	55	(123)
121	191	68	65	189	256
<b>3 Operating profit</b>					
Analysis by geographical areas:					
2 567	2 272	729	933	3 296	3 205
996	719	430	299	1 426	1 018
418	439	951	824	1 369	1 263
3 981	3 430	2 110	2 056	6 091	5 486
Analysis by operations:					
2 022	1 847	971	922	2 993	2 769
656	489	379	396	1 035	885
561	457	196	142	757	599
480	448	254	287	734	735
262	189	310	309	572	498
3 981	3 430	2 110	2 056	6 091	5 486



# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
<b>4 Income from fixed investments</b>					
42	66	109	92	151	158
13	21	6	5	19	26
55	87	115	97	170	184
<b>5 Interest</b>					
(808)	(516)	(484)	(327)	(1 292)	(843)
359	289	149	97	508	386
8	16	64	33	72	49
(441)	(211)	(271)	(197)	(712)	(408)
(680)	(365)	(421)	(278)	(1 101)	(643)
<b>6 Taxation on profit on ordinary activities</b>					
(1 351)	(1 357)	(703)	(673)	(2 054)	(2 030)
(17)	(24)	(47)	(40)	(64)	(64)
(1 368)	(1 381)	(750)	(713)	(2 118)	(2 094)
15	(10)	41	2	56	(8)
(197)	(201)	(60)	(47)	(257)	(248)
177	113	(79)	30	98	143
(20)	(88)	(139)	(17)	(159)	(105)
65	(69)	—	(3)	65	(72)
33	(17)	(4)	(4)	29	(21)
98	(86)	(4)	(7)	94	(93)
2 345	1 927	1 339	1 253	3 684	3 180
<p>Interest payable on borrowings, the final repayment of which will be made within five years, amounted to</p>					
<p>Of which adjustments to previous years</p>					
<p>Deferred taxation has been included on a full provision basis, as explained on page 3, in respect of:</p>					
<p>Accelerated depreciation</p>					
<p>Other</p>					
<p>On a SSAP 15 basis these amounts would be:</p>					
<p>Accelerated depreciation</p>					
<p>Other</p>					
<p>Profit on ordinary activities after taxation on a SSAP 15 basis would amount to</p>					
<p>The charge for PLC Parent and group companies comprises:</p>					
<p>United Kingdom Corporation Tax at 35% (1988: 35%)</p>					
<p>less: double tax relief</p>					
<p>plus: non-United Kingdom taxes</p>					
<p>The close company provisions of the United Kingdom Income and Corporation Taxes Act 1988 do not apply to PLC.</p>					

# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
<b>7 Tangible assets</b>					
Tangible assets at cost less depreciation:					
3 208	2 776	1 947	1 898	5 155	4 674
7 465	6 445	4 129	4 047	11 594	10 492
10 673	9 221	6 076	5 945	16 749	15 166
417	410	209	253	626	663
4	5	93	37	97	42
<sup>a)</sup> includes: freehold land leasehold land – mainly long-term (50 years or over)					
On a current replacement cost basis tangible assets would have been:					
25 237	22 761	14 919	14 993	40 156	37 754
(11 296)	(10 659)	(6 141)	(6 604)	(17 437)	(17 263)
13 941	12 102	8 778	8 389	22 719	20 491
Net					
(433)	(464)	(270)	(261)	(703)	(725)
The depreciation charge in the profit and loss account would have been increased by					
At 31st December, capital expenditure authorised by the Boards and not spent amounted to					
1 692	1 616	877	954	2 569	2 570
Of these amounts, commitments had been entered into for					
538	441	281	282	819	723

	Land and buildings			Plant and machinery			Total		
	N.V.	PLC	Combined	N.V.	PLC	Combined	N.V.	PLC	Combined
Movements during 1989									
<b>Cost</b>									
1st January	3 977	2 403	6 380	11 820	6 799	18 619	15 797	9 202	24 999
Currency retranslation	(118)	(166)	(284)	(266)	(762)	(1 028)	(384)	(928)	(1 312)
Expenditure	357	211	568	1 806	964	2 770	2 163	1 175	3 338
Disposals	(104)	(88)	(192)	(538)	(358)	(896)	(642)	(446)	(1 088)
Acquisition/disposal of group companies	378	124	502	450	179	629	828	303	1 131
Other adjustments	14	27	41	(30)	(25)	(55)	(16)	2	(14)
31st December <sup>b)</sup>	4 504	2 511	7 015	13 242	6 797	20 039	17 746	9 308	27 054
<b>Depreciation</b>									
1st January	1 201	505	1 706	5 375	2 752	8 127	6 576	3 257	9 833
Currency retranslation	(37)	26	(11)	(119)	(307)	(426)	(156)	(281)	(437)
Disposals	(44)	(31)	(75)	(382)	(261)	(643)	(426)	(292)	(718)
Acquisition/disposal of group companies	83	31	114	180	51	231	263	82	345
Other adjustments	1	(22)	(21)	(9)	16	7	(8)	(6)	(14)
Charged to profit and loss account	92	55	147	732	417	1 149	824	472	1 296
31st December	1 296	564	1 860	5 777	2 668	8 445	7 073	3 232	10 305
<b>Net book value 31st December</b>	3 208	1 947	5 155	7 465	4 129	11 594	10 673	6 076	16 749
<sup>b)</sup> includes payments on account and assets in course of construction	220	113	333	659	409	1 068	879	522	1 401



# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
<b>6 Fixed investments</b>					
84	123	191	191	<b>275</b>	314
113	85	56	40	<b>169</b>	125
239	250	46	62	<b>285</b>	312
436	458	293	293	<b>729</b>	751
<b>Associated companies</b> at share of net asset value:					
12	10	149	159	<b>161</b>	169
72	113	42	32	<b>114</b>	145
84	123	191	191	<b>275</b>	314
63	65	453	328	<b>516</b>	393
<b>Market value of listed shares</b>					
Movements during the year:					
123		191		<b>314</b>	
(9)		(45)		<b>(54)</b>	
(2)		20		<b>18</b>	
(43)		—		<b>(43)</b>	
23		64		<b>87</b>	
(8)		(39)		<b>(47)</b>	
84		191		<b>275</b>	
<b>31st December</b>					
<b>Trade investments</b> at cost less amounts written off:					
71	67	6	7	<b>77</b>	74
42	18	50	33	<b>92</b>	51
113	85	56	40	<b>169</b>	125
229	225	33	30	<b>262</b>	255
<b>Market value of listed shares</b>					
Movements during the year:					
85		40		<b>125</b>	
(1)		(4)		<b>(5)</b>	
31		22		<b>53</b>	
(2)		(2)		<b>(4)</b>	
113		56		<b>169</b>	
<b>31st December</b>					
<b>Other investments and loans</b>					
18	20	5	7	<b>23</b>	27
221	230	41	55	<b>262</b>	285
239	250	46	62	<b>285</b>	312
18	17	5	5	<b>23</b>	22
<b>Market value of listed securities</b>					
Movements during the year:					
250		62		<b>312</b>	
(11)		(3)		<b>(14)</b>	
74		14		<b>88</b>	
(74)		(27)		<b>(101)</b>	
239		46		<b>285</b>	
<b>31st December</b>					



# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
<b>9 Stocks</b>					
2 643	2 516	1 697	1 766	<b>4 340</b>	4 282
320	258	225	245	<b>545</b>	503
3 155	2 841	1 946	1 899	<b>5 101</b>	4 740
6 118	5 615	3 868	3 910	<b>9 986</b>	9 525
<b>10 Debtors</b>					
Amounts due within one year:					
5 469	4 362	2 390	2 429	<b>7 859</b>	6 791
1 102	1 100	461	478	<b>1 563</b>	1 578
540	394	266	206	<b>806</b>	600
7 111	5 856	3 117	3 113	<b>10 228</b>	8 969
Amounts due after one year:					
95	—	26	—	<b>121</b>	—
199	251	33	36	<b>232</b>	287
294	251	59	36	<b>353</b>	287
7 405	6 107	3 176	3 149	<b>10 581</b>	9 256
<b>11 Current investments</b>					
78	2 732	187	256	<b>265</b>	2 988
236	566	39	58	<b>275</b>	624
314	3 298	226	314	<b>540</b>	3 612
<b>12 Cash at bank and in hand</b>					
469	591	442	309	<b>911</b>	900
150	514	44	94	<b>194</b>	608
619	1 105	486	403	<b>1 105</b>	1 508
<b>13 Borrowings</b>					
1 995	1 432	938	1 118	<b>2 933</b>	2 550
4 047	2 901	1 684	1 609	<b>5 731</b>	4 510
6 042	4 333	2 622	2 727	<b>8 664</b>	7 060
2 704	2 180	1 370	1 569	<b>4 074</b>	3 749
769	110	342	147	<b>1 111</b>	257
1 680	1 129	407	449	<b>2 087</b>	1 578
108	66	31	19	<b>139</b>	85
781	848	472	543	<b>1 253</b>	1 391
3 338	2 153	1 252	1 158	<b>4 590</b>	3 311
1 703	1 240	838	1 068	<b>2 541</b>	2 308
278	158	61	29	<b>339</b>	187
335	229	92	114	<b>427</b>	343
232	144	80	84	<b>312</b>	228
103	85	12	30	<b>115</b>	115

## 9 Stocks

Raw materials and consumables  
Work in progress  
Finished goods and goods for resale

## 10 Debtors

Amounts due within one year:

Trade debtors  
Other debtors  
Prepayments and accrued income

Amounts due after one year:

Prepayments relating to funded pension schemes  
Other debtors

Total debtors

## 11 Current investments

Listed on a recognised stock exchange  
Unlisted

## 12 Cash at bank and in hand

On call and in hand  
Repayment notice required

## 13 Borrowings

Bank loans and overdrafts  
Bonds and other loans

The repayments fall due as follows:

Within 1 year <sup>a)</sup>

After 1 year but within 2 years  
After 2 years but within 5 years  
After 5 years: By instalments  
Not by instalments

<sup>a)</sup> of which bank loans and overdrafts

Total amount due on borrowings repayable by instalments any of which are payable after 5 years

Secured borrowings – mainly bank loans and overdrafts

Of which:

Secured against tangible fixed assets  
Secured against other assets

# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
<b>13 Borrowings (continued)</b>					
<b>Bonds and other loans</b>					
<b>Unilever N.V.</b>					
228	—	—	—	228	—
176	184	—	—	176	184
225	—	—	—	225	—
200	199	—	—	200	199
185	203	—	—	185	203
321	271	—	—	321	271
<b>1 335</b>	<b>857</b>			<b>1 335</b>	<b>857</b>
<b>Unilever PLC</b>					
—	—	65	83	65	83
—	—	169	199	169	199
—	—	111	116	111	116
—	—	86	152	86	152
—	—	65	76	65	76
		<b>496</b>	<b>626</b>	<b>496</b>	<b>626</b>
Total Unilever N.V. (see also page 29)					
Sterling equivalent in millions 161 (1988: 173) (see also page 32)					
<b>Group companies:</b>					
<b>USA</b>					
86	—	28	—	114	—
218	—	71	—	289	—
290	—	95	—	385	—
215	225	71	76	286	301
114	119	40	40	154	159
95	112	31	36	126	148
114	127	37	43	151	170
197	—	65	—	262	—
139	149	46	50	185	199
215	225	74	76	289	301
388	427	129	142	517	569
395	389	135	128	530	517
246	271	366	392	612	663
<b>2 712</b>	<b>2 044</b>	<b>1 188</b>	<b>983</b>	<b>3 900</b>	<b>3 027</b>
<b>4 047</b>	<b>2 901</b>	<b>1 684</b>	<b>1 609</b>	<b>5 731</b>	<b>4 510</b>
<b>1 001</b>	<b>940</b>	<b>532</b>	<b>501</b>	<b>1 533</b>	<b>1 441</b>
Total group companies					
Total bonds and other loans					
of which repayable within one year					

a) Swapped into floating rate Italian lire.

b) Swapped into floating rate guilders.

c) Partly swapped into floating rate US dollars.

d) Swapped into floating rate sterling.

e) Swapped into floating rate US dollars.

f) Swapped into fixed rate US dollars.



# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

N.V.		PLC	
1989	1988	1989	1988
4 229	3 823	2 003	2 127
518	431	220	218
2 032	1 679	961	850
1 028	890	653	709
536	490	300	272
1 151	1 134	367	390
<b>9 494</b>	<b>8 447</b>	<b>4 504</b>	<b>4 566</b>
88	91	123	178
328	266	1	63
292	348	79	95
<b>708</b>	<b>705</b>	<b>203</b>	<b>336</b>
<b>10 202</b>	<b>9 152</b>	<b>4 707</b>	<b>4 902</b>
193	187	62	66
2 975	2 745	566	581
<b>3 168</b>	<b>2 932</b>	<b>628</b>	<b>647</b>
2 932		647	
(93)		(84)	
73		22	
451		194	
(285)		(176)	
90		25	
<b>3 168</b>		<b>628</b>	
20		10	
1 798	1 630	984	1 073
142	262	15	19
(466)	(374)	(184)	(193)
(930)	(492)	(357)	(394)
544	1 026	458	505
—	—	(100)	(91)
222	—	110	—
814	350	431	408
<b>1 580</b>	<b>1 376</b>	<b>899</b>	<b>822</b>
1 376		822	
(18)		(107)	
319		193	
52		181	
(149)		(190)	
<b>1 580</b>		<b>899</b>	

## 14 Trade and other creditors

Amounts due within one year:

Trade creditors	6 232	5 950
Social security and sundry taxes	738	649
Accruals and deferred income	2 993	2 529
Taxation on profits	1 681	1 599
Dividends	836	762
Others	1 518	1 524
<b>13 998</b>	<b>13 013</b>	

Amounts due after one year:

Accruals and deferred income	211	269
Taxation on profits	329	329
Others	371	443
<b>911</b>	<b>1 041</b>	

Total creditors

**14 909**      **14 054**

## 15 Pensions and similar obligations

Amounts due within one year

255      253

Amounts due after one year

3 541      3 326

**3 796**      **3 579**

Movements during the year:

1st January	3 579
Currency retranslation	(177)
Acquisition/disposal of group companies	95
Profit and loss account	645
Payments	(461)
Other adjustments	115
<b>31st December</b>	<b>3 796</b>

These balances are predominantly provisions to meet obligations relating to unfunded schemes. Of the balances at 31st December provisions in connection with funded schemes were

**30**

## 16 Deferred taxation and other provisions

Deferred taxation on:

Accelerated depreciation	2 782	2 703
Stock reliefs	157	281
Pension provisions	(650)	(567)
Short-term and other timing differences	(1 287)	(886)
<b>1 002</b>	<b>1 531</b>	

Advance Corporation Tax <sup>a)</sup>

(100)      (91)

Restructuring provisions arising on 1989 acquisitions

332      —

Other provisions

1 245      758

**2 479**      **2 198**

Movements during the year:

1st January	2 198
Currency retranslation	(125)
Acquisition/disposal of group companies	512
Profit and loss account	233
Utilisations	(339)
<b>31st December</b>	<b>2 479</b>

<sup>a)</sup> Advance Corporation Tax is available for offset against future United Kingdom Corporation Tax liabilities.



# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
<b>16 Deferred taxation and other provisions</b> (continued)					
Movements in restructuring provisions relating to 1989 acquisitions, included above:					
Fabergé and Elizabeth Arden:					
Arising on acquisition		92		267	
Utilisations		(18)		(45)	
175		74		222	
(27)					
148					
Other acquisitions:					
Arising on acquisition		43		139	
Utilisations		(7)		(29)	
96		36		110	
(22)					
74					
On a SSAP 15 basis provision for deferred taxation would be					
12		9		21	
126		6		132	
<b>17 Inter-group N.V./PLC</b>					
(1 086)		1 086		-	
288		(288)		-	
43		(43)		-	
38		(38)		-	
28		(28)		-	
42		(42)		-	
(1 015)		1 015		-	
368		(368)		-	
<b>18 Called up share capital</b>					
265		-		265	
265		18		283	
640		478		1 118	
640		476		1 116	
905		478		1 383	
905		494		1 399	

Authorised				Nominal value per share	Number of shares issued	Issued and fully paid	
1989	1988					1989	1988
Fl. million		<b>Preferential share capital</b>				Fl. million	
75		Unilever N.V.				29	
200		7% Cumulative Preference		Fl. 1 000	29 000	161	
75		6% Cumulative Preference		Fl. 1 000	161 060	75	
350		4% Cumulative Preference <sup>a)</sup>		Fl. 100	750 000	265	
£ million		Unilever PLC <sup>b)</sup>				£ million	
-		5% (now 3½% plus tax credit) First Cumulative Preference		£1	172 382	-	
0.2		7% (now 4½% plus tax credit) First Cumulative Preference		£1	3 502 564	0.2	
-		8% (now 5½% plus tax credit) Second Cumulative Preference		£1	1 218 546	3.5	
-		20% (now 14% plus tax credit) Third Cumulative Preferred				1.2	
0.2		Ordinary		25p	998 304	0.2	
-						5.1	
5.1						-	
		Guilder equivalent in millions				18	
		Combined preferential share capital				265	
						283	

<sup>a), b)</sup> See notes on page 18.

# NOTES TO THE CONSOLIDATED ACCOUNTS

Authorised			Number of shares issued	Issued and fully paid	
1989	1988			1989	1988
<b>18 Called up share capital (continued)</b>					
<b>Ordinary share capital</b>					
Fl. million		Unilever N.V.		Fl. million	
1 000	1 000	Ordinary (in Fl. 4 shares)	160 041 250	640	640
2	2	Ordinary (in Fl. 1 000 shares numbered 1 to 2 400)	2 400	2	2
—	—	Internal holdings eliminated in consolidation (Fl. 1 000 shares)		(2)	(2)
1 002	1 002			640	640
£ million		Unilever PLC		£ million	
136.2	136.2	Ordinary (in 5p shares) <sup>c)</sup>	(1989) 796 674 759	39.8	39.7
0.1	0.1	Deferred (in £1 stock)	(1988) 793 985 196	0.1	0.1
—	—	Internal holdings eliminated in consolidation (£1 stock)	100 000	(0.1)	(0.1)
136.3	136.3			39.8	39.7
		Guilder equivalent in millions		478	476
		Combined ordinary share capital		1 118	1 116

<sup>a)</sup> The 4% cumulative preference capital of N.V. is redeemable at par at the Company's option either wholly or in part.

<sup>b)</sup> On 23rd January, 1989 shareholder approval was obtained for PLC to redeem its preferential capital at a small overall premium and to reduce its capital. Repayment was made on 13th March, 1989.

<sup>c)</sup> The increase in PLC ordinary shares is due to the issue of shares under the PLC 1985 Sharesave Scheme and the PLC 1985 Executive Share Option Schemes.

Under the arrangements for the variation of the Leverhulme Trust, shares in a group company have been issued which are convertible at the end of the year 2038 into a maximum of 51 875 000 ordinary shares of PLC.

### Internal holdings

The ordinary shares numbered 1 to 2 400 (inclusive) in N.V. and deferred stock of PLC are held as to one half of each class by N.V. Elma – a group company of N.V. – and one half by United Holdings Limited – a group company of PLC. This capital is eliminated in consolidation. It carries the right to nominate persons for election as Directors at General Meetings of shareholders. A nominal dividend of ¼% was paid on the deferred stock of PLC. The above-mentioned group companies have waived their rights to dividends on their ordinary shares in N.V. The Directors of N.V. Elma are N.V. and PLC, who with Mr F.A. Maljers and Sir Michael Angus are also Directors of United Holdings Limited.

At 31st December, 1989 a group company of N.V. held certificates (depository receipts) representing 418 318 (1988: 466 599) Fl. 4 ordinary shares of N.V. in connection with Unilever N.V. share options. The book value of these shares is eliminated in consolidation by deduction from profit retained and other reserves (see note 19 on page 19).

# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

## 18 Called up share capital (continued)

Options granted to Directors and employees to acquire ordinary shares of N.V. and PLC and still outstanding at 31st December, 1989 were as follows:

	Number of shares	Option price per share	Date normally exercisable
N.V. Share Options (Shares of Fl. 4)	27 860	Fl. 70.24	1990-1995
	4 970	Fl. 80.30	1990-1995
	20 985	Fl. 84.60	1990-1996
	34 780	Fl. 104.70	1990-1997
	52 470	Fl. 103.10	1990-1997
	66 710	Fl. 113.60	1990-1993
	64 259	Fl. 114.90	1990-1993
	3 631	Fl. 114.20	1990-1993
	53 678	Fl. 129.30	1990-1994
	54 800	Fl. 138.10	1990-1994
14 322	Fl. 139.30	1990-1994	
PLC 1985 Executive Share Option Schemes (Shares of 5p)	343 515	£2.275	1990-1994
	731 235	£2.900	1990-1995
	51 000	£3.920	1990-1996
	1 342 710	£5.070	1990-1996
	890 404	£4.820	1991-1997
	806 514	£4.370	1991-1998
	918 804	£5.370	1992-1998
	618 402	£5.470	1992-1998
24 753	£6.400	1992-1999	
PLC 1985 Sharesave Scheme (Shares of 5p)	6 651 335	£2.048	1990-1991
	1 126 540	£2.722	1991-1992
	1 149 101	£5.290	1992-1993
	1 284 966	£3.910	1993-1994
	3 020 997	£5.070	1994-1995

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
3 423	3 289	1 980	2 320	5 403	5 609
181	2 398	1 597	2 321	1 778	4 719
36	42	115	108	151	150
3 640	5 729	3 692	4 749	7 332	10 478
—	—	(355)	(333)	(355)	(333)
—	—	35	23	35	23
(48)	(46)	—	—	(48)	(46)
3 592	5 683	3 372	4 439	6 964	10 122

## 19 Profit retained and other reserves

Profit retained:

Parent companies

Group companies

Associated companies

Other reserves:

Adjustment on translation of PLC's ordinary capital at  
£1 = Fl. 12

Capital redemption reserve

Book value of N.V. shares or certificates held by a group  
company in connection with N.V. share options



# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
<b>20 Acquisition and disposal of group companies</b>					
<b>Acquisitions</b>					
(1 009)	(287)	(315)	(289)	(1 324)	(576)
(3 187)	(335)	(1 182)	(315)	(4 369)	(650)
(4 196)	(622)	(1 497)	(604)	(5 693)	(1 226)
633	—	211	—	844	—
(45)	(16)	(33)	12	(78)	(4)
(3 608)	(638)	(1 319)	(592)	(4 927)	(1 230)
<b>Disposals</b>					
96	70	30	301	126	371
60	(38)	56	118	116	80
156	32	86	419	242	451
(8)	—	43	43	35	43
148	32	129	462	277	494

On 3rd August, 1989 Unilever acquired the toiletries, cosmetics and fragrances businesses of Fabergé Inc., operating under the names of Fabergé and Elizabeth Arden. During 1989 Unilever also made a large number of smaller acquisitions. The net assets and results of all acquired businesses have been included in the consolidated accounts of the Group from the dates of acquisition. Net assets acquired and the related consideration, when expressed in foreign currency, have been translated at year-end rates of exchange.

The following tables set out the effect of the acquisitions on the consolidated balance sheet of the Group.

	Balance sheets of acquired companies	Revaluations and reclassifications	Restructuring provisions and other adjustments	Fair values included in Group balance sheet		
	Combined	Combined	Combined	N.V.	PLC	Combined
<b>Fabergé and Elizabeth Arden</b>						
Net assets/(liabilities) acquired						
Fixed assets	274	27	35	240	96	336
Intangibles	1 079	(1 079)	—	—	—	—
Current assets	646	(46)	—	459	141	600
Creditors due within one year	(576)	1	—	(447)	(128)	(575)
Creditors due after one year	(23)	(1)	—	(22)	(2)	(24)
Provisions for liabilities and charges:						
Pensions and similar obligations	(43)	—	(47)	(68)	(22)	(90)
Deferred tax	(175)	32	703 <sup>a)</sup>	441	119	560
Other provisions	(6)	—	(267) <sup>b)</sup>	(179)	(94)	(273)
Total net assets acquired	1 176	(1 066)	424	424	110	534
Goodwill written off				1 887	572	2 459
Fair value of consideration				2 311	682	2 993

<sup>a), b)</sup> See notes on page 21.

# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

	Balance sheets of acquired companies	Revaluations and reclassifications	Restructuring provisions and other adjustments	Fair values included in Group balance sheet		Combined
	Combined	Combined	Combined	N.V.	PLC	
<b>20 Acquisition and disposal of group companies (continued)</b>						
<b>Other acquisitions</b>						
Net assets/(liabilities) acquired						
Fixed assets	514	159	(43)	457	173	630
Intangibles	91	(91)	—	—	—	—
Current assets	971	—	—	728	243	971
Creditors due within one year	(611)	67	12	(398)	(134)	(532)
Creditors due after one year	(98)	44	—	(42)	(12)	(54)
Provisions for liabilities and charges:						
Pensions and similar obligations	(25)	(3)	(4)	(30)	(2)	(32)
Deferred tax	(27)	(26)	98 <sup>a)</sup>	39	6	45
Other provisions	(5)	(71)	(139) <sup>b)</sup>	(153)	(62)	(215)
Outside interests in group companies	(38)	(14)	29	(16)	(7)	(23)
Total net assets acquired	772	65	(47)	585	205	790
Goodwill written off				1 300	610	1 910
Fair value of consideration				1 885	815	2 700

<sup>a)</sup> These deferred tax assets include tax relief on payments made or to be made in conjunction with purchase agreements.

<sup>b)</sup> These amounts for anticipated restructuring costs are included in Other provisions (see also note 16 on page 16). No provisions have been made for future trading losses.

N.V.		PLC	
1989	1988	1989	1988
75	75	36	38
20	17	12	11
47	48	106	106
142	140	154	155
379	326	182	163
143	97	22	17

## Average number of employees

The average number of employees during the year was: (in thousands)

Europe  
North America  
Rest of the World

## Combined

1989	1988
111	113
32	28
153	154
296	295

## Contingent liabilities

Contingent liabilities are not expected to give rise to any material loss. They include:

Guarantees  
Bills discounted

561	489
165	114

Guarantees given by the parent companies or by group companies relating to liabilities included in the consolidated accounts are not included above.

A summary of guarantees given by each parent company is set out in the notes to the respective balance sheets on pages 29 and 32.

Litigation against companies in the Group and other contingent liabilities are not considered to be material in the context of these accounts.

# NOTES TO THE CONSOLIDATED ACCOUNTS

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
<b>Commitments</b>					
Long-term lease commitments, principally for operating leases, in respect of:					
1 472	1 333	965	924	2 437	2 257
411	310	147	157	558	467
1 883	1 643	1 112	1 081	2 995	2 724
The commitments fall due as follows:					
342	292	132	124	474	416
848	811	357	355	1 205	1 166
693	540	623	602	1 316	1 142
1 883	1 643	1 112	1 081	2 995	2 724
403	493	170	205	573	698
198	230	72	78	270	308
Exposure on third-party fixed price contracts outstanding at 31st December, mainly for commodities, was:					
705	574	570	554	1 275	1 128
36	99	87	59	123	158

The consolidated accounts do not anticipate the results of such contracts except that provision is made where a loss would be incurred if market prices at maturity were the same as those ruling at 31st December.

## Outside interests in group companies

Outside interests in group companies include Fl. 791 million (1988: Fl. 790 million) preference shares in a group company which Unilever has the right and, if called upon, the obligation to buy back after 1992 at this value.

## Profit and loss accounts – Parent companies

As the accounts of Unilever N.V. have been included in the consolidated accounts its own profit and loss account on page 28 – in accordance with Dutch legislation – mentions only income from fixed investments after taxation as a separate item.

As the profit and loss account of Unilever PLC has been included in the consolidated accounts advantage has been taken of provisions in United Kingdom legislation which permit the omission of a profit and loss account from accompanying the company balance sheet on page 31.



# NOTES TO THE CONSOLIDATED ACCOUNTS

## Pension schemes

In the majority of countries in which the Group operates, employees' retirement arrangements are provided by defined benefit schemes. These retirement arrangements are either externally funded, with the assets of the scheme held separately from those of the Group in independently administered funds, or are unfunded but with provisions maintained in the consolidated balance sheets. All are subject to regular actuarial review. Actuarial advice is provided by both external consultants and actuaries employed by Unilever. Valuations are usually carried out using prospective benefit methods the aims of which are to ensure that current and future charges remain a stable percentage of pensionable payroll. The principal actuarial assumptions adopted in the valuations usually assume that, over the long term, the annual rate of return on investments will be marginally higher than the annual increase in pensionable remuneration or in present and future pensions in payment.

The Group also operates a number of defined contribution pension schemes throughout the world. The assets of all the Group's defined contribution schemes are held in independently administered funds. The pension costs charged represent contributions payable by the Group to the funds.

Fl. million

N.V.		PLC		Combined	
1989	1988	1989	1988	1989	1988
Pension cost for the year:					
416	469	181	217	597	686
35	42	13	11	48	53
451	511	194	228	645	739
Defined benefit schemes:					
7 096		10 410		17 506	
Market value of scheme assets at 31st December					
3 148		618		3 766	
Provisions in respect of unfunded schemes at 31st December					
128%		114%		121%	
Level of funding at dates of last valuation, in aggregate					

The levels of funding noted above represent the actuarial value of fund assets and the provisions held in the consolidated accounts at the dates of the most recent valuations expressed as a percentage of the aggregate benefits that had accrued to members at those dates, after allowing for future increases expected thereafter in pensionable remuneration and pensions in course of payment.

Pension cost and company contributions to defined benefit schemes have been falling in recent years in response to emerging surpluses in some funds. Cost and contributions are expected to continue at a reduced level for a number of years.

# NOTES TO THE CONSOLIDATED ACCOUNTS

	Fl. million		£ million	
	1989	1988	1989	1988
<b>Combined earnings per share</b>				
<p>The calculation of earnings per share is based on the combined profit of the year on ordinary activities attributable to ordinary capital divided by the combined number of share units representing the combined issued ordinary capital of N.V. and PLC, after deducting the shares held by an N.V. group company. For the calculation of combined ordinary capital the rate of exchange £1 = Fl. 12 has been used, in accordance with the Equalisation Agreement.</p> <p>The calculations are therefore:</p>				
Combined ordinary capital (see note 18 on page 18)	1 118	1 116	93	93
Less: N.V. shares held by a group company of N.V. in connection with N.V. share options	(2)	(2)	—	—
	<u>1 116</u>	<u>1 114</u>	<u>93</u>	<u>93</u>
<p>The combined number of share units is therefore 279 124 146 (1988: 278 672 430) of Fl. 4 or alternatively 1 860 827 639 (1988: 1 857 816 203) of 5p.</p>				
Profit on ordinary activities attributable to shareholders	3 249	3 021	1 055	834
Less: preference dividends	(15)	(16)	(5)	(4)
	<u>3 234</u>	<u>3 005</u>	<u>1 050</u>	<u>830</u>
Divided by combined share units =	<b>Fl. 11.59</b>	Fl. 10.78	<b>56.43p</b>	44.68p
<p>On a SSAP I5 basis the calculations would be:</p>				
Profit on ordinary activities attributable to ordinary capital	3 455	3 016	1 122	834
Divided by combined share units =	<b>Fl. 12.38</b>	Fl. 10.82	<b>60.30p</b>	44.89p
<p>The effects on combined earnings per share of (a) full conversion into PLC ordinary shares of the shares in a group company, exercisable in the year 2038 as described in note 18, and (b) the issue of ordinary shares under option, details of which are set out in note 18, are not material.</p>				



# PRINCIPAL GROUP AND RELATED COMPANIES

as at 31st December, 1989

## Introduction

The group and related companies listed are those which in the opinion of the Directors principally affect the amount of profit and assets shown in N.V.'s and PLC's consolidated accounts.

Full information as required by Article 379 of Book 2, Civil Code, in the Netherlands in respect of companies in which N.V., directly or indirectly, has a shareholding of 20% or more of the total issued capital has been filed with the Commercial Registry in Rotterdam.

Particulars of PLC group and related companies as required by the United Kingdom Companies Act 1985 will be annexed to the next Annual Return of PLC.

The main activities of the companies listed below are indicated according to the following key:

Holding companies	H
Margarine, edible fats and oils, dairy products	M
Other foods	F
Detergents	D
Personal products	P
Speciality chemicals	C
Packaging	PP
Agribusiness	A
UAC Group	U
Others	O

Unless otherwise indicated the companies are incorporated and principally operate in the countries under which they are shown.

The letters N.V. or PLC after the name of each country indicate whether in the country concerned the shares in the companies listed are held directly or indirectly by N.V. or by PLC.

The percentage of equity capital directly or indirectly held is mentioned in the margin, except where it is 100%. Where the percentage of total issued capital directly or indirectly held differs from the percentage of equity capital directly or indirectly held, this is stated separately. All percentages are rounded down to the nearest whole number.

## Principal group companies

### Europe

% <b>Austria – N.V.</b>	
Nordsee Ges.m.b.H.	F
Österreichische Unilever Ges.m.b.H.	MFDP
Unifrost Ges.m.b.H.	F
<b>Belgium – N.V.</b>	
Hartog N.V.	F
Iglo-Ola N.V.	F
Lever N.V.	D
Union N.V.	M
<b>Denmark – N.V.</b>	
Unilever Danmark A/S	MFDP
<b>Finland – N.V.</b>	
Suomen Unilever Oy	MFDP

% <b>France – N.V.</b>	
99 Astra-Calvé S.A.	MF
99 CNF S.A.	U
99 Compagnie des Glaces et Surgelés Alimentaires S.A.	F
99 Elizabeth Arden SNC	P
99 Française d'Alimentation et de Boissons S.A.	F
99 Française de Soins et Parfums S.A.	P
99 Lever S.A.	D
99 Niger France S.A.	U
99 4P Emballages France S.A.	PP
99 Unilever Export France S.A.	O
99 Unilever France S.A.	H
<b>Germany – N.V.</b>	
Chicogo Cosmetics G.m.b.H.	P
Deutsche Unilever G.m.b.H.	
(percentage of total issued capital held – 75)	H
Elida-Gibbs G.m.b.H.	P
Elizabeth Arden G.m.b.H.	P
Fritz Homann Lebensmittelwerke G.m.b.H. & Co. K.G.	MF
Langnese-Iglo G.m.b.H.	F
Lever G.m.b.H.	D
Meistermarken-Werke G.m.b.H., Spezialfabrik für Back- und Grossküchenbedarf	MF
'Nordsee' Deutsche Hochseefischerei G.m.b.H.	F
4P Folie Forchheim G.m.b.H.	PP
4P Nicolaus Kempten G.m.b.H.	PP
4P Rube Göttingen G.m.b.H.	PP
4P Verpackungen Ronsberg G.m.b.H.	PP
Schafft Fleischwerke G.m.b.H.	F
'Unichema' Chemie G.m.b.H.	C
Union Deutsche Lebensmittelwerke G.m.b.H.	MF
<b>Greece – N.V.</b>	
51 'Elais' Oleaginous Products A.E.	MF
Lever Hellas A.E.B.E.	FDP
<b>Ireland – PLC</b>	
74 Biocon Biochemicals Ltd.	C
H.B. Ice Cream Ltd.	F
Lever Brothers (Ireland) Ltd.	D
Paul and Vincent Ltd.	A
W. & C. McDonnell Ltd.	MF
<b>Italy – N.V.</b>	
Unil-It S.p.A.	MFDP
<b>The Netherlands – N.V.</b>	
60 Barenbrug Beheer B.V.	A
Van den Bergh en Jurgens B.V.	MF
Calvé Nederland B.V.	F
Crosfield Chemie B.V.	C
Elida Gibbs B.V.	P
Iglo-Ola B.V.	F
Lever B.V.	D
Lever Industrial B.V.	D
Loders Crocklaan B.V.	M
Lucas Aardenburg B.V.	F
Naarden International N.V.	H
National Starch & Chemical B.V.	C
Nederlandse Unilever Bedrijven B.V.	
(percentage of total issued capital held – 99)	H
Otarès B.V.	D
Quest International Nederland B.V.	C
Unichema Chemie B.V.	C
Unilever Export B.V.	O
UniMills B.V.	M
UVG Nederland B.V.	F
Vinamul B.V.	C
Zeepfabriek de Fenix B.V.	D



# PRINCIPAL GROUP AND RELATED COMPANIES

as at 31st December, 1989

## Principal group companies (continued)

%		
	<b>Portugal - N.V.</b>	
74	Iglo Indústrias de Gelados, Lda.	F
60	Indústrias Lever Portuguesa, Lda.	DP
	<b>Spain - N.V.</b>	
	Agra S.A.	M
99	Frigo S.A.	F
90	Industrias Revilla S.A.	F
	Lever España S.A.	D
	Pond's Española S.A. (PLC 25%)	P
	Unilever España S.A.	H
	<b>Sweden - N.V.</b>	
	Elida Robert Group AB	P
90	Glacé-Bolaget AB	F
	Lever AB	D
	Leverindus AB	D
55	Margarinbolaget AB	
	(percentage of total issued capital held - 50)	M
	Novia Livsmedelsindustrier AB	F
	Svenska Unilever Förvaltnings AB	H
	<b>Switzerland - N.V.</b>	
	Ardenexport S.A.	P
95	'Astra', Fett- und Oelwerke A.G.	M
	Chesebrough-Pond's (Genève) S.A. (PLC 25%)	P
	Elida Cosmetic A.G.	P
	Lever A.G.	DP
	Meina Holding A.G.	H
	Sais	MF
	A. Sutter A.G.	D
	Unilever (Schweiz) A.G.	O
	<b>Turkey - N.V.</b>	
66	Elida Kozmetik Sanayi ve Ticaret A.Ş.	P
51	Lever-Iş Temizlik Maddeleri Sanayi ve Ticaret A.Ş.	D
65	Unilever-Iş Ticaret ve Sanayi Türk A.Ş.	MF
	<b>United Kingdom - PLC</b>	
	Birds Eye Wall's Ltd.	F
	BOCM Silcock Ltd.	A
	Brooke Bond Foods Ltd.	F
	Chesebrough-Pond's Ltd.	P
	Joseph Crosfield & Sons Ltd.	C
	Elida Gibbs Ltd.	P
	Elizabeth Arden Ltd.	P
	Erith Oil Works Ltd.	M
	Jeyes Hygiene plc	D
	Lever Brothers Ltd.	D
	Lever Industrial Ltd.	D
	H. Leverton Ltd.	U
	Lipton Export Ltd.	F
	Lipton Tea Company Ltd.	F
	Loders Croklaan Ltd.	M
	Marine Harvest Ltd.	A
	Mattessons Wall's Ltd.	F
	Oxoid Ltd.	O
	Plant Breeding International Cambridge Ltd.	A
	Quest International (Fragrances, Flavours, Food Ingredients) UK Ltd.	C
	Rimmel International Ltd.	P
	UAC Ltd.	U
	UAC International Ltd.	U
	UML Ltd.	O
	Unichema Chemicals Ltd.	C
	Unilever Export Ltd.	O
	Unilever U.K. Central Resources Ltd.	A
	United Agricultural Merchants Ltd.	O
	Van den Berghs and Jurgens Ltd.	M
	Vinamil Ltd.	C
	John West Foods Ltd.	F

## North America

%		
	<b>Canada - PLC</b>	
	Chesebrough-Pond's (Canada) Inc.	P
	Lever Brothers Limited	D
	Thomas J. Lipton Inc.	MF
	A & W Food Services of Canada Ltd.	F
	Unilever Canada Limited	H
	<b>United States of America - N.V. (75%); PLC (25%)</b>	
	Elizabeth Arden Company	P
	Calvin Klein Cosmetics Company	P
	Chesebrough-Pond's Company	P
	Lawry's Foods Company	F
	Lever Brothers Company	D
	Thomas J. Lipton Company	F
	National Starch and Chemical Company	C
	Ragú Foods Company	F
	Sequoia-Turner Company	O
	Unilever Capital Corporation	O
	Unilever United States, Inc.	H
	Van den Bergh Foods Company	M

## Rest of the World

%		
	<b>Argentina - N.V.</b>	
99	Lever y Asociados s.a.c.i.f.	MFDPC
	<b>Australia - PLC</b>	
	Unilever Australia Ltd.	MFDPCO
	<b>Bangladesh - PLC</b>	
61	Lever Brothers Bangladesh Ltd.	FDPC
	<b>Brazil - N.V.</b>	
99	Indústrias Gessy Lever Ltda.	MFDPC
	<b>Chile - N.V.</b>	
	Lever Chile S.A. (PLC 25%)	MFDP
	<b>Colombia - N.V.</b>	
	Compañía Colombiana de Grasas	
	'Cogra-Lever' S.A.	MDP
60	Plantaciones Unipalma de Los Llanos S.A.	A
	<b>Côte d'Ivoire - PLC</b>	
90	Blohorn S.A.	MDAPP
99	CFCI S.A.	U
67	Uniwx S.A.	U
	<b>Gabon - PLC</b>	
98	Hatton et Cookson S.A.	U
	<b>Ghana - PLC</b>	
60	UAC of Ghana Ltd.	U
	<b>Hong Kong - N.V.</b>	
	Lever Brothers (China) Ltd.	MFDP
	<b>India - PLC</b>	
51	Hindustan Lever Ltd.	MDPCA
	<b>Indonesia - N.V.</b>	
85	P.T. Unilever Indonesia	MFDPC
	<b>Japan - N.V.</b>	
	Nippon Lever B.V.	
	(incorporated in the Netherlands)	MFDP
	<b>Kenya - PLC</b>	
88	Brooke Bond Kenya Ltd.	AO
54	East Africa Industries Ltd.	MFDPC
	Gailey & Roberts Ltd.	U

# PRINCIPAL GROUP AND RELATED COMPANIES

as at 31st December, 1989

## Principal group companies (continued)

%		
	<b>Malawi – PLC</b>	
	Lever Brothers (Malawi) Ltd.	MDPC
	<b>Malaysia – PLC</b>	
70	Lever Brothers (Malaysia) Sdn. Bhd.	MFDP
	Pamol Plantations Sdn. Bhd.	A
	<b>Mexico – N.V.</b>	
94	Anderson Clayton & Co. S.A. (PLC 24%)	MFA
	Pond's de Mexico S.A. de C.V. (PLC 25%)	P
	<b>Netherlands Antilles – N.V.</b>	
	Unilever Becumij N.V.	O
	<b>New Zealand – PLC</b>	
	Unilever New Zealand Ltd.	FDPC
	<b>Niger – PLC</b>	
99	Niger-Afrique S.A.	U
	<b>Nigeria – PLC</b>	
60	Pamol (Nigeria) Ltd.	A
	<b>Pakistan – PLC</b>	
69	Lever Brothers Pakistan Ltd.	MFDP
	<b>Philippines – N.V.</b>	
	Philippine Refining Company, Inc.	MFDP
	<b>Sierra Leone – PLC</b>	
87	UAC of Sierra Leone Ltd.	U
	<b>Singapore – PLC</b>	
	Unilever Singapore Private Ltd.	MFDP
	<b>Solomon Islands – PLC</b>	
60	Lever Solomons Ltd.	A
	<b>South Africa – PLC</b>	
	Unilever South Africa (Pty.) Ltd.	MFDP
	<b>Sri Lanka – PLC</b>	
	Lever Brothers (Ceylon) Ltd.	MDPCA
	<b>Taiwan – N.V.</b>	
92	Formosa United Industrial Corporation Ltd.	D
	<b>Tanzania – PLC</b>	
	UAC of Tanzania Ltd.	U
	<b>Tchad – PLC</b>	
78	Brasseries du Logone S.A.	U
	<b>Thailand – N.V.</b>	
	Lever Brothers (Thailand) Ltd.	MFDP
	<b>Trinidad – PLC</b>	
50	Lever Brothers West Indies Ltd.	MFDP
	<b>Uganda – PLC</b>	
	Gailey & Roberts (Uganda) Ltd.	U
	<b>Uruguay – N.V.</b>	
	Sudy Lever S.A.	D
	<b>Venezuela – N.V.</b>	
	Lever-Pond's S.A.	FDP
	<b>Zaire – N.V.</b>	
76	Plantations Lever au Zaïre s.a.r.l.	A
	Compagnie des Margarines, Savons et Cosmétiques au Zaïre s.a.r.l.	MDPC
	<b>Zimbabwe – PLC</b>	
	Lever Brothers (Private) Ltd.	MFDP

## Principal related companies

### Associated companies

#### Europe

%		
50	<b>Denmark – N.V.</b>	
	Margarinefabrikken Alfa-Solo A/S	M
40	<b>Portugal – N.V.</b>	
	FIMA – Produtos Alimentares, Lda.	MF

#### Rest of the World

%		
50	<b>China – PLC</b>	
	Shanghai Lever Co. Ltd.	D
50	<b>Korea – N.V.</b>	
	Aekyung Industrial Company Limited	DP
45	<b>Ghana – PLC</b>	
	Lever Brothers Ghana Ltd.	MDPC
40	<b>India – N.V.</b>	
	Pond's (India) Ltd. (PLC 10%)	P
40	<b>– PLC</b>	
	Lipton India Ltd.	F
40	Brooke Bond India Ltd.	F
40	<b>Nigeria – PLC</b>	
	Lever Brothers Nigeria Ltd.	MFDP
14	Nigerian Breweries Ltd.	U
40	UAC of Nigeria Ltd.	U
50	<b>El Salvador – N.V.</b>	
	Industrias Unisola S.A.	MFDP
40	<b>Saudi Arabia – PLC</b>	
	Binzagr Lever Ltd.	P
49	Binzagr Lipton Ltd.	F

### Trade investments

#### Europe

%		
37	<b>The Netherlands – N.V.</b>	
	Gamma Holding N.V.	
	(percentage of total issued capital held – 35)	O

#### Rest of the World

%		
14	<b>Nigeria – PLC</b>	
	Guinness Nigeria Ltd.	U

# UNILEVER N.V. COMPANY ACCOUNTS

The balance sheet below includes the proposed profit appropriation.

Fl. million

	1989	1988
Balance sheet as at 31st December		
<b>Fixed assets</b>		
Fixed investments	1 914	1 925
<b>Current assets</b>		
Debtors	8 092	5 454
Current investments	187	1 022
Cash at bank and in hand	491	219
	8 770	6 695
Less: <b>Creditors due within one year</b>	5 049	3 645
<b>Net current assets</b>	3 721	3 050
<b>Total assets less current liabilities</b>	5 635	4 975
<b>Creditors due after more than one year</b>	1 073	659
<b>Provisions for liabilities and charges</b>	229	116
<b>Capital and reserves</b>		
Called up share capital:		
Preferential share capital	18 265	265
Ordinary share capital	18 642	642
	907	907
Share premium account	52	52
Profit retained and other reserves	3 374	3 241
	4 333	4 200
<b>Total capital employed</b>	5 635	4 975
<b>Profit and loss account</b> for the year ended 31st December		
Income from fixed investments after taxation	742	774
Other income and expense	162	45
<b>Profit of the year</b>	904	819

Pages 3 to 5, 7 to 27 and 29 contain the notes to the Unilever N.V. company accounts.  
For the information as required by Article 392 of Book 2, Civil Code, reference is made to pages 6 and 30.

**The Board of Directors**  
19th March, 1990

References in boxes relate to a note on pages 17 to 19.



# UNILEVER N.V. NOTES TO THE COMPANY ACCOUNTS

Fl. million

	1989	1988		1989	1988
<b>Fixed investments</b>			<b>Provisions for liabilities and charges</b>		
Shares in group companies	1 914	1 925	Pension provisions	211	108
Shares in group companies are stated at cost. The cost of N.V. shares purchased and held by a group company has been deducted from this heading.			Deferred taxation and other provisions	18	8
Movements during the year:				229	116
1st January	1 925		Of which due within one year	30	26
Transfer of shares to group companies	(11)		<b>Ordinary share capital</b>		
31st December	1 914		Shares numbered 1 to 2 400 are held by a group company of Unilever N.V. and a group company of Unilever PLC. Additionally, 418 318 Fl. 4 ordinary shares are held by another group company. Full details are given in note 18 on page 18.		
<b>Debtors</b>			<b>Share premium account</b>		
Loans to group companies	2 832	1 290	For the application of Article 44 of the Income Tax Act 1964 only a small part, if any, of the premium shown in the balance sheet is available for issue of tax free bonus shares.		
Other amounts owed by group companies	4 510	3 331	<b>Profit retained and other reserves</b>		
Loans to PLC	622	718	Profit retained 31st December	3 423	3 289
Other debtors	128	115	Cost of Unilever N.V. shares purchased and held by a group company	(49)	(48)
	8 092	5 454	Balance 31st December	3 374	3 241
Of which due after one year	145	10	Profit retained and Profit of the year shown in this balance sheet and the notes thereto are less than the amounts shown under these headings in the consolidated balance sheet and profit and loss account, mainly because only part of the profits of the group companies is distributed in the form of dividend.		
<b>Current investments</b>			<b>Contingent liabilities</b> are not expected to give rise to any material loss. They include:		
Listed stocks	6	1 022	Guarantees given for group and other companies, under which amounts outstanding at 31st December were as follows:		
Unlisted stocks	181	—	For N.V. group companies	4 893	3 354
	187	1 022	For PLC and its group companies	217	255
The cost of current investments amounted to	187	995	For others	2	32
<b>Cash at bank and in hand</b> includes items for which notice of repayment is required amounting to	470	206		5 112	3 641
<b>Creditors</b>			Of the above, guaranteed also by Unilever PLC	3 351	1 936
Due within one year:					
Bank loans and overdrafts	20	27			
Bonds and other loans <span style="float: right;">13</span>	262	198			
Loans from group companies	1 830	947			
Other amounts owed to group companies	2 267	1 889			
Taxation and social security	59	56			
Other creditors	29	13			
Accruals and deferred income	41	21			
Dividends	541	494			
	5 049	3 645			
Due after one year:					
Bonds and other loans <span style="float: right;">13</span>	1 073	659			
These include amounts due after five years:					
Bonds and other loans	379	402			

References in boxes relate to a note on pages 14 and 15.

# UNILEVER N.V. FURTHER STATUTORY INFORMATION

Fl. million

## **The rules for profit appropriation in the Articles of Association** (summary of Article 41)

The profit of the financial year is applied first to the reserves required by law or by the Equalisation Agreement, secondly to the covering of losses of previous years, if any, and thirdly to the reserves deemed necessary by the Board of Directors. Dividends due to the holders of the Cumulative Preference Shares, including any arrears in such dividends, are then paid; if the profit is insufficient for this purpose, the amount available shall be distributed to them in proportion to the dividend percentages of their shares. Any profit remaining thereafter is at the disposal of the General Meeting. Distributions from this remaining profit are made to the holders of the ordinary shares pro rata to the nominal amounts of their holdings.

### **Proposed profit appropriation**

	<b>1989</b>	1988
Profit of the year	<b>904</b>	819
Preference dividends	<b>(15)</b>	(15)
Profit at disposal of the Annual General Meeting of shareholders	<b>889</b>	804
Proposed profit appropriation in accordance with Article 41 of the Articles of Association:		
Ordinary dividends	<b>(755)</b>	(687)
Profit of the year retained	<b>134</b>	117
Profit retained 1st January	<b>3 289</b>	3 172
Profit retained 31st December	<b>3 423</b>	3 289

### **Special controlling rights under the Articles of Association**

See page 18.

# UNILEVER PLC COMPANY BALANCE SHEET

as at 31st December

£ million

	1989	1988
<b>Fixed assets</b>		
Fixed investments	1 624	1 508
<b>Current assets</b>		
Debtors	575	660
Current investments	40	41
Cash at bank and in hand	41	12
	656	713
Less: Creditors due within one year	761	632
<b>Net current (liabilities)/assets</b>	(105)	81
<b>Total assets less current liabilities</b>	1 519	1 589
<b>Creditors due after more than one year</b>	773	853
<b>Provisions for liabilities and charges</b>	28	27
<b>Capital and reserves</b>		
Called up share capital:		
Preferential share capital	18 —	5
Ordinary share capital	18 40	40
	40	45
Share premium account	24	17
Capital redemption reserve	19 11	6
Profit retained	643	641
	718	709
<b>Total capital employed</b>	1 519	1 589

Sir Michael Angus, Chairman  
F. A. Maljers, Vice-Chairman

19th March, 1990

References in boxes relate to the notes on pages 17 to 19.



# UNILEVER PLC NOTES TO THE COMPANY BALANCE SHEET

£ million

	1989	1988		1989	1988
<b>Fixed investments</b>			<b>Creditors</b>		
Shares in group companies	582	563	Due within one year:		
Loans to group companies	551	455	Loans from N.V.	202	200
Shares in related companies	491	490	Bank loans and overdrafts	112	203
			Bonds and other loans	53	65
	1 624	1 508	Other creditors	178	15
			Amounts owed to group companies	39	22
<b>Shares in group companies</b>			Taxation and social security	79	52
Shares in group companies are stated at Directors' valuation made on the rearrangement of the Unilever Groups in 1937, with bonus shares at par and other additions at cost or valuation, less amounts written off.			Dividends	98	75
				761	632
Movements during the year:			Due after one year:		
1st January	563		Bonds and other loans	108	108
Additions	19		Amounts owed to group companies	665	745
31st December	582			773	853
			Bonds and other loans include amounts repayable after more than five years	108	108
<b>Loans to group companies</b>			<b>Provisions for liabilities and charges</b>		
Movements during the year:			Unfunded pension provisions	32	31
1st January	455		Deferred taxation	(4)	(4)
Additions	96			28	27
31st December	551		<b>Profit retained</b>		
			1st January	641	629
<b>Shares in related companies – at cost</b>			Goodwill written off	(37)	–
Listed on a recognised stock exchange	4	4	Capital redemption reserve	(5)	–
Unlisted	487	486	Profit of the year	177	119
	491	490	Ordinary and deferred dividends	(133)	(107)
			31st December	643	641
Market value of listed shares	24	18	Profit retained and profit of the year shown in the balance sheet and the notes thereto are less than the amounts shown under these headings in the consolidated balance sheet and profit and loss account, mainly because only part of the profits of the group companies is distributed in the form of dividend.		
<b>Debtors</b>			<b>Contingent liabilities</b> are not expected to give rise to any material loss. They include:		
Due within one year:			Guarantees given for group and other companies, under which amounts outstanding at 31st December were as follows:		
Amounts owed by group companies	71	80	For N.V. and its group companies	1 088	534
Loans to related companies	450	548	For PLC group companies	109	93
Others	22	7	For others	17	5
	543	635		1 214	632
Due after one year:			Of the above, guaranteed also by Unilever N.V.	1 088	534
Advance Corporation Tax	32	25			
Total debtors	575	660			
The Advance Corporation Tax borne by the parent company will be surrendered and set off against liabilities of the group companies where appropriate. The total of £32 million is recoverable against liabilities for 1990 and later years.					
<b>Current investments</b>					
Listed on a recognised stock exchange	40	41			
The cost of listed current investments amounted to	35	38			