

Annual Accounts 1995  
*And Additional Financial Information*

English Version in Guilders



Unilever

# Contents

## **Annual Accounts**

- 2 General information
- 3 Statements of directors' responsibilities
- 4 Report of the auditors
- 5 Accounting policies
- 7 Unilever Group consolidated accounts
- 22 Principal group companies and fixed investments
- 26 N.V. company accounts and further statutory information
- 29 PLC company accounts, further statutory information and other information

## **Additional Financial Information**

- 39 Unilever Group five year record
- 42 Additional information for United States investors



# Unilever Annual Accounts 1995

This booklet and the separate booklet 'Unilever Annual Review 1995' together comprise the full Annual Report and Accounts for 1995 of Unilever N.V. (N.V.) and Unilever PLC (PLC) when expressed in guilders and pounds sterling respectively.

## **Financial publications**

Versions of this booklet are available, with figures expressed in pounds sterling, in English and, with figures expressed in guilders, in Dutch and English. The 'Unilever Annual Review 1995' booklet is available in the same versions.

Both N.V. and PLC make filings with the United States Securities and Exchange Commission in the form required by United States legislation.

A booklet 'Unilever Charts' gives salient figures for the years 1985-1995, expressed in graphical form.

Copies of all these publications can be obtained without charge on application to any of the following:

Unilever N.V.  
Corporate Relations Department  
Weena 455, PO Box 760  
3000 DK Rotterdam  
Telephone +31 (0)10 217 4000  
Telefax +31 (0)10 217 4798

Unilever PLC  
Corporate Relations Department  
PO Box 68, Unilever House, Blackfriars  
London EC4P 4BQ  
Telephone +44 (0)171 822 5252  
Telefax +44 (0)171 822 5951

Unilever United States, Inc.  
Corporate Affairs Department  
390 Park Avenue, New York NY 10022-4698  
Telephone +1 212 906 4240  
Telefax +1 212 906 4666

Web site:  
<http://www.unilever.com/corporate/>

## General information

### Unilever

The two parent companies, N.V. and PLC, operate as nearly as is practicable as a single entity, have the same directors and are linked by a series of 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 Equalisation Agreement provides for both companies to adopt the same accounting principles 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 rate of exchange to the dividends and other rights and benefits attaching to each £1 nominal of ordinary share capital of PLC, as if each such unit of capital formed part of the ordinary capital of one and the same company.

### Basis of consolidation

By reason of the operational and contractual arrangements referred to above and the internal participating interests set out in note 18 on page 15, N.V. and PLC and their group companies constitute a single group under Netherlands and United Kingdom legislation for the purposes of presenting consolidated accounts. Accordingly the accounts of the Unilever Group are presented by both N.V. and PLC as their respective consolidated accounts. These accounts are supplemented in note 30 on page 21 by additional information for the N.V. and PLC parts of the Group in which group companies are consolidated according to respective ownership.

### Companies legislation

The consolidated accounts of the Unilever Group comply with Book 2 of the Civil Code in the Netherlands and the United Kingdom Companies Act 1985. The company accounts, the notes to those accounts and the further statutory information given for each of N.V. and PLC comply with legislation in the Netherlands and the United Kingdom respectively. As explained under 'Group companies' on page 5, in order to give a true and fair view, the presentation of the consolidated capital and reserves differs from that specified by the United Kingdom Companies Act 1985.

### Accounting standards

The accounts are prepared under the historical cost convention and comply in all material respects with applicable accounting principles in the Netherlands and, except as stated below, with United Kingdom Accounting Standards.

United Kingdom Statement of Standard Accounting Practice Number 15 (SSAP 15) requires that no provision should be made for deferred taxation where 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. For this reason, and because of the Equalisation Agreement, full provision continues to be made for deferred taxation. The effects of this departure from SSAP 15 are shown in the notes to the accounts.

United Kingdom Urgent Issues Task Force Abstract 13 (UITF 13) requires that N.V. or PLC shares held by employee trusts to satisfy options should be classified by the sponsoring company as fixed assets. Dutch law requires such shares to be deducted from capital and reserves. In order to comply with Dutch law, the disclosure requirement of UITF 13 has not been followed. The effects of this departure are shown in note 20 on page 17.

### OECD Guidelines

In preparing its annual accounts Unilever adheres to the disclosure recommendations of the OECD Guidelines for Multinational Enterprises.

## Statements of directors' responsibilities

### Annual accounts

The directors are required by Book 2 of the Civil Code in the Netherlands and the United Kingdom Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Unilever Group, N.V. and PLC as at the end of the financial year and of the profit or loss for that year.

The directors consider that in preparing the accounts, the Group, N.V. and PLC have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed, except as noted under 'Accounting standards' on page 2.

The directors have responsibility for ensuring that N.V. and PLC keep accounting records which disclose with reasonable accuracy their financial position and which enable the directors to ensure that the accounts comply with the relevant legislation. They also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement, which should be read in conjunction with the 'Report of the auditors' set out on page 4, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

### Going concern

The directors continue to adopt the going concern basis in preparing the accounts. This is because the directors, after making enquiries and following a review of the Group's budget for 1996 and 1997, including cash flows and borrowing facilities, consider that the Group has adequate resources to continue in operation for the foreseeable future.

### Internal control

Unilever has a well established control environment which is well documented and regularly reviewed. This incorporates internal financial control procedures which are designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information is reliable. The directors have also established a clear organisation structure, including delegation of appropriate authorities. The Group's control environment is supported through a Code of Business Principles which sets standards of professionalism and integrity for its operations worldwide.

Internal Audit plays a key role in providing an objective view and continuing assessment of the effectiveness of the control environment throughout the world to both operating management and the directors. The Group has an independent Audit Committee, entirely composed of Advisory Directors. This Committee meets regularly with Unilever's Internal Audit function and the external Auditors.

The directors have overall responsibility for establishing key procedures designed to achieve a system of internal financial control. The day to day responsibility for implementation of these procedures and monitoring the effectiveness of these controls rests with the Group's senior management at individual operating company level. They are required each year to review, in a structured way, their internal control arrangements and to provide a written report to the responsible director. A number of Risk Committees, including a Corporate Risk Committee comprised of Board members and chaired by the Financial Director, have been established to assist in this process.

Unilever has a comprehensive budgeting system with an annual budget approved by the directors, which is regularly updated. Performance is monitored against budget and the previous year through monthly and quarterly reporting routines. The Group reports to shareholders quarterly.

### Emoluments of directors

The report to shareholders by the Remuneration Committee on behalf of the Boards is set out on pages 31 to 36.

# Report of the auditors

## **Report of the auditors to the shareholders of Unilever N.V. and Unilever PLC**

We have audited the accounts set out on page 2 and pages 5 to 30.

### **Respective responsibilities of directors and auditors**

As described on page 3, the directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### **Basis of opinion**

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands and the United Kingdom. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the most important estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group'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 accounts 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 accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Unilever Group, Unilever N.V. and Unilever PLC at 31 December 1995 and of the profit, total recognised gains and cash flows of the Group for the year then ended. In our opinion the accounts of the Unilever Group, and of Unilever N.V. and Unilever PLC respectively, have been properly prepared in accordance with Book 2 of the Civil Code in the Netherlands and the United Kingdom Companies Act 1985.

#### **Coopers & Lybrand**

Registeraccountants  
Rotterdam

*As auditors of Unilever N.V.*

#### **Coopers & Lybrand**

Chartered Accountants and Registered Auditors  
London

*As auditors of Unilever PLC*

11 March 1996

## Unilever Group

## Accounting policies

**Group companies**

Group companies are those companies in whose share capital N.V. or PLC holds an interest directly or indirectly, and whose consolidation is required for the accounts to give a true and fair view.

In order that the consolidated accounts should present a true and fair view, it is necessary to differ from the presentational requirements of the United Kingdom Companies Act 1985 by including amounts attributable to both N.V. and PLC shareholders in the capital and reserves shown in the balance sheet. The Companies Act would require presentation of the capital and reserves attributable to PLC and N.V. shareholders as minority interests in the respective consolidated accounts of N.V. and PLC. This presentation would not give a true and fair view of the effect of the Equalisation Agreement, under which the position of all shareholders is as nearly as possible the same as if they held shares in a single company.

Net profit and profit of the year retained are presented on a combined basis on page 7, with the net profit attributable to N.V. and PLC shareholders shown separately. Movements in profit retained are analysed between those attributable to N.V. and PLC shareholders in note 19 on page 17.

**Foreign currencies**

Exchange differences arising in the accounts of individual companies are dealt with in their respective profit and loss accounts. Those arising on trading transactions are taken to operating profit; those arising on cash, current investments and borrowings are classified as interest.

In preparing the consolidated accounts, the profit and loss account, the cash flow statement and all movements in assets and liabilities are translated at annual average rates of exchange. The balance sheet, other than the ordinary share capital of N.V. and PLC, is translated at year-end rates of exchange. In the case of hyper-inflation economies, the accounts are adjusted to remove the influences of inflation before being translated.

The ordinary share capital of N.V. and PLC is translated at the rate of £1 = Fl. 12 contained in the Equalisation Agreement. The difference between this and the value derived by applying the year-end rate of exchange is taken to other reserves (see note 20 on page 17).

The effects of exchange rate changes during the year on net assets at the beginning of the year are recorded as a movement in profit retained, as is the difference between profit of the year retained at average rates of exchange and at year-end rates of exchange.

**Intangible assets**

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

On any subsequent disposal of a business previously acquired, purchased goodwill written off on acquisition is reinstated in arriving at the profit or loss on disposal.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight-line basis at percentages of cost based on the expected average useful lives of the assets. Estimated useful lives by major class of assets are as follows:

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

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

**Fixed investments**

Associated companies are undertakings in which the Group has a participating interest and is able to exercise significant influence. Interests in associated companies are stated in the consolidated balance sheet at the Group's share of their underlying net assets.

Other fixed investments are stated at cost less any amounts written off to reflect a permanent diminution in value.

**Current assets**

Stocks are valued at the lower of cost and estimated net realisable value. Cost comprises direct costs and, where appropriate, a proportion of production overheads.

Debtors are stated after deducting adequate provision for doubtful debts.

**Unilever Group****Accounting policies** *(continued)***Current assets** *(continued)*

Current investments are liquid funds temporarily invested and are stated at their realisable value. The difference between this and their original cost is taken to interest in the profit and loss account.

**Financial instruments**

Changes in the value of forward foreign exchange contracts are recognised in the results in the same period as changes in the values of the assets and liabilities they are intended to hedge. Interest payments and receipts arising from interest rate derivatives such as swaps and forward rate agreements are matched to those arising from underlying debt and investment positions.

**Retirement benefits**

The expected costs of providing retirement pensions under defined benefit schemes, as well as the costs of other post-retirement benefits, are charged to the 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.

Contributions to defined contribution pension schemes are charged to the profit and loss account as incurred.

Liabilities arising under defined benefit schemes are either externally funded or provided for in the consolidated balance sheet. Any difference between the charge to the profit and loss account in respect of funded schemes and the contributions payable to each scheme is recorded in the balance sheet as a prepayment or provision.

**Deferred taxation**

Full provision is made for deferred taxation, at the rates of tax prevailing at the year-end unless future rates have been enacted, on all significant timing differences arising from the recognition of items for taxation purposes in different periods to those in which they are included in the Group's accounts.

Provision 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.

**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 associated companies but does not include sales by associated companies or sales between group companies.

**Transfer pricing**

The preferred method for determining transfer prices for own manufactured goods is to take the market price. Where there is no market price, the companies concerned follow established transfer pricing guidelines, where available, or else engage in arms' length negotiations.

Trade marks owned by the parent companies and used by operating companies are, where appropriate, licensed in return for royalties or a fee.

General services provided by central advisory departments and research laboratories are charged to operating companies on the basis of fees.

**Leases**

Lease payments, which are principally in respect of operating leases, are charged to the profit and loss account on a straight-line basis over the lease term, or over the period between rent reviews where these exist.

**UITF Abstract 13**

With effect from 1 January 1995, Unilever has adopted United Kingdom UITF 13 (Accounting for ESOP Trusts). As a result, the assets and liabilities of certain trusts which purchase and hold PLC shares to satisfy options granted are now included in the Group accounts. Shares held by the trusts have been deducted from capital and reserves and trust borrowings have been included in the Group's borrowings. In addition, the costs of the trusts, previously charged against the Group's operating profit, are now included in interest. There is no overall impact on net profit. Figures for earlier years have been restated.



## Unilever Group

# Consolidated profit and loss account and Statement of total recognised gains and losses

for the year ended 31 December

	Fl. million	
	1995	1994
<b>Consolidated profit and loss account</b>		
<b>Turnover 1</b>	<b>79 703</b>	<b>82 590</b>
Continuing operations	78 216	82 590
Acquisitions	1 487	
Operating costs 2	(73 314)	(75 560)
<b>Operating profit 1</b>	<b>6 389</b>	<b>7 030</b>
Continuing operations	6 295	7 030
Acquisitions	94	
Income from fixed investments 8	120	174
Non-operating exceptional items 3	—	38
Interest 4	(645)	(608)
<b>Profit on ordinary activities before taxation</b>	<b>5 864</b>	<b>6 634</b>
Taxation on profit on ordinary activities 5	(1 975)	(2 122)
<b>Profit on ordinary activities after taxation</b>	<b>3 889</b>	<b>4 512</b>
Minority interests	(164)	(173)
<b>Net profit</b>	<b>3 725</b>	<b>4 339</b>
Attributable to: N.V. 19	2 315	2 928
PLC 19	1 410	1 411
Preference dividends	(15)	(15)
Dividends on ordinary capital	(1 585)	(1 583)
<b>Profit of the year retained</b>	<b>2 125</b>	<b>2 741</b>
<b>Statement of total recognised gains and losses</b>		
Net profit	3 725	4 339
Currency retranslation	(784)	(597)
<b>Total recognised gains since last annual accounts</b>	<b>2 941</b>	<b>3 742</b>
<b>Combined earnings per share 26</b>		
Guilders per Fl. 4 of ordinary capital	13.26	15.52
Pence per 5p of ordinary capital	78.63	83.59
On a SSAP 15 basis the figures would be:		
Guilders per Fl. 4 of ordinary capital	14.15	16.50
Pence per 5p of ordinary capital	83.94	88.89

## Unilever Group

## Consolidated balance sheet

as at 31 December

	Fl. million	
	1995	1994
<b>Fixed assets</b>		
Tangible fixed assets 7	21 682	22 156
Fixed investments 8	360	518
	<b>22 042</b>	<b>22 674</b>
<b>Current assets</b>		
Stocks 9	10 683	10 168
Debtors 10	11 757	12 402
Current investments 11	946	1 423
Cash at bank and in hand 12	2 761	2 620
	<b>26 147</b>	<b>26 613</b>
<b>Creditors due within one year</b>		
Borrowings 13	(2 950)	(3 222)
Trade and other creditors 14	(15 749)	(16 248)
	<b>7 448</b>	<b>7 143</b>
<b>Net current assets</b>		
<b>Total assets less current liabilities</b>	<b>29 490</b>	<b>29 817</b>
<b>Creditors due after more than one year</b>		
Borrowings 13	5 460	5 610
Trade and other creditors 14	926	1 057
	<b>5 994</b>	<b>5 968</b>
<b>Provisions for liabilities and charges</b>		
Pensions and similar obligations 15	5 994	5 968
Deferred taxation and other provisions 16	2 226	2 253
	<b>895</b>	<b>783</b>
<b>Minority interests</b>		
	<b>13 989</b>	<b>14 146</b>
<b>Capital and reserves 17</b>		
Attributable to: NV: Called up share capital 18	905	905
Share premium account	52	52
Profit retained 19	8 590	8 372
Other reserves 20	(269)	(178)
	<b>9 278</b>	<b>9 151</b>
PLC: Called up share capital 18	489	489
Share premium account	231	244
Profit retained 19	4 670	4 950
Other reserves 20	(679)	(688)
	<b>4 711</b>	<b>4 995</b>
<b>Total capital employed</b>	<b>29 490</b>	<b>29 817</b>

Capital and reserves include amounts relating to preference shares in N.V. which under United Kingdom Financial Reporting Standard 4 are classified as non-equity.

## Unilever Group

## Consolidated cash flow statement

for the year ended 31 December

	Fl. million	
	1995	1994
<b>Net cash inflow from operating activities</b> 22	<b>8 189</b>	<b>9 104</b>
<b>Returns on investments and servicing of finance</b>		
Dividends from fixed investments	45	63
Interest received	265	350
Interest paid	(923)	(929)
Dividends paid by the parent companies	(1 555)	(1 526)
Dividends paid to minority shareholders	(128)	(127)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(2 296)</b>	<b>(2 169)</b>
<b>Taxation</b>	<b>(1 669)</b>	<b>(2 317)</b>
<b>Investing activities</b>		
Capital expenditure	(3 070)	(3 975)
Disposal of tangible fixed assets	217	324
Single European Market restructuring	—	(134)
Acquisition of group companies 21	(1 872)	(1 673)
Disposal of group companies 21	298	298
Acquisition/disposal of fixed investments	3	(7)
Purchase of current investments maturing after more than three months from date of investment	(1 034)	(1 008)
Sale of current investments maturing after more than three months from date of investment	1 384	1 171
<b>Net cash outflow from investing activities</b>	<b>(4 074)</b>	<b>(5 004)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>150</b>	<b>(386)</b>
<b>Financing activities</b>		
Increase in borrowings due after more than three months from date of advance 23	2 956	4 512
Decrease in borrowings due after more than three months from date of advance 23	(3 196)	(3 197)
Repurchase of preference shares in a group company 23	—	(785)
Issue of ordinary share capital (employee share schemes) 23	8	41
Issue of shares by group companies to minority shareholders	34	47
<b>Net cash inflow/(outflow) from financing</b>	<b>(198)</b>	<b>618</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(48)</b>	<b>232</b>
Cash and cash equivalents 1 January	1 634	875
Currency retranslation	200	527
Increase/(decrease) in cash and cash equivalents	(48)	232
<b>Cash and cash equivalents 31 December</b>	<b>1 786</b>	<b>1 634</b>
Of which:		
Cash at bank and in hand	2 761	2 620
Current investments maturing within three months from date of investment	538	491
Borrowings due within three months from date of advance	(1 513)	(1 477)

## Unilever Group

## Notes to the consolidated accounts

## 1 Segmental information

Fl. million

	1995			1994
	Continuing operations	Acquisitions	Total	Total
<b>Turnover</b> <sup>(a)(b)</sup>				
By geographical area:				
Europe	40 599	678	41 277	41 919
North America	14 744	249	14 993	16 548
Africa and Middle East	4 775	170	4 945	5 281
Asia and Pacific	10 897	27	10 924	10 891
Latin America	7 201	363	7 564	7 951
	<b>78 216</b>	<b>1 487</b>	<b>79 703</b>	<b>82 590</b>
By operation:				
Foods	40 008	1 187	41 195	42 515
Detergents	17 165	180	17 345	18 085
Personal Products	11 412	57	11 469	12 206
Speciality Chemicals	7 188	4	7 192	7 194
Other Operations	2 443	59	2 502	2 590
	<b>78 216</b>	<b>1 487</b>	<b>79 703</b>	<b>82 590</b>
<b>Operating profit</b> <sup>(a)</sup>				
By geographical area:				
Europe	3 134	56	3 190	3 481
North America	1 108	1	1 109	1 405
Africa and Middle East	446	12	458	472
Asia and Pacific	962	(11)	951	931
Latin America	645	36	681	741
	<b>6 295</b>	<b>94</b>	<b>6 389</b>	<b>7 030</b>
By operation:				
Foods	2 682	92	2 774	3 358
Detergents	1 143	2	1 145	1 278
Personal Products	1 315	(1)	1 314	1 311
Speciality Chemicals	931	—	931	887
Other Operations	224	1	225	196
	<b>6 295</b>	<b>94</b>	<b>6 389</b>	<b>7 030</b>
<b>Net operating assets</b> <sup>(a)(c)</sup>			1995	1994
By geographical area:				
Europe			10 155	10 062
North America			5 067	5 651
Africa and Middle East			1 874	1 480
Asia and Pacific			2 876	2 886
Latin America			2 178	1 895
			<b>22 150</b>	<b>21 974</b>
By operation:				
Foods			11 030	11 062
Detergents			3 837	3 890
Personal Products			2 297	2 236
Speciality Chemicals			4 146	4 074
Other Operations			840	712
			<b>22 150</b>	<b>21 974</b>

## Notes:

- (a) There have been reclassifications in the analysis by geographical area and by operation following some organisational changes effective from 1 January 1995. Prior year figures have been restated on a comparable basis.
- (b) The analysis of turnover by geographical area is stated on the basis of origin. Turnover on a destination basis would not be materially different. Inter-segment sales between operational segments and between geographical areas are not material.
- (c) Net operating assets are tangible fixed assets, stocks and debtors less trade and other creditors (excluding taxation and dividends) and less provisions for liabilities and charges other than deferred taxation and deferred purchase consideration.

## Unilever Group

## Notes to the consolidated accounts

	Fl. million	
	1995	1994
<b>2 Operating costs</b>		
Cost of sales	(46 449)	(47 679)
Continuing operations	(45 463)	(47 679)
Acquisitions	(986)	
Distribution and selling costs	(17 632)	(18 592)
Continuing operations	(17 440)	(18 592)
Acquisitions	(192)	
Administrative expenses	(9 233)	(9 289)
Continuing operations	(9 018)	(9 289)
Acquisitions	(215)	
	(73 314)	(75 560)
Operating costs include:		
Staff costs 6	(12 612)	(13 327)
Raw materials and packaging	(36 978)	(37 558)
Depreciation	(2 012)	(2 037)
Advertising and promotions	(8 597)	(9 309)
Research and development	(1 479)	(1 512)
Lease rentals: Plant and machinery	(275)	(310)
Other	(566)	(582)
Audit fees	(19)	(18)
<b>3 Exceptional items</b>		
<b>Included in operating profit</b>		
Restructuring	(704)	(259)
Other including business disposals	119	86
	(585)	(173)
By geographical area:		
Europe	(447)	(74)
North America	(117)	—
Africa and Middle East	36	(38)
Asia and Pacific	(43)	(33)
Latin America	(14)	(28)
	(585)	(173)
By operation:		
Foods	(410)	17
Detergents	(251)	(119)
Personal Products	—	(42)
Speciality Chemicals	43	(34)
Other Operations	33	5
	(585)	(173)
<b>Non-operating exceptional items</b>		
Profit on disposal of properties	—	38
<b>4 Interest</b>		
Interest payable and similar charges	(958)	(994)
Interest receivable and similar income	346	376
Exchange differences	(33)	10
	(645)	(608)
Interest payable on borrowings which are wholly repayable within five years	(727)	(745)

**5 Taxation on profit on ordinary activities**

	Fl. million	
	1995	1994
Parent and group companies (a)	(1 953)	(2 066)
Associated companies	(22)	(56)
	(1 975)	(2 122)
Of which:		
Adjustments to previous years	150	255
Taxation on non-operating exceptional items	—	(5)
(a) United Kingdom Corporation Tax at 33% (1994: 33%)	(457)	(356)
less: double tax relief	178	200
plus: non-United Kingdom taxes	(1 674)	(1 910)
	(1 953)	(2 066)
Deferred taxation has been included on a full provision basis for:		
Accelerated depreciation	(167)	(79)
Other	(93)	(195)
	(260)	(274)
On a SSAP 15 basis the charge for deferred taxation would be:	(9)	—
Profit on ordinary activities after taxation on a SSAP 15 basis would be:	4 140	4 786

**6 Staff costs and employees**

Staff costs:		
Remuneration of employees	(10 250)	(10 802)
Emoluments of directors as managers	(20)	(23)
Pension costs:		
Defined benefit schemes	(627)	(740)
Defined contribution schemes	(48)	(53)
Post-retirement health benefits	(111)	(142)
Social security costs	(1 551)	(1 562)
Superannuation of former directors	(5)	(5)
Total staff costs	(12 612)	(13 327)
The average number of employees during the year was, in thousands:		
Europe	101	101
North America	29	32
Africa and Middle East	72	69
Asia and Pacific	77	74
Latin America	29	28
	308	304

Details of the remuneration of directors which form part of these accounts are given in the following sections of the note on 'Emoluments and interests of directors':  
 'Directors' emoluments' on pages 32 and 33  
 'Directors' interests: share options' on pages 34 and 35  
 'Former directors' and 'Advisory Directors' on page 36.



## Unilever Group

## Notes to the consolidated accounts

	Fl. million	
	1995	1994
<b>11 Current investments</b>		
Listed on a recognised stock exchange	821	1 160
Unlisted	125	263
	<b>946</b>	<b>1 423</b>

**12 Cash at bank and in hand**

On call and in hand	1 822	1 420
Repayment notice required	939	1 200
	<b>2 761</b>	<b>2 620</b>

**13 Borrowings**

Bank loans and overdrafts	2 671	2 785
Bonds and other loans	5 739	6 047
	<b>8 410</b>	<b>8 832</b>

The repayments fall due as follows:

Within 1 year:		
Bank loans and overdrafts	2 037	2 089
Bonds and other loans	913	1 133
Total due within one year	<b>2 950</b>	<b>3 222</b>

After 1 year but within 2 years	614	815
After 2 years but within 5 years	2 576	1 914
After 5 years: By instalments	60	27
Not by instalments	2 210	2 854
Total due after more than one year	<b>5 460</b>	<b>5 610</b>

Total amount repayable by instalments any of which are payable after 5 years	197	191
--	-----	-----

Secured borrowings – mainly bank loans and overdrafts	613	656
---	-----	-----

Of which secured against tangible fixed assets	198	248
--	-----	-----

**Bonds and other loans**

<b>N.V.</b>		
9 <sup>3</sup> / <sub>8</sub> % Bonds 1997 (French Frs.)	328	325
8% Notes 1999 (US \$)	321	347
9% Bonds 2000 (a)	500	500
6% Notes 2001 (US \$)	321	–
6 <sup>1</sup> / <sub>2</sub> % Bonds 2004 (a)	350	350
7 <sup>1</sup> / <sub>8</sub> % Bonds 2004 (French Frs.)	492	488
7 <sup>1</sup> / <sub>8</sub> % Bonds 2004 (US \$)	401	434
6 <sup>3</sup> / <sub>8</sub> % Notes 2005 (US \$)	321	–
Other	196	793
Total N.V.	<b>3 230</b>	<b>3 237</b>

**PLC**

7 <sup>3</sup> / <sub>8</sub> % Notes 1998 (b)	249	272
Other	95	103
Total PLC	<b>344</b>	<b>375</b>
Sterling equivalent in millions	<b>138</b>	<b>138</b>

**13 Borrowings (continued)****Bonds and other loans (continued)****Other group companies**

	Fl. million	
	1995	1994
<b>USA</b>		
8% Notes 1996	400	434
8 <sup>7</sup> / <sub>8</sub> % Notes 1998	240	260
9 <sup>1</sup> / <sub>4</sub> % Notes 2000 (c)	641	695
Other	314	431
Other loans	570	615
Total other group companies	<b>2 165</b>	<b>2 435</b>
Total bonds and other loans	<b>5 739</b>	<b>6 047</b>

Swapped into:

- (a) floating rate guilders
- (b) floating rate sterling
- (c) floating rate United States dollars

The Group's principal lines of credit are multi-currency facility agreements with nine banks under which the Group may borrow funds aggregating US \$ 2 700 million for general financing purposes or for acquisitions up to 1 May 2000. These lines of credit were undrawn at 31 December 1995.

In addition, there are extensive facilities available to Unilever in all the principal countries in which it operates to meet the day to day needs of operating companies.

Group borrowings have been increased by Fl. 306 million (1994: Fl. 312 million) as a result of the adoption of United Kingdom UITF 13.

**14 Trade and other creditors**

Due within one year:		
Trade creditors	7 854	8 115
Social security and sundry taxes	759	771
Accruals and deferred income	3 073	3 251
Taxation on profits	580	555
Dividends	1 202	1 193
Others	2 281	2 363
	<b>15 749</b>	<b>16 248</b>
Due after one year:		
Accruals and deferred income	118	116
Taxation on profits	603	665
Others	205	276
	<b>926</b>	<b>1 057</b>
Total creditors	<b>16 675</b>	<b>17 305</b>

## Unilever Group

## Notes to the consolidated accounts

	Fl. million			Fl. million	
	1995	1994		1995	1994
<b>15 Pensions and similar obligations</b>			<b>16 Deferred taxation and other provisions</b> <i>(continued)</i>		
These are predominantly long term liabilities:			Movements in restructuring provisions related to acquisitions prior to 1 January 1995:		
Unfunded pension schemes	4 369	4 224	1 January	406	
Funded pension schemes	338	419	Currency retranslation	(11)	
Post-retirement health benefits	1 287	1 325	Profit and loss account	(4)	
	<b>5 994</b>	<b>5 968</b>	Utilisation	(146)	
Movements during the year:			31 December	<b>245</b>	
1 January	5 968		Movements in other restructuring provisions:		
Currency retranslation	(209)		1 January	1 091	
Profit and loss account	786		Currency retranslation	(52)	
Payments	(646)		Profit and loss account	812	
Other adjustments	95		Utilisation	(639)	
31 December	<b>5 994</b>		31 December	<b>1 212</b>	
			Movements in other provisions:		
<b>16 Deferred taxation and other provisions</b>			1 January	395	
Deferred taxation on:			Currency retranslation	(19)	
Accelerated depreciation	3 304	3 211	Acquisition/disposal of group companies	2	
Stock reliefs	134	107	Profit and loss account	17	
Pension and similar provisions	(1 091)	(1 130)	Utilisation	(164)	
Short term and other timing differences	(1 698)	(1 717)	31 December	<b>231</b>	
Advance Corporation Tax	(111)	(110)			
	<b>538</b>	<b>361</b>	<b>17 Capital and reserves</b>		
Restructuring provisions related to acquisitions prior to 1 January 1995	245	406	Movements during the year:		
Other restructuring provisions	1 212	1 091	1 January	14 146	13 177
Other provisions	231	395	Profit of the year retained	2 125	2 741
	<b>2 226</b>	<b>2 253</b>	Goodwill movements	(1 403)	(1 140)
			Currency retranslation	(784)	(593)
Advance Corporation Tax is available for offset against future United Kingdom Corporation Tax liabilities.			Change in book value of shares or certificates held in connection with share options 18	(103)	(80)
Movements in deferred taxation:			Issue of new shares under PLC share option schemes	8	41
1 January	361		31 December	<b>13 989</b>	<b>14 146</b>
Currency retranslation	54				
Acquisition/disposal of group companies	(126)		As required by United Kingdom Financial Reporting Standard 4 capital and reserves can be analysed as follows:		
Profit and loss account	260		Equity:		
Other movements	(11)		Ordinary capital	13 724	13 881
31 December	<b>538</b>		Non-equity:		
On a SSAP 15 basis provision for deferred taxation would be	30	22	7% Cumulative Preference	29	29
			6% Cumulative Preference	161	161
			4% Cumulative Preference	75	75
				<b>13 989</b>	<b>14 146</b>





## Unilever Group

## Notes to the consolidated accounts

## 18 Called up share capital (continued)

## Share options

At 31 December 1995 certain group companies held certificates or depositary receipts representing 1 425 644 (1994: 965 931) Fl. 4 ordinary shares of N.V. in connection with Unilever N.V. share options. The book value of these shares, Fl. 269 million (1994: Fl. 178 million), is eliminated in consolidation by deduction from other reserves (see note 20 on page 17).

Trusts exist in Jersey and the United Kingdom and in Ireland to purchase and hold PLC shares to satisfy options granted under the share option schemes in the United Kingdom and Ireland respectively. As from 1 January 1995 the assets and liabilities of these trusts are required under UITF 13 to be included in the Group accounts. At 31 December 1995 the trusts together held 14 495 945 (1994: 15 649 457) 5p ordinary shares of PLC. The book value of these shares, Fl. 319 million (1994: Fl. 341 million) is deducted from other reserves (see note 20 on page 17). The trustees of each of the trusts have agreed, until further notice, to waive dividends on the shares held, save for the nominal sum of 0.01p per 5p ordinary share.

Options granted to directors and employees to acquire ordinary shares of N.V. and PLC and still outstanding at 31 December 1995 were as follows:

	Number of shares	Range of option prices per share	Date normally exercisable
<b>N.V. Executive Share Option Scheme</b>			
(Shares of Fl. 4)	3 425	Fl. 103.10	1996-1997
	13 072	Fl. 157.20 – Fl. 168.20	1996
	93 918	Fl. 185.00 – Fl. 187.20	1996-1997
	167 001	Fl. 197.10 – Fl. 221.40	1996-1998
	161 996	Fl. 192.00 – Fl. 205.10	1996-1999
	179 138	Fl. 201.20 – Fl. 226.50	1996-2000
<b>North American Executive Stock Option Plan</b>			
(Shares of Fl. 4 of the New York Registry)	50 200	US \$ 102.75	1996-2002
	92 419	US \$ 107.25	1996-2003
	134 787	US \$ 102.69	1996-2004
	147 375	US \$ 127.81	1996-2005
<b>PLC 1985 Executive Share Option Schemes</b>			
(Shares of 5p)	21 950	£5.07	1996
	34 963	£4.37	1996-1998
	31 236	£5.37	1996-1998
	84 069	£6.46 – £6.63	1996-1999
	220 957	£7.30 – £7.35	1996-2000
	100 162	£8.26	1996-2001
	406 479	£9.07	1996-2001
	142 718	£10.46	1996-2002
	625 760	£10.14	1996-2002
	49 432	£11.10	1996-2003
	694 286	£10.15 – £11.30	1997-2003
	133 403	£11.32	1997-2004
	446 354	£11.90	1998-2004
	276 793	£12.29	1998-2005
<b>N.V. Employee Share Option Scheme</b>			
(Shares of Fl. 4)	41 480	Fl. 203.50	1996-1999
<b>North American Employee Stock Purchase Plan</b>			
(Shares of Fl. 4 of the New York Registry)	299 382	US \$ 115.54	1997
<b>PLC 1985 Sharesave Scheme</b>			
(Shares of 5p)	318 210	£5.31	1996
	2 414 882	£5.84	1996-1997
	3 802 474	£7.26	1997-1998
	2 054 050	£9.13	1998-1999
	1 562 377	£9.14	1999-2000
	2 327 567	£10.71	2000-2001
<b>Unilever Savings Related Share Option Scheme (Ireland)</b>			
(Shares of 5p)	128 079	Ir £8.75	1996-1997

## Unilever Group

## Notes to the consolidated accounts

Fl. million	N.V.		PLC	
	1995	1994	1995	1994
<b>19 Profit retained</b>				
Net profit	2 315	2 928	1 410	1 411
Preference dividends	(15)	(15)	—	—
Dividends on ordinary capital	(991)	(986)	(594)	(597)
Profit of the year retained	1 309	1 927	816	814
Goodwill movements	(818)	(1 008)	(585)	(132)
Currency retranslation	(273)	(199)	(511)	(398)
Net movement during the year	218	720	(280)	284
Profit retained – 1 January	8 372	7 652	4 950	4 666
Profit retained – 31 December	8 590	8 372	4 670	4 950
Of which retained by:				
Parent companies	4 349	4 167	2 180	2 352
Other group companies	4 229	4 151	2 449	2 442
Associated companies	12	54	41	156
	8 590	8 372	4 670	4 950
Cumulative goodwill written off	(12 626)	(11 808)	(6 220)	(5 635)
<b>20 Other reserves</b>				
Adjustment on translation of PLC's ordinary capital at £1 = Fl. 12	—	—	(388)	(378)
Capital redemption reserve	—	—	28	31
Book value of shares or certificates held in connection with share options <sup>(a)</sup>	(269)	(178)	(319)	(341)
	(269)	(178)	(679)	(688)

(a) Under UITF 13 these shares would be classified as fixed assets.

**21 Acquisition and disposal of group companies**

The net assets and results of acquired businesses are included in the consolidated accounts from their respective dates of acquisition. The following table sets out the effect of acquisitions of group companies in 1995 on the consolidated balance sheet.

Acquisitions	Balance sheets of acquired businesses	Revaluations and other adjustments	Fair values at date of acquisition
Intangible assets	23	(23)	—
Fixed assets	519	(118)	401
Current assets	739	(5)	734
Creditors	(550)	(10)	(560)
Provisions for liabilities and charges:			
Pensions and similar obligations	(13)	(8)	(21)
Deferred taxation	(14)	134	120
Other provisions	(1)	(1)	(2)
Minority interests	(188)	59	(129)
Total net assets acquired	515	28	543

Since the balance sheet date, the Group has signed agreements to purchase the greater part of the worldwide business and assets of Diversey, an industrial and institutional cleaning products business based in Canada, for Fl. 910 million and to offer to acquire the outstanding shares of Helene Curtis Industries, Inc., a personal products business based in the United States, for approximately Fl. 1 160 million. Both transactions are subject to regulatory approvals, and detailed figures regarding net assets to be acquired are not available at the date of signing these accounts.

## Unilever Group

## Notes to the consolidated accounts

	Fl. million			Fl. million	
	1995	1994		1995	1994
<b>21 Acquisition and disposal of group companies</b> <i>(continued)</i>			<b>24 Commitments</b>		
<b>Acquisitions</b>			Long term lease commitments under operating leases in respect of:		
Net assets acquired	(543)	(499)	Land and buildings	2 975	3 286
Goodwill written off	(1 473)	(1 127)	Other tangible fixed assets	687	726
Consideration	(2 016)	(1 626)		<b>3 662</b>	<b>4 012</b>
Less: non cash and deferred consideration	(27)	64	The commitments fall due as follows:		
Cash and cash equivalents of businesses acquired	171	(111)	Within 1 year	609	682
Movement in cash and cash equivalents	(1 872)	(1 673)	After 1 year but within 5 years	1 584	1 745
			After 5 years	1 469	1 585
<b>Disposals</b>				<b>3 662</b>	<b>4 012</b>
Net assets sold	196	220	Other commitments	424	479
Attributable goodwill	71	11	Of which payable within one year	218	210
Profit on sale	20	134			
Consideration	287	365	<b>25 Contingent liabilities</b>		
Deferred consideration	9	(50)	Contingent liabilities amounting to Fl. 384 million (1994: Fl. 405 million) arise from guarantees. These guarantees are not expected to give rise to any material loss.		
Cash and cash equivalents of businesses sold	2	(17)	Guarantees given by parent or group companies relating to liabilities included in the consolidated accounts are not included.		
Movement in cash and cash equivalents	298	298	Other contingent liabilities, including litigation against companies in the Group and obligations under environmental legislation in various countries, are not considered to be material.		
<b>22 Net cash inflow from operating activities</b>					
Operating profit	6 389	7 030			
Adjustments to reconcile operating profit to net cash flow from operating activities:					
Depreciation	2 012	2 037			
Changes in working capital:					
Stocks	(976)	(477)			
Debtors	324	(113)			
Creditors	(68)	250			
Pensions and similar provisions, less payments	101	478			
Restructuring and other provisions, less payments	164	(277)			
Other adjustments	243	176			
	<b>8 189</b>	<b>9 104</b>			
<b>23 Analysis of changes in financing during the year</b>					
<b>Borrowings due after more than three months from date of advance:</b>					
1 January	7 355	7 078			
Currency retranslation	(411)	(469)			
Acquisition/disposal of group companies	193	216			
Net cash inflow/(outflow)	(240)	530			
31 December	<b>6 897</b>	<b>7 355</b>			
<b>Share capital and share premium:</b>					
1 January	1 690	1 660			
Currency retranslation	(21)	(11)			
Cash inflow	8	41			
31 December	<b>1 677</b>	<b>1 690</b>			

## Unilever Group

## Notes to the consolidated accounts

**26 Combined earnings per share**

The calculations of combined earnings per share are based on the Unilever Group net profit attributable to ordinary capital divided by the average number of share units representing the combined ordinary capital of N.V. and PLC in issue during the year, after deducting those PLC shares held by Unilever employee share trusts on which dividends are effectively waived. For the calculation of combined ordinary capital the exchange rate of £1 = Fl. 12 has been used, in accordance with the Equalisation Agreement.

The calculations are:

	Thousands of Fl. 4 share units		Thousands of 5p share units	
	1995	1994	1995	1994
Average ordinary capital: N.V.	160 041	159 130	1 066 942	1 060 869
PLC	122 235	121 937	814 902	812 914
less: PLC shares held by employee share trusts	(2 487)	(2 340)	(16 578)	(15 600)
Combined average number of share units	279 789	278 727	1 865 266	1 858 183
	Fl. million		£ million	
Net profit	3 725	4 339	1 473	1 559
less: Preference dividends	(15)	(15)	(6)	(5)
Net profit attributable to ordinary capital	3 710	4 324	1 467	1 554
Divided by the combined average number of share units =	Fl. 13.26	Fl. 15.52	78.63p	83.59p
On a SSAP 15 basis the calculations would be:				
Net profit attributable to ordinary capital	3 961	4 598	1 566	1 652
Divided by the combined average number of share units =	Fl. 14.15	Fl. 16.50	83.94p	88.89p

The effects on combined earnings per share of (a) full conversion into PLC ordinary shares of the shares in a group company which are convertible in the year 2038 as described in note 18 on page 15, and (b) the exercise of share options, details of which are set out in note 18 on page 16, are not material. The impact of adopting UITF 13 (see page 6) on combined earnings per share is not material.

**27 Pension schemes**

In the majority of countries in which the Group operates, employees' retirement arrangements are provided by defined benefit schemes based on employee pensionable remuneration and length of service. These 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 Group balance sheet. All are subject to regular actuarial review. Actuarial advice is provided by both external consultants and actuaries employed by the Unilever Group.

Valuations are usually carried out annually using the projected unit method, with the aim of ensuring that as far as possible current and future charges remain a stable percentage of pensionable payroll. The actuarial assumptions used to calculate the benefit obligation vary according to the economic conditions of the country in which the plan is situated. It is usually assumed that, over the long term, the annual rate of return on investments will be higher than the annual increase in pensionable remuneration and in present and future pensions in payment. For the key factors influencing the actuarial valuations, the average assumptions for the principal schemes, weighted by market value, at their most recent valuation were: interest rate 8.2% p.a.; salary increases 5.7% p.a.; pension increases 3.9% p.a.; assets at smoothed market value.

At 31 December 1995 the market value of the assets of externally funded defined benefit schemes was Fl. 20 524 million (1994: Fl. 19 015 million), and net provisions in the accounts amounted to Fl. 4 232 million (1994: Fl. 4 211 million). The level of funding of all defined benefit schemes at the dates of the last valuations, in aggregate, was 127% (1994: 122%). The levels of funding 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 value of benefits that had accrued to members at those dates, after allowing for expected future increases in pensionable remuneration and pensions in the course of payment.

Pension costs and company contributions to defined benefit schemes (as shown in note 6 on page 11) have been reduced in recent years by the amortisation of surpluses in some funds. This situation is expected to continue for a number of years, although there will be a gradual increase in costs and contributions as the level of surpluses declines.

The Group also operates a number of defined contribution schemes. The assets of all the Group's defined contribution schemes are held in independently administered funds. The pension costs charged to the profit and loss account represent contributions payable by the Group to the funds. The market value of the assets of externally funded defined contribution schemes as at 31 December 1995 was Fl. 2 365 million (1994: Fl. 2 189 million).

**28 Post-retirement health benefits**

Group companies provide post-retirement health care benefits to a number of retired employees in certain countries, principally the United States, under several different plans which are predominantly unfunded. In assessing the liability in respect of these benefits, advice is obtained from independent actuaries. The valuations assume that medical cost inflation will fall from current levels over the next few years.

## Unilever Group

## Notes to the consolidated accounts

## 29 Financial instruments

As outlined in the Annual Review 1995, in the Financial Review section on page 39, there are comprehensive policies in place, approved by the directors, covering the use of straightforward derivative financial instruments. Such instruments are used solely for hedging purposes. The use of leveraged instruments is not permitted. The accounting policies governing these instruments are fully in line with generally accepted practice. Details of the instruments used in connection with interest rate and foreign exchange risk management, together with information on related exposures, are given below.

Under the interest rate management policy, interest rates are fixed on a proportion of debt and investments for periods up to 10 years. This is achieved by using fixed rate long term debt issues together with a range of derivative financial instruments such as interest rate swaps, cross currency swaps, forward rate agreements, swaptions, and interest rate caps and floors.

At the end of 1995 interest rates were fixed on approximately 65% of the projected debt for 1996, and 45% for 1997 (compared to 70% for 1995 and 45% for 1996 at the end of 1994). Similarly, interest receivable was fixed on approximately 75% of projected funds for 1996 and 50% for 1997 (compared to 80% for 1995 and 44% for 1996 at the end of 1994). Nominal values of interest rate derivative instruments are shown in the table below. These nominal values are relatively high in relation to total debt and investments because certain financial instruments have consecutive strike and maturity dates on the same underlying debt in different periods. In addition, derivatives are used to swap fixed interest long term debt into floating rate debt. Whilst the nominal amounts reflect the volume of activity, they do not therefore properly reflect the considerably lower amounts of credit and market risks to which the Group is exposed. The market value of these interest rate instruments at the end of 1995 represented an unrealised gain of Fl. 211 million (1994: Fl. 301 million).

Fl. million	Nominal amounts at 31 December	
	1995	1994
Interest rate swaps	15 078	21 801
Forward rate agreements	2 021	6 372
Swaptions, caps, floors	801	1 043
<b>Total</b>	<b>17 900</b>	<b>29 216</b>

Under the Group's foreign exchange policy, exposures with a maximum of one year maturity are generally hedged; this is achieved through the use of forward foreign exchange contracts and, to a limited extent, foreign currency options. The market value of these instruments at the end of 1995 represented an unrealised gain of Fl. 25 million (1994: Fl. 74 million).

Fl. million	Nominal amounts at 31 December	
	1995	1994
Foreign exchange contracts - buy	3 573	8 960
- sell	6 556	11 646
<b>Total</b>	<b>10 129</b>	<b>20 606</b>

The undernoted table summarises the fair values and carrying amounts of the various classes of financial instruments as at 31 December:

Fl. million	Fair value		Carrying amount	
	1995	1994	1995	1994
Fixed investments	284	285	271	251
Current investments	946	1 423	946	1 423
Cash	2 761	2 620	2 761	2 620
Bonds and other loans	(6 113)	(6 247)	(5 739)	(6 047)
Bank loans and overdrafts	(2 671)	(2 785)	(2 671)	(2 785)
Interest rate swaps - assets	520	454	37	22
- liabilities	(269)	(155)	-	-
Forward rate agreements - assets	2	8	-	3
- liabilities	(10)	(3)	-	-
Foreign exchange contracts - assets	67	142	25	74
- liabilities	(42)	(68)	-	-
Swaptions, caps, floors - assets	-	11	-	-
- liabilities	(32)	(14)	-	-

The fair values of fixed investments are based on their market value. The fair values of forward foreign exchange contracts represent the unrealised gain/loss on revaluation of the contracts to year end rates of exchange. The fair values of bonds and other loans, interest rate swaps, forward rate agreements, swaptions, caps and floors are estimated based on the net present value of the discounted anticipated future cash flows associated with these instruments.

## Unilever Group

## Notes to the consolidated accounts

**30 Summarised accounts of the N.V. and PLC parts of the Group**

The following summarised accounts present the profit and loss account and balance sheet of the Unilever Group analysed between the N.V. and PLC parts of the Group according to respective ownership.

Fl. million

	N.V.		PLC	
	1995	1994	1995	1994
<b>Profit and loss account</b> <i>for the year ended 31 December</i>				
<b>Turnover</b>	56 630	58 230	23 073	24 360
<b>Operating profit</b>	4 006	4 777	2 383	2 253
Income from fixed investments	49	66	71	108
Non-operating exceptional items	—	38	—	—
Interest	(455)	(452)	(190)	(156)
<b>Profit on ordinary activities before taxation</b>	3 600	4 429	2 264	2 205
Taxation on profit on ordinary activities	(1 230)	(1 454)	(745)	(668)
<b>Profit on ordinary activities after taxation</b>	2 370	2 975	1 519	1 537
Minority interests	(55)	(47)	(109)	(126)
<b>Net profit</b>	2 315	2 928	1 410	1 411
<b>Balance sheet</b> <i>as at 31 December</i>				
<b>Fixed assets</b>	15 416	15 691	6 626	6 983
<b>Current assets</b>				
Stocks	7 004	6 606	3 679	3 562
Debtors	8 624	9 073	3 133	3 329
Cash and current investments	3 032	2 823	675	1 220
	18 660	18 502	7 487	8 111
<b>Creditors due within one year</b>				
Borrowings	(2 034)	(2 363)	(916)	(859)
Trade and other creditors	(11 091)	(11 454)	(4 658)	(4 794)
<b>Net current assets</b>	5 535	4 685	1 913	2 458
<b>Total assets less current liabilities</b>	20 951	20 376	8 539	9 441
<b>Creditors due after more than one year</b>				
Borrowings	4 602	4 412	858	1 198
Trade and other creditors	701	804	225	253
<b>Provisions for liabilities and charges</b>	6 556	6 331	1 664	1 890
<b>Intra-group – N.V./PLC</b>	(540)	(591)	540	591
<b>Minority interests</b>	354	269	541	514
<b>Capital and reserves</b>	9 278	9 151	4 711	4 995
<b>Total capital employed</b>	20 951	20 376	8 539	9 441

## Unilever Group

## Principal group companies and fixed investments

as at 31 December 1995

The companies listed below and on pages 23 to 25 are those which in the opinion of the directors principally affect the amount of profit and assets shown in the Unilever Group accounts. The directors consider that those companies not listed are not significant in relation to Unilever as a whole.

Full information as required by Articles 379 and 414 of Book 2, Civil Code, in the Netherlands has been filed by N.V. with the Commercial Registry in Rotterdam.

Particulars of PLC group companies and other significant holdings 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
Foods	F
Detergents	D
Personal Products	P
Speciality Chemicals	C
Other Operations	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 by N.V. or PLC is mentioned in the margin, except where it is 100%. All percentages are rounded down to the nearest whole number.

## Principal group companies

%	Europe	
	<b>Austria – N.V.</b>	
	Eskimo-Iglo Ges.m.b.H.	F
	Österreichische Unilever Ges.m.b.H.	FDP
	Unifrost Ges.m.b.H.	F
	<b>Belgium – N.V.</b>	
	Unilever Belgium N.V.	FDPO
	<b>Czech Republic – N.V.</b>	
	Unilever ČSFR spol. sr. o.	FDP
	<b>Denmark – N.V.</b>	
	Unilever Danmark A/S	FDP
	<b>Finland – N.V.</b>	
	Suomen Unilever Oy	FDP
	<b>France – N.V.</b>	
99	Astra-Calvé S.A.	F
99	Boursin S.A.	F
50	Choky S.A.	F
99	Cogesal S.A.	F
99	Elida Fabergé S.A.	P
99	Fralib S.A.	F
99	Frigedoc S.A.	F
99	Lever S.A.	D
99	Ortiz-Miko S.A.	F
99	Unilever France S.A.	H
	<b>Germany – N.V.</b>	
	Deutsche Unilever GmbH	H
	Elida-Gibbs GmbH	P
	Fritz Homann Lebensmittelwerke GmbH	F
	Frozen Fish International GmbH	F
	Langnese-Iglo GmbH	F
	Lever GmbH	D
	Lever Sutter GmbH	D
	Meistermarken-Werke GmbH, Spezialfabrik für Back- und Grossküchenbedarf	F
	National Starch and Chemical GmbH	C
	'Nordsee' GmbH	F
	'Unichema' Chemie GmbH	C
	Union Deutsche Lebensmittelwerke GmbH	F
	<b>Greece – N.V.</b>	
51	'Elais' Oleaginous Products A.E.	F
	Lever Hellas A.E.B.E.	FDP
	<b>Hungary – N.V.</b>	
	Unilever Magyarország Beruházási Kft	FP
80	Unilever Magyarország Élelmiszer-és Mosószergyártó Rt	FD
	<b>Ireland – PLC</b>	
	Elida Lever Ireland Ltd.	DP
	Quest International Ireland Ltd.	C
	Van den Bergh Foods Ltd.	F
	W. & C. McDonnell Ltd.	F
	<b>Italy – N.V.</b>	
	Unilever Italia SpA	FDPC



## Unilever Group

## Principal group companies and fixed investments

as at 31 December 1995

## Principal group companies (continued)

% Europe (continued)		% Europe (continued)	
<b>The Netherlands – N.V.</b>		<b>Switzerland – N.V.</b>	
	Crosfield B.V.		Elida Cosmetic A.G.
	Elida Andrélon B.V.		Elizabeth Arden International S.A.
	Iglo-Ola B.V.		Elotex A.G.
	Im. van den Berg B.V.		Lever A.G.
	Lever Nederland B.V.		Lever Sutter A.G.
	Lever Otarès B.V.		Lipton-Sais
	Loders Croklaan B.V.		Lusso A.G.
	Molco Wijchen B.V.		Meina Holding A.G.
#	Mora B.V.		Sunlight A.G.
	National Starch & Chemical B.V.		Unilever (Schweiz) A.G.
	Quest International Nederland B.V.		
	Unichema Chemie B.V.		<b>United Kingdom – PLC</b>
*	Unilever N.V.		Birds Eye Wall's Ltd.
	Unilever Export B.V.		Calvin Klein Cosmetics (UK) Ltd.
	Unilever Nederland B.V.		Chesebrough-Pond's Ltd.
	UniMills B.V.		Colman's of Norwich Ltd.
	UVG Nederland B.V.		Crosfield Ltd.
	Van den Bergh en Jurgens B.V.		Elida Fabergé Ltd.
	Vinamul B.V.		Elizabeth Arden Ltd.
			John West Foods Ltd.
	<b>Poland – N.V.</b>		Laing National Ltd.
99	Lever Polska S.A.	FDP	Lever Brothers Ltd.
	SZPT-Van den Bergh Foods Sp. z o.o.	F	Lever Industrial Ltd.
			H. Leverton Ltd.
	<b>Portugal – N.V.</b>		Lipton Ltd.
74	Iglo Indústrias de Gelados, Lda.	F	Loders Croklaan Ltd.
60	Indústrias Lever Portuguesa, Lda.	DP	National Starch and Chemical Ltd.
			Plant Breeding International Cambridge Ltd.
	<b>Russia – N.V.</b>		Quest International (Fragrances, Flavours, Food Ingredients) UK Ltd.
99	Severnoye Siyaniye	P	Rimmel International Ltd.
			Unilever Overseas Buying Services Ltd.
	<b>Slovakia – N.V.</b>		UML Ltd.
	Unilever Slovensko spol. sr. o.	FDP	Unichema Chemicals Ltd.
			* Unilever PLC
	<b>Spain – N.V.</b>		Unilever International Market Development Company Ltd.
	Agra S.A.	F	Unilever U.K. Central Resources Ltd.
	Elida-Gibbs S.A.	P	Unipath Ltd.
99	Frigo S.A.	F	Van den Bergh Foods Ltd.
60	Frudesa S.A.	F	Vinamul Ltd.
	Lever España S.A.	D	
	Unilever España S.A.	H	
	<b>Sweden – N.V.</b>		
	Elida Robert Group AB	P	
90	GB Glace AB	F	
	Lever AB	D	
	Leverindus AB	D	
	National Starch and Chemical AB	C	
	Unilever Sverige AB	H	
	Van den Bergh Foods AB	F	

# Associate in 1994.

\* See 'Basis of consolidation' on page 2.

\* See 'Basis of consolidation' on page 2.

## Unilever Group

## Principal group companies and fixed investments

as at 31 December 1995

## Principal group companies (continued)

% North America		% Africa and Middle East (continued)	
<b>Canada – PLC</b>		<b>Tanzania – PLC</b>	
Nacan Products Limited	C	Brooke Bond Tanzania Ltd.	O
UL Canada Inc.	FDPC	<b>Turkey – N.V.</b>	
Unilever Canada Limited	H	68 Elida Kozmetik Sanayi ve Ticaret A.Ş.	P
<b>United States of America – N.V. (75%); PLC (25%)</b>		88 Lever Temizlik Maddeleri Sanayi ve Ticaret A.Ş.	D
Calvin Klein Cosmetics Company	P	Unikom Sanayi ve Ticaret A.Ş.	F
Chesebrough-Pond's USA Co.	P	Unilever Sanayi ve Ticaret Türk A.Ş.	F
Elizabeth Arden Co.	P	<b>Uganda – PLC</b>	
Good Humor Breyers Ice Cream Company	F	Uganda Associated Industries Ltd.	DP
Gorton's	F	<b>Zaire – N.V.</b>	
Lever Brothers Company	D	Compagnie des Margarines, Savons et	
Thomas J. Lipton Company	F	Cosmétiques au Zaïre s.a.r.l.	FDPC
National Starch and Chemical Company	C	76 Plantations Lever au Zaïre s.a.r.l.	O
Unilever Capital Corporation	O	<b>Zimbabwe – PLC</b>	
Unilever United States, Inc.	H	Lever Brothers (Private) Ltd.	FDPC
Van den Bergh Foods Company	F	<b>Asia and Pacific</b>	
<b>Africa and Middle East</b>		<b>Australia – PLC</b>	
<b>Côte d'Ivoire – PLC</b>		Unilever Australia Ltd.	FDPCO
90 Blohorn S.A.	FDO	<b>Bangladesh – PLC</b>	
67 Uniwax S.A.	O	61 Lever Brothers Bangladesh Ltd.	FDP
<b>Dubai – PLC</b>		<b>China – N.V./PLC</b>	
Unilever Gulf Free Zone Establishment	O	60 Guangdong Lipton Foods Company Ltd.	F
<b>Egypt – PLC</b>		National Starch & Chemical (Guangdong) Ltd.	C
60 Fine Foods Egypt SAE	F	Quest International Shanghai Company Ltd.	C
75 Lever Egypt SAE	DP	54 Shanghai Lever Company Ltd.	D
<b>Ghana – PLC</b>		Unilever (China) Ltd.	H
67 Unilever Ghana Ltd.	FDPCO	80 Unilever (Shanghai) Company Ltd.	DP
<b>Israel – PLC</b>		60 Unilever (Shanghai) Toothpaste Company Ltd.	P
50 Glidat Strauss Ltd.	F	95 Wall's (China) Company Ltd.	F
<b>Kenya – PLC</b>		70 ZhangJiaKou Unilever Detergent Co., Ltd.	D
88 Brooke Bond Kenya Ltd.	O	<b>Hong Kong – N.V.</b>	
61 East Africa Industries Ltd.	FDPC	Unilever Hong Kong Ltd.	FDP
<b>Malawi – PLC</b>		<b>India – PLC</b>	
Lever Brothers (Malawi) Ltd.	FDPC	50 Brooke Bond Lipton India Ltd.	FO
<b>Morocco – PLC</b>		51 Hindustan Lever Ltd.	DPCO
Lever Maroc S.A.	DP	52 Pond's India Ltd.	PCO
<b>Nigeria – PLC</b>		<b>Indonesia – N.V.</b>	
# 50 Lever Brothers Nigeria PLC	FDPC	85 P.T. Unilever Indonesia	FDPC
<b>Saudi Arabia – PLC</b>		<b>Japan – N.V.</b>	
49 Binzagr Lever Ltd.	P	95 Kanebo-NSC	C
49 Binzagr Lipton Ltd.	F	Nippon Lever B.V.	
49 Binzagr Wall's Ltd.	F	(incorporated in the Netherlands)	FP
49 Lever Arabia Ltd.	D	<b>Japan – PLC</b>	
<b>South Africa – PLC</b>		Lever Brothers Ltd.	
Unilever South Africa (Pty.) Ltd.	FDPC	(incorporated in the United Kingdom)	D

# Associate in 1994.

## Unilever Group

## Principal group companies and fixed investments

as at 31 December 1995

## Principal group companies (continued)

% <b>Asia and Pacific</b> (continued)		
<b>Malaysia – PLC</b>		
70	Unilever (Malaysia) Holdings Sdn. Bhd. Pamol Plantations Sdn. Bhd.	FDPC O
<b>New Zealand – PLC</b>		
	Unilever New Zealand Ltd.	FDPC
<b>Pakistan – PLC</b>		
69	Lever Brothers Pakistan Ltd.	FDP
<b>Philippines – N.V.</b>		
	Unilever Philippines (PRC), Inc.	FDPC
<b>Singapore – PLC</b>		
	Unilever Singapore Private Ltd.	FDP
<b>South Korea – N.V.</b>		
50	Haepyo-Unilever Co. Ltd. Unilever Korea	F DP
<b>Sri Lanka – PLC</b>		
	Unilever Ceylon Ltd.	FDPO
<b>Taiwan – N.V.</b>		
	Mavibel Taiwan Ltd.	DP
<b>Thailand – N.V.</b>		
	Lever Brothers (Thailand) Ltd.	FDPC
<b>Vietnam – N.V.</b>		
66	Lever VISO	DP
66	Lever HASO	DP
% <b>Latin America</b>		
<b>Argentina – N.V.</b>		
	Unilever de Argentina S.A.	FDPC
<b>Brazil – N.V.</b>		
99	Indústrias Gessy Lever Ltda.	FDPC
<b>Chile – N.V.</b>		
	Lever Chile S.A. (PLC 25%)	FDPC
<b>Colombia – N.V.</b>		
	Unilever Andina (Colombia) S.A. (PLC 40%)	FDPC
<b>El Salvador – N.V.</b>		
# 60	Industrias Unisola S.A.	FDP
<b>Mexico – N.V.</b>		
97	Anderson Clayton & Co. S.A. Pond's de Mexico S.A. de C.V.	FO P
<b>Netherlands Antilles – N.V.</b>		
	Unilever Becumij N.V.	O
<b>Peru – N.V.</b>		
36	Industrias Pacocha S.A.	FDP
<b>Trinidad &amp; Tobago – PLC</b>		
50	Lever Brothers West Indies Ltd.	FDPC
<b>Uruguay – N.V.</b>		
	Sudy Lever S.A.	FDP
<b>Venezuela – N.V.</b>		
	Unilever Andina S.A.	FDPC

# Associate in 1994.

## Principal fixed investments

## Associated companies

% <b>Europe</b>		
<b>France – N.V.</b>		
50	Société Yoghourts et Glaces	F
<b>Portugal – N.V.</b>		
40	FIMA – Produtos Alimentares, Lda.	F
40	Victor Guedes – Indústria e Comércio S.A.	F
% <b>North America</b>		
<b>United States of America – N.V. (75%); PLC (25%)</b>		
50	The Pepsi/Lipton Tea Partnership	F
% <b>Africa and Middle East</b>		
<b>Nigeria – PLC</b>		
14	Nigerian Breweries PLC	O
40	Tractor and Equipment (Nigeria) Ltd.	O
% <b>Asia and Pacific</b>		
<b>China – N.V./PLC</b>		
50	Shanghai Pond's Company Ltd.	P
50	Shanghai Van den Bergh Company Ltd.	F
<b>Pakistan – PLC</b>		
40	Brooke Bond Pakistan Ltd.	F

**Unilever N.V.****Company accounts**

Fl. million

**1995**      1994**Balance sheet***as at 31 December***Fixed assets**

Fixed investments

**1 962**      2 093**Current assets**

Debtors

**13 738**      13 298

Cash at bank and in hand

**185**      340**13 923**      13 638**(7 503)**      (8 066)**Creditors due within one year****Net current assets****6 420**      5 572**Total assets less current liabilities****8 382**      7 665**Creditors due after more than one year****3 058**      2 433**Provisions for liabilities and charges****285**      285**Capital and reserves****5 039**      4 947

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

**4 080**      3 988**Total capital employed****8 382**      7 665**Profit and loss account***for the year ended 31 December*

Income from fixed investments after taxation

**1 065**      1 003

Other income and expense

**123**      184**Profit of the year****1 188**      1 187

Pages 5 to 25 and 27 contain the notes to the N.V. company accounts. For the information required by Article 392 of Book 2, Civil Code, refer to pages 4 and 28.

As the accounts of N.V. have been included in the consolidated accounts, the profit and loss account mentions only income from fixed investments after taxation as a separate item. The balance sheet includes the proposed profit appropriation.

**The Board of Directors***11 March 1996*

*References relate to a note on pages 15 and 16.*

## Unilever N.V.

## Notes to the company accounts

	Fl. million	
	1995	1994
<b>Fixed investments</b>		
Shares in group companies	1 962	2 093
Shares in group companies are stated at cost in accordance with international accounting practice in various countries, in particular the United Kingdom. The cost of N.V. shares purchased and held by subsidiaries has been deducted from this heading.		
Movements during the year:		
1 January	2 093	
Transfer of shares from/(to) group companies	(44)	
N.V. shares held by subsidiaries	(90)	
Other movements	3	
31 December	1 962	
<b>Debtors</b>		
Loans to group companies	5 900	5 966
Other amounts owed by group companies	7 784	7 278
Other	54	54
	13 738	13 298
Of which due after more than one year	2 293	1 826
<b>Cash at bank and in hand</b>		
includes amounts for which repayment notice is required of	50	47
<b>Creditors</b>		
Due within one year:		
Bank loans and overdrafts	14	5
Bonds and other loans 13	198	804
Loans from group companies	1 342	1 087
Other amounts owed to group companies	4 988	5 211
Taxation and social security	59	58
Accruals and deferred income	139	132
Dividends	757	755
Other	6	14
	7 503	8 066
Due after more than one year:		
Bonds and other loans 13	3 032	2 433
Loans from group companies	26	–
	3 058	2 433
These include amounts due after more than five years:		
Bonds and other loans	1 883	1 763

References relate to a note on page 13.

	Fl. million	
	1995	1994
<b>Provisions for liabilities and charges</b>		
Pension provisions	297	280
Deferred taxation and other provisions	(12)	5
	285	285
Of which due within one year	15	15

**Ordinary share capital**

Shares numbered 1 to 2 400 are held by a subsidiary of N.V. and a subsidiary of PLC. Additionally, 1 425 644 FL 4 ordinary shares are held by other subsidiaries of N.V. Full details are given in note 18 on pages 15 and 16.

**Share premium account**

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.

**Profit retained and other reserves**

Profit retained 31 December	4 349	4 167
Cost of N.V. shares purchased and held by subsidiaries	(269)	(179)
Balance 31 December	4 080	3 988

Profit retained and profit of the year shown in the company accounts and the notes thereto are less than the amounts shown in the consolidated balance sheet and profit and loss account, mainly because only part of the profits of group companies is distributed in the form of dividends.

**Contingent liabilities**

These are not expected to give rise to any material loss and include guarantees given for group and other companies, under which amounts outstanding at 31 December were:

Group companies	3 786	3 518
Other	51	59
	3 837	3 577
Of the above, guaranteed also by PLC	1 642	1 689

**Unilever N.V.****Further statutory information****The rules for profit appropriation in the Articles of Association** *(summary of Article 41)*

The profit of the year is applied firstly to the reserves required by law or by the Equalisation Agreement, secondly to cover 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 is 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.

	Fl. million	
	1995	1994
<b>Proposed profit appropriation</b>		
Profit of the year	1 188	1 187
Preference dividends	(15)	(15)
Profit at disposal of the Annual General Meeting of shareholders	1 173	1 172
Ordinary dividends	(991)	(991)
Profit of the year retained	182	181
Profit retained – 1 January	4 167	3 986
Profit retained – 31 December	4 349	4 167

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

*See note 18 on page 15.*

**Auditors**

A resolution will be proposed at the Annual General Meeting on 7 May 1996 for the reappointment of Coopers & Lybrand as auditors of N.V. The present appointment will end at the conclusion of the Annual General Meeting.

**J.W.B. Westerburgen**  
**S.G. Williams**

*Joint Secretaries of Unilever N.V.*  
*11 March 1996*

**Corporate Centre**

Unilever N.V.  
Weena 455  
PO Box 760  
3000 DK Rotterdam

Unilever PLC

## Company accounts

	£ million	
	1995	1994
<b>Balance sheet</b>		
<i>as at 31 December</i>		
<b>Fixed assets</b>		
Fixed investments	1 324	1 316
<b>Current assets</b>		
Debtors due after more than one year	66	63
Debtors due within one year	546	855
<b>Creditors due within one year</b>	612	918
	(815)	(1 088)
<b>Net current liabilities</b>	(203)	(170)
<b>Total assets less current liabilities</b>	1 121	1 146
<b>Creditors due after more than one year</b>	100	138
<b>Capital and reserves</b>	1 021	1 008
Called up share capital 18	41	41
Share premium account	93	90
Profit retained	876	866
Capital redemption reserve 20	11	11
<b>Total capital employed</b>	1 121	1 146

All amounts included in capital and reserves are classified as equity as defined under United Kingdom Financial Reporting Standard 4.

As permitted by Section 230 of the United Kingdom Companies Act 1985, PLC's profit and loss account does not accompany its balance sheet.

*On behalf of the Board of Directors*

**Sir Michael Perry** *Chairman*

**M. Tabaksblat** *Vice-Chairman*

11 March 1996

*References relate to notes on pages 15 to 17.*

## Unilever PLC

## Notes to the company accounts

	£ million			£ million	
	1995	1994		1995	1994
<b>Fixed investments</b>			<b>Profit retained</b>		
Shares in group companies	1 196	1 190	1 January	866	838
Book value of shares held in connection with share options	128	126	Goodwill written off	(6)	—
	<u>1 324</u>	<u>1 316</u>	Profit of the year	251	242
			Dividends on ordinary and deferred shares	(235)	(214)
			31 December	<u>876</u>	<u>866</u>
<b>Shares in group companies</b>			<b>Contingent liabilities</b>		
Shares in group companies are stated at directors' valuation made on the rearrangement of the Unilever Group in 1937, with bonus shares at par and other additions at cost or valuation, less amounts written off.			These are not expected to give rise to any material loss and include guarantees given for group companies, under which amounts outstanding at 31 December were:		
Movements during the year:			Of the above, guaranteed also by N.V.	800	717
1 January	1 190			<u>659</u>	<u>622</u>
Additions	7		<b>Non-audit services</b>		
Disposals	(1)		Fees payable to the United Kingdom auditors for the provision of non-audit services	1	1
31 December	<u>1 196</u>				
<b>Debtors</b>			<b>Profit appropriation</b>		
Due after more than one year:			The proposed appropriation of the profit of PLC is as follows:		
Amounts owed by group companies	21	22	Interim and recommended final dividends	235	214
Advance Corporation Tax	45	41	Profit of the year retained	<u>16</u>	<u>28</u>
	<u>66</u>	<u>63</u>			
Due within one year:					
Amounts owed by group companies	537	840			
Other	9	15			
	<u>546</u>	<u>855</u>			
Total debtors	<u>612</u>	<u>918</u>			
The Advance Corporation Tax borne by the parent company will be surrendered and set off against liabilities of group companies where appropriate. The total of £45 million is recoverable against liabilities for 1996 and later years.					
<b>Creditors</b>					
Due within one year:					
Amounts owed to group companies	517	745			
Bank loans and overdrafts	—	115			
Bonds and other loans 13	38	—			
Taxation and social security	68	56			
Dividends	179	162			
Other	13	10			
	<u>815</u>	<u>1 088</u>			
Due after more than one year:					
Bonds and other loans 13	100	138			
PLC borrowings have been increased by £123 million (1994: £115 million) as a result of the adoption of United Kingdom UITF 13. In 1995 these amounts are owed to group companies. In 1994, the corresponding amounts were included within Bank loans and overdrafts.					

References relate to a note on page 13.



## Unilever PLC

## Further statutory information and other information

**Emoluments and interests of directors**

This note comprises the report to shareholders on behalf of the Board by the Remuneration Committee. Details of this Committee are given on pages 41 and 44 of the Unilever Annual Review 1995.

**Policy: directors' emoluments**

The objective of Unilever's remuneration policy for directors is to motivate and retain top class business people able to direct and lead a large international company, and to reward them accordingly.

The Remuneration Committee believes that the level of remuneration of Dutch or British directors resident in their home countries should be in line with that of executive directors of major international industrial companies based in the Netherlands and the United Kingdom respectively who have similar responsibilities to a Unilever director but bearing in mind Unilever's size and special features. The levels of remuneration of the members of the Special Committee take into account their special responsibilities and provide a differential comparable to that found in other major international industrial companies. A director who is not resident in his home country is paid at the level of remuneration appropriate to his place of residence if this is higher than that in his home country. However, directors not of Dutch or British nationality are, in principle, to be no worse off than they would be if based in their home country in a job of comparable importance.

Levels of remuneration are reviewed annually by the Remuneration Committee in the light of external expert advice which assesses competitive levels of remuneration in the largest companies relevant to the residence of the group of Unilever directors concerned.

The Remuneration Committee's policy is to seek to link reward closely to performance by using merit pay increases and bonuses based on both corporate and personal performance.

N.V. and PLC and their group companies constitute a single group. It is therefore the practice for directors to receive emoluments from both N.V. and PLC because, in varying proportions, they serve both companies. Emoluments, wherever stated, include payments from both N.V. and PLC.

All emoluments and fees earned by directors from outside directorships and like sources are required to be paid to and are retained by Unilever.

All directors' emoluments, including those of the Chairmen, are made up of the following elements:

- (i) **Salary:**  
Salaries are fixed by the Remuneration Committee. They are usually fixed in the currency appropriate to the location, London or Rotterdam, where the director is based. Directors, like other employees, receive an additional month's salary in the year they complete 25 years service with Unilever.
- (ii) **Allowances and value of benefits in kind:**  
In appropriate cases, and usually in accordance with the same rules as apply to all qualifying employees, directors receive allowances to help them meet expenses incurred by virtue of their employment, for example in respect of relocation and consequential disturbance and education expenses. Certain of the London based directors receive an allowance to take account of the fact that part of their remuneration is paid in the Netherlands. Benefits in kind are items such as a company car and medical insurance.
- (iii) **Performance related payments:**  
These arise under an annual bonus scheme and under an incentive scheme related to Unilever's share price.  
Bonuses are set by the Remuneration Committee. The maximum bonus for directors is 40% of salary. Bonuses are based on achievement of a target or target range which may involve two measures of performance:
  - (a) a corporate target, and
  - (b) individual targets.

The corporate target is based on the average of the increase in earnings per share expressed in guilders and in pounds sterling. The individual targets are based on previously agreed key objectives.

The incentive scheme has been used in cases where it has not been possible to grant directors based in the United Kingdom their full entitlement to options under the normal PLC 1985 Executive Share Option Schemes because they receive part of their salary from N.V. The shortfall has been made up with PLC notional executive share options. Under this scheme, which mirrors the PLC 1985 Executive Share Option Schemes, payments are made of the difference between the notional option exercise price and the market price of the PLC ordinary shares of 5p each at the moment of 'exercise'.

Since 1993 directors based in the United Kingdom have received options under the N.V. Executive Share Option Scheme in respect of the salary paid by N.V. Therefore no notional options have been granted since then and this incentive scheme is being phased out.

## Unilever PLC

## Further statutory information and other information

**Emoluments and interests of directors** (continued)**Policy: directors' pensions**

The aim of the Remuneration Committee is that pension and other related benefits should be in line with good practice by major companies in the Netherlands and the United Kingdom, bearing in mind the need to establish reasonable comparability between the conditions for the various nationalities of directors.

All directors are members of the normal Unilever pension schemes. The N.V. scheme was on company and employee contribution holidays in 1994 and 1995. The PLC scheme was on a company and employee contribution holiday in 1994 but in April 1995 contributions resumed.

All directors are also members of the early retirement scheme for senior managers. The current arrangements are that directors belong to either the N.V. or PLC scheme, depending on their normal place of residence. N.V. contributes to the N.V. scheme and PLC contributes to the PLC scheme. In order to equalise benefits under these early retirement schemes amongst the directors, directors who are members of the N.V. scheme and retire at normal retirement date receive an additional amount equal to one year's final pensionable pay. The benefits received by directors under these schemes are, in almost all other respects, the same as for other members.

Under the schemes, final pensionable pay takes into account the bonuses paid in the last three years prior to termination of service, subject to a maximum of 20%. The Remuneration Committee believes that the policy of recent years of switching a significant part of the directors' emoluments from salary to performance related payments, whilst retaining control over the overall package of emoluments, should not affect the directors' reasonable expectations of a pension at a level that is in line with that provided by major companies in the Netherlands and the United Kingdom. However, the Committee has noted the various recommendations in the United Kingdom on the pensionability of bonuses and will therefore keep the development of best practice in the United Kingdom under regular review.

Detailed guidance on how to value the pension entitlements of directors is still awaited.

**Directors' emoluments**

The aggregate emoluments of the directors were as follows:

	£	
	1995	1994
Salary	6 021 571	5 766 890
Allowances and value of benefits in kind	1 011 267	879 862
Performance related payments	945 349	1 599 613
<b>Total</b>	<b>7 978 187</b>	<b>8 246 365</b>
Company pension scheme contributions	2 216 846	106 567

The emoluments of the individual directors were as follows:

	Salary	Allowances and value of benefits in kind	Performance related payments	Total 1995	Total 1994	Equivalent totals <sup>(5)</sup>	
						1995	1994
Paid in pounds sterling:	£	£	£	£	£	Fl.	Fl.
Sir Michael Perry <sup>(1)</sup>	700 000	91 950	84 000	875 950	818 950	2 215 278	2 279 957
R.D. Brown	305 000	37 738	61 000	403 738	368 582	1 021 053	1 026 132
A.C. Butler	309 286 <sup>(3)</sup>	28 720	55 000	393 006	321 247	993 912	894 352
H. Eggerstedt	530 000	6 399	106 000	642 399	665 843	1 624 627	1 853 707
N.W.A. FitzGerald	335 000	36 815	67 000	438 815	864 240	1 109 764	2 406 044
A.S. Ganguly	305 000	136 554	61 000	502 554	414 645	1 270 959	1 154 372
C.M. Jemmett	315 000	38 075	63 000	416 075	495 884	1 052 254	1 380 541
R.M. Phillips <sup>(4)</sup>	373 333	91 733	95 957	561 023		1 418 828	
Paid in guilders:	Fl.	Fl.	Fl.	Fl.	Fl.	£	£
M. Tabaksblat <sup>(2)</sup>	1 760 000	32 831	211 200	2 004 031	1 892 763	792 420	679 872
J.I.W. Anderson	1 050 000	221 634	210 000	1 481 634	1 495 421	585 858	537 148
A. Burgmans	1 000 000	939 670	107 000	2 046 670	1 616 790	809 280	580 744
A. Kemner	1 020 000	103 131	204 000	1 327 131	1 312 767	524 765	471 540
O.O.H. Müller	1 325 000	50 280	159 000	1 534 280	1 756 994	606 675	631 104
J. Peelen	1 050 000	26 416	0	1 076 416	1 290 719	425 629	463 620

(1) Chairman of PLC and highest paid director in 1995.

(2) Chairman of N.V.

(3) Includes 25 year service award of £34 286.

(4) Appointed at Annual General Meeting 1995.

(5) Based on average exchange rate for the year of £1 = Fl. 2.529 (1994: £1 = Fl. 2.784).

## Unilever PLC

## Further statutory information and other information

**Emoluments and interests of directors** (continued)**Directors' emoluments** (continued)

The company pension scheme contributions in respect of Sir Michael Perry, Chairman of PLC, in 1995 were £1 963 292 (1994: £35 889). Sir Michael Perry is still subject to the former arrangement whereby directors were partly in the PLC and partly in the N.V. early retirement schemes for senior managers. In accordance with this arrangement, the contributions paid in 1995 include a provision for the total cost of Sir Michael Perry's expected benefits under the N.V. early retirement scheme for senior managers, to which he becomes entitled on retirement.

Payments amounting to £4 114 391 were made to directors retiring in 1994 who exercised their entitlements to commute and take as a lump sum the present value of part of their future pension entitlements.

Under Dutch fiscal legislation tax is charged on the grant of N.V. options. In accordance with normal Dutch practice N.V. loans the amount of the tax to the recipients of the options. Amounts are repaid when the options are exercised. At 31 December 1995 a total of Fl. 1.3 million was lent to directors.

No compensation for loss of office, payments for loss of office or other termination payments were paid to directors in 1995, nor were any such payments made in 1994.

**Directors' interests: share options**

Directors are generally entitled to share options on the same basis as other employees. The principal schemes in which they participate are the N.V. Executive Share Option Scheme, the PLC 1985 Executive Share Option Schemes, the N.V. Employee Share Option Scheme and the PLC 1985 Sharesave Scheme.

The N.V. Employee Share Option Scheme was introduced in 1995 and is open to all employees who participate in the Unilever Save-As-You-Earn Scheme in the Netherlands. The PLC 1985 Sharesave Scheme is open to all employees who work a minimum number of hours in the United Kingdom. The North American Employee Stock Purchase Plan was also introduced in 1995 and is open to all employees in the United States and Canada.

Both the N.V. and PLC Executive Share Option Schemes are applicable to senior managers throughout the business. Currently some 250 executives worldwide participate in the schemes. Because directors are paid partly by N.V. and partly by PLC they participate in both schemes, but are subject to similar aggregate limits as apply to other employees. There is also a North American Executive Stock Option Plan which is applicable to senior managers in the United States and Canada.

Options are only granted if the Remuneration Committee is satisfied that there has been a sufficient improvement in the performance of the Group over the two to three years preceding the grant. The grant of options to an individual executive on the first and each subsequent occasion is discretionary. It is dependent on the Special Committee being satisfied that the grant is merited by the individual in the light of personal performance and potential for future contribution to the business. For the members of Special Committee, the Remuneration Committee has to be so satisfied.

Options are phased in over a three year period. The maximum number of options depends on seniority. The maximum aggregate value of the exercise prices of options that can be held at any one time is four times appropriate salary. Options are granted at full market value and can, effectively, not be exercised for three years from grant.

The N.V. and PLC Executive Share Option Schemes are currently under review. The intention is that they should, together with the North American Executive Stock Option Plan, operate as compatible components of an uniform, international arrangement that deliver rewards commensurate with company performance and tailored to individual achievement, potential and contribution.

For convenience and ease of presentation, the information on share options and notional options is presented together on the next page.

## Unilever PLC

## Further statutory information and other information

## Emoluments and interests of directors (continued)

## Directors' interests: share options (continued)

Options to acquire N.V. ordinary shares of Fl. 4 each and options and notional options to acquire PLC ordinary shares of 5p each were granted, exercised and held during 1995 as follows:

Name		1 January	Granted	Exercised	31 December	Weighted Average Exercise Price of Options at 31 December
Sir Michael Perry	(a)	128 504	0	0	128 504	914p
	(b)	2 337	0	0	2 337	638p
	(c)	6 161	0	0	6 161	Fl. 197.10
	(e)	55 358	0	0	55 358	914p
M. Tabaksblat	(b)	2 388	0	1 355 <sup>(1)</sup>	1 033	726p
	(c)	27 432	14 339 <sup>(2)</sup>	16 407 <sup>(3)</sup>	25 364	Fl. 208.17
J.I.W. Anderson	(a)	59 910	0	0	59 910	875p
	(b)	1 033	966 <sup>(4)</sup>	0	1 999	893p
	(c)	9 027	2 316 <sup>(5)</sup>	0	11 343	Fl. 196.66
	(e)	24 588	0	0	24 588	796p
R.D. Brown	(a)	69 099	24 088 <sup>(6)</sup>	24 012 <sup>(7)</sup>	69 175	1 036p
	(b)	2 776	0	710 <sup>(8)</sup>	2 066	726p
	(c)	3 670	606 <sup>(5)</sup>	0	4 276	Fl. 197.15
	(e)	19 845	0	0	19 845	907p
	(b)	2 959	0	0	2 959	634p
A. Burgmans	(c)	14 832	1 491 <sup>(5)</sup>	5 064 <sup>(9)</sup>	11 259	Fl. 192.04
	(d)	0	8	0	8	Fl. 203.50
	(a)	62 513	53 592 <sup>(10)</sup>	62 513 <sup>(11)</sup>	53 592	1 224p
	(b)	2 582	0	0	2 582	726p
A.C. Butler	(c)	3 436	471 <sup>(5)</sup>	0	3 907	Fl. 196.03
	(e)	16 868	0	0	16 868	907p
	(b)	3 163	966 <sup>(4)</sup>	2 130 <sup>(12)</sup>	1 999	893p
	(c)	25 252	9 762 <sup>(13)</sup>	13 054 <sup>(14)</sup>	21 960	Fl. 199.19
N.W.A. FitzGerald	(a)	96 868	24 213 <sup>(13)</sup>	32 808 <sup>(16)</sup>	88 273	1 138p
	(b)	2 388	966 <sup>(4)</sup>	1 355 <sup>(17)</sup>	1 999	893p
	(c)	4 738	0	0	4 738	Fl. 199.72
A.S. Ganguly	(a)	70 951	0	28 006 <sup>(18)</sup>	42 945	1 130p
	(b)	3 066	966 <sup>(4)</sup>	2 033 <sup>(19)</sup>	1 999	893p
	(c)	3 436	0	0	3 436	Fl. 195.32
	(e)	15 091	0	15 091 <sup>(20)</sup>	0	-
C.M. Jemmett	(a)	109 952	4 734 <sup>(21)</sup>	0	114 686	776p
	(b)	2 388	966 <sup>(4)</sup>	1 355 <sup>(22)</sup>	1 999	893p
	(c)	4 066	337 <sup>(5)</sup>	0	4 403	Fl. 201.02
	(e)	3 624	0	0	3 624	1 018p
A. Kemner	(b)	0	1 610 <sup>(4)</sup>	0	1 610	1 071p
	(c)	14 846	746 <sup>(5)</sup>	0	15 592	Fl. 196.26
	(b)	1 033	0	0	1 033	726p
O.O.H. Müller	(c)	21 143	5 669 <sup>(23)</sup>	6 941 <sup>(24)</sup>	19 871	Fl. 200.04
	(d)	0	8	0	8	Fl. 203.50
	(b)	755	966 <sup>(4)</sup>	0	1 721	1 002p
	(c)	15 269	1 193 <sup>(5)</sup>	3 052 <sup>(25)</sup>	13 410	Fl. 192.61
J. Peelen	(d)	0	8	0	8	Fl. 203.50
	(a)	0	78 092 <sup>(21)</sup>	0	78 092	1 190p
	(f)	17 950 <sup>(26)</sup>	0	0	17 950	US \$ 104.22

(a) PLC 1985 Executive Share Option Schemes

(b) PLC 1985 Sharesave Scheme

(c) N.V. Executive Share Option Scheme

(d) N.V. Employee Share Option Scheme

(e) PLC Notional Executive Share Option Scheme

(f) North American Executive Stock Option Plan

All share options and notional options are exercisable at a range of dates between 1996 and 2005 (see note 18, page 16). No options lapsed unexercised during the year. The market price of the ordinary shares at the end of the year was, for N.V. Fl. 225.50 and US \$ 140.75 and for PLC 1 323p and the range during the year was between Fl. 193.80 and Fl. 228.30 and US \$ 115.00 and US \$ 141.88, and 1 126p and 1 337p respectively. There were certain N.V. share options, all granted in 1995, but there were no PLC share options or notional options, for which the exercise price exceeded the market price of the shares as at 31 December 1995. Details are given where appropriate in the notes on page 35.

Any payments in respect of PLC notional share options are included under 'Performance related payments' in Directors' emoluments.

## Unilever PLC

## Further statutory information and other information

**Emoluments and interests of directors** (continued)**Directors' interests: share options** (continued)

Notes:

- (1) Exercise price: 531p; market price at date of exercise: 1 223p  
 (2) Exercise price: 2 684 at Fl. 201.20, 11 655 at Fl. 226.50  
 (3) Exercise price: 407 at Fl. 147.50, 2 290 at Fl. 157.20, 9 665 at Fl. 165.50, 4 045 at Fl. 168.20; market price at date of exercise of option over 407 shares: Fl. 201.00, of options over 11 955 shares: Fl. 202.37 and of option over 4 045 shares: Fl. 216.00  
 (4) Exercise price: 1 071p  
 (5) Exercise price: Fl. 201.20  
 (6) Exercise price: 16 119 at 1 190p and 7 969 at 1 229p  
 (7) Exercise price: 11 294 at 663p, 7 805 at 735p and 4 913 at 826p; market price at date of exercise of option over 11 294 shares: 1 241p and of other options: 1 261p  
 (8) Exercise price: 507p; market price at date of exercise: 1 141p  
 (9) Exercise price: Fl. 165.50; market price at date of exercise: Fl. 224.23  
 (10) Exercise price: 7 457 at 1 190p and 46 135 at 1 229p  
 (11) Exercise price: 907p; market price at date of exercise: 1 261p  
 (12) Exercise price: 507p; market price at date of exercise: 1 199p  
 (13) Exercise price: 5 026 at Fl. 201.20 and 4 736 at Fl. 226.50  
 (14) Exercise price: 407 at Fl. 147.50, 6 161 at Fl. 154.40, 1 336 at Fl. 157.20, 1 335 at Fl. 165.50, 3 815 at Fl. 168.20; market price at date of exercise of option over 407 shares: Fl. 199.30, of option over 6 161 shares: Fl. 203.00 and of options over 6 486 shares: Fl. 202.30  
 (15) Exercise price: 1 229p  
 (16) Exercise price: 907p; market price at date of exercise: 1 280p  
 (17) Exercise price: 531p; market price at date of exercise: 1 321p  
 (18) Exercise price: 19 873 at 735p and 8 133 at 907p; market price at date of exercise: 1 246p  
 (19) Exercise price: 531p; market price at date of exercise: 1 321p  
 (20) Notional exercise price: 1 175 at 735p, 13 916 at 907p; notional market price at date of exercise of all notional options: 1 246p. Gain included in 'Performance related payments' in Directors' emoluments.  
 (21) Exercise price: 1 190p  
 (22) Exercise price: 531p; market price at date of exercise: 1 215p  
 (23) Exercise price: Fl. 226.50  
 (24) Exercise price: Fl. 185.00; market price at date of exercise: Fl. 204.10  
 (25) Exercise price: Fl. 185.00; market price at date of exercise: Fl. 224.90  
 (26) On election as a director on 3 May 1995

The exercise of all options under the N.V. Executive Share Option Scheme and North American Executive Stock Option Plan have always been satisfied by the transfer of shares purchased in the market at the time of grant and held until exercise. The same practice has been adopted in respect of the PLC 1985 Sharesave and Executive Share Option Schemes for grants made from 1990 onwards and in respect of the N.V. Employee Share Option Scheme and the North American Employee Stock Purchase Plan from their inception during 1995.

PLC's Register of Directors' Interests, which is open to inspection by shareholders, contains full details of directors' PLC shareholdings and options.

**Directors' interests: share capital**

The interests in the share capitals of N.V. and PLC and their group companies of those who were directors at the end of 1995 and of their families were as shown in the tables below:

	1 January	31 December
N.V. (ordinary shares)		
R.M. Phillips	1 800 <sup>(a)</sup>	1 800
PLC (ordinary shares)		
Sir Michael Perry	23 392	23 886
	43 908 210 <sup>(b)</sup>	43 908 210 <sup>(b)</sup>
J.I.W. Anderson	2 130	2 130
R.D. Brown	—	710
A.C. Butler	—	3 000
H. Eggerstedt	—	2 130
N.W.A. FitzGerald	10 662	5 584
A.S. Ganguly	—	2 033
C.M. Jemmett	67 696	66 541
A. Kemner	2 130	2 130
O.O.H. Müller	1 190	410
J. Peelen	2 130	480
<b>Hindustan Lever Limited</b> (ordinary shares)		
A.S. Ganguly	4 450	4 450
<b>Brooke Bond Lipton India Limited</b> (ordinary shares)		
A.S. Ganguly	1 504	1 504
<b>Stepan Chemicals Limited</b> (ordinary shares)		
A.S. Ganguly	50	50
<b>Margarine Union (1930) Limited</b> (shares)		
Sir Michael Perry	600 <sup>(b)</sup>	600 <sup>(b)</sup>

(a) On election as a director on 3 May 1995

(b) Held jointly as a trustee of the Leverhulme Trust and the Leverhulme Trade Charities Trust with no beneficial interest

**Unilever PLC****Further statutory information and other information****Emoluments and interests of directors** (continued)**Directors' interests: share capital** (continued)

The Register of Directors' Interests in the share capital of PLC and its subsidiaries will be open for inspection at the Annual General Meeting.

The directors, in common with all employees of PLC and its United Kingdom subsidiaries, have beneficial interests in the undermentioned PLC ordinary shares of 5p each acquired by the Unilever Employee Share Trusts for the purpose of satisfying options granted from 1990 onwards under the PLC 1985 Executive Share Option and Sharesave Schemes.

	1 January	31 December
All directors	15 495 553	14 343 232
On election of R.M. Phillips as a director on 3 May 1995 the trusts held 15 157 065 shares.		

The only changes in the interests of the directors and of their families in N.V. and PLC ordinary shares between 31 December 1995 and the signing of the Report and Accounts were that:

- (i) the holding of the Unilever Employee Share Trusts has been reduced to 14 242 220 shares;
- (ii) N.W.A. FitzGerald's interest increased by 16 shares upon reinvestment of dividends within Personal Equity Plans.

**Service contracts**

All directors' contracts of service with the Unilever Group are generally terminated at the conclusion of the Annual General Meeting next before or after the director's 62nd birthday.

Contracts are currently determinable by the employer at not less than three years' notice. The company has proposed to directors that from the 1996 Annual General Meetings the contracts of directors in office on that date will be determinable by the employer at not less than two years' notice. The Remuneration Committee believes that this change for existing directors will bring their service contracts into line with the arrangements for the existing directors of many peer group companies. The Committee notes the various recommendations in the United Kingdom in favour of one year contracts and is concerned to have regard to best practice in both the Netherlands and the United Kingdom. Consequently, developments in both countries will be kept under regular review with respect to existing directors and new appointments.

The company will take a rigorous approach in requiring mitigation of loss should the service contract of a director be terminated on the grounds of inadequate performance.

In 1995 one director served for only part of the year. In 1994 two directors served for only part of the year.

**Former directors**

The only significant payments made to former directors during 1995 were their entitlements under the Unilever pension and early retirement schemes. See 'Superannuation of former directors' in note 6 on page 11.

**Advisory Directors**

The Advisory Directors are not formally members of the Boards of N.V. and PLC and are therefore excluded when reference is made to directors in the preceding text.

The remuneration of the Advisory Directors is decided by the Boards. Advisory Directors receive an annual fee and are reimbursed expenses incurred in attending meetings. They do not receive any performance related bonuses, pension provisions, share options or other forms of benefit.

The annual fee paid in 1995 to each of B. Collomb, F.H. Fentener van Vlissingen, K.O. Pöhl, O. Ruding and D. Spethmann was Fl. 60 000 and to each of Sir Derek Birkin, Sir Brian Hayes, J.W. Kinnear and Lord Wright of Richmond was £22 000.

**Directors' interests: contracts**

There has not been any contract of significance with PLC or any group company during the year in which a director of PLC had a material interest.

## Unilever PLC

## Further statutory information and other information

**Corporate governance**

PLC is required, as a company that is incorporated in the United Kingdom and listed on the London Stock Exchange, to state whether or not it has complied during 1995 with the Code of Best Practice ('the Code') published in 1992 by the Committee on the Financial Aspects of Corporate Governance. PLC complies, except to the extent that the Code states that the Board should include non-executive directors.

A vital factor in the arrangements between N.V. and PLC is their having the same directors. As the concept of the non-executive director, as recognised in the United Kingdom, is not a feature of corporate governance in the Netherlands, and the Supervisory Board, as recognised in the Netherlands, is unknown in the United Kingdom, it is not practicable to appoint non-executive directors who could serve on both Boards. The Articles of Association of PLC make provision for the appointment of Advisory Directors who perform many of the functions of non-executive directors. Details of the Advisory Directors, their role and the arrangements for their appointment are given on pages 40, 41 and 44 of the Annual Review.

The auditors of PLC have reported to the company that in their opinion the directors' comments on internal financial control and going concern set out on page 3 provide the disclosures required by paragraphs 4.5 and 4.6 of the Code (as supplemented by the related guidance) and are not inconsistent with the information of which they are aware from their audit work on the accounts, and the above statement appropriately reflects the company's compliance with the other paragraphs of the Code specified by the London Stock Exchange for their review. The auditors have not carried out the additional work necessary to, and do not, express any opinion on the effectiveness of either the Group's system of internal financial control or its corporate governance procedures, nor on the ability of the Group to continue in operational existence.

**Capital and membership**

At 31 December 1995 PLC had 108 368 ordinary shareholdings.

The following table analyses the registered holdings of PLC's 5p ordinary shares at 31 December 1995.

Number of shares	Number of holdings	%	Total shares held	%
1 – 1 000	71 068	65.58	34 581 981	4.24
1 001 – 2 500	23 010	21.23	37 723 367	4.63
2 501 – 5 000	8 285	7.65	29 593 023	3.63
5 001 – 10 000	3 076	2.84	21 649 065	2.66
10 001 – 25 000	1 400	1.29	21 923 026	2.69
25 001 – 50 000	471	0.44	16 630 324	2.04
50 001 – 100 000	384	0.35	27 798 976	3.41
100 001 – 1 000 000	565	0.52	169 714 572	20.82
Over 1 000 000	109	0.10	455 419 410	55.88
	108 368	100.00	815 033 744	100.00

**Substantial interests in the share capital of PLC**

The Register maintained by PLC pursuant to Section 211 of the Companies Act 1985 shows that at the date of signing the Report and Accounts 43 908 210 ordinary shares in PLC, representing approximately 5% of the issued ordinary capital, were held jointly by Sir Kenneth Durham, The Rt. Hon. the Viscount Leverhulme, Sir Michael Angus, Mr C.F. Sedcole and Sir Michael Perry as trustees of the Leverhulme Trust and the Leverhulme Trade Charities Trust.

The Register also shows the following interests in PLC's Ordinary and Deferred capital on that date:

Holder	Class	Approximate % held
Prudential Corporation plc	Ordinary	5
N.V. Elma	Deferred	50
United Holdings Limited	Deferred	50

**Employee involvement and communication**

Unilever companies continue to be committed to good communication with employees. Progress in developing systems of involvement has been supported by a variety of changes which have been introduced by companies as they implement their commitment to becoming learning organisations.

Unilever believes that the most effective communication and consultation occurs at site level. However, in response to the increasing Europeanisation of its operations and the 1994 European Directive, it has been in discussion with employee representatives about developing a Unilever European Works Council. The intention is that all Unilever's European operations will be covered by this body which will be informed and consulted on matters of overall European significance.

The directors' reports of the United Kingdom group companies contain more details about how they have communicated with their employees during 1995.

**Unilever PLC**

# Further statutory information and other information

**Equal opportunities and people with disabilities**

Every Unilever company in the United Kingdom has an equal opportunities policy and action plans are reviewed annually and pursued within each company. In addition, resources are provided from Unilever's United Kingdom National Management to help companies develop best practice.

The directors' reports of these companies contain statements describing the positive approach of group companies to the employment, and continued employment, of people with disabilities.

---

**Charitable and other contributions**

During the year group companies made financial contributions of £3 million to United Kingdom charitable organisations and assisted them with a further £1 million of support in other forms. No contribution was made for political purposes.

---

**Interests in land**

The majority of Unilever's land and buildings are used for the productive and distributive activities of the Group and are not held for resale. The directors take the view that any difference between their market value and the amount at which they are included in the balance sheet is not of such significance as to require that attention be drawn to it, as would be required by Schedule 7 (Part I) of the United Kingdom Companies Act 1985.

---

**Directors and officers' liability insurance**

During 1995 Unilever purchased liability insurance for the directors and officers of N.V., PLC and their subsidiaries.

---

**Auditors**

A resolution will be proposed at the Annual General Meeting on 7 May 1996 for the reappointment of Coopers & Lybrand as auditors of PLC. The present appointment will end at the conclusion of the Annual General Meeting.

---

**Corporate Centre**

Unilever PLC  
PO Box 68 Unilever House  
Blackfriars  
London EC4P 4BQ

Unilever PLC Registered Office  
Port Sunlight  
Wirral  
Merseyside L62 4ZA

**By Order of the Board**

**J.W.B. Westerburgen**  
**S.G. Williams**

*Joint Secretaries of Unilever PLC*  
11 March 1996

Unilever PLC Registrars  
Barclays Registrars  
Bourne House  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU



## Unilever Group

## Five year record

Fl. million	1991	1992	1993	1994	1995
<b>Consolidated profit and loss account</b>					
<b>Turnover</b>	76 438	76 570	77 626	82 590	<b>79 703</b>
<b>Operating profit</b>	6 605	6 596	5 415	7 030	<b>6 389</b>
Income from fixed investments	232	171	179	174	<b>120</b>
Non-operating exceptional items <sup>(a)</sup>	76	—	245	38	<b>—</b>
Interest	(954)	(508)	(472)	(608)	<b>(645)</b>
<b>Profit on ordinary activities before taxation</b>	5 959	6 259	5 367	6 634	<b>5 864</b>
<b>Profit on ordinary activities after taxation</b>	3 962	4 133	3 751	4 512	<b>3 889</b>
<b>Net profit</b>	3 806	4 002	3 612	4 339	<b>3 725</b>
<b>Combined earnings per share <sup>(b)</sup></b>					
Guilders per Fl. 4 of ordinary capital	13.57	14.29	12.90	15.52	<b>13.26</b>
Pence per 5p of ordinary capital	61.67	69.14	69.45	83.59	<b>78.63</b>
<b>Ordinary dividends</b>					
N.V. – Guilders per Fl. 4 of ordinary capital	5.56	5.78	5.88	6.19	<b>6.19</b>
PLC – Pence per 5p of ordinary capital	18.94	21.33	25.03	26.81	<b>29.40</b>
<b>Consolidated balance sheet</b>					
<b>Fixed assets</b>	19 780	20 300	22 542	22 674	<b>22 042</b>
<b>Stocks</b>	9 261	9 178	9 901	10 168	<b>10 683</b>
<b>Debtors</b>	11 243	10 729	12 223	12 402	<b>11 757</b>
<b>Trade and other creditors</b>	(15 952)	(16 213)	(17 572)	(17 305)	<b>(16 675)</b>
	24 332	23 994	27 094	27 939	<b>27 807</b>
<b>Net debt <sup>(c)</sup></b>	5 770	4 403	4 973	4 789	<b>4 703</b>
<b>Provisions for liabilities and charges</b>	7 023	6 703	8 234	8 221	<b>8 220</b>
<b>Minority interests</b>	540	519	710	783	<b>895</b>
<b>Capital and reserves</b>	10 999	12 369	13 177	14 146	<b>13 989</b>
	24 332	23 994	27 094	27 939	<b>27 807</b>

(a) In 1991 non-operating exceptional items included a profit of Fl. 327 million on the disposal of the 4P Group, which represented Unilever's exit from packaging, and a charge of Fl. 251 million on withdrawal from those agribusiness activities which did not support the Group's core businesses.

(b) For the basis of the calculations of combined earnings per share see note 26 on page 19.

(c) Net debt comprises borrowings less cash and current investments.

## Unilever Group

## Five year record

Fl. million	1991	1992	1993	1994	1995
<b>Consolidated cash flow statement</b>					
<b>Net cash inflow from operating activities</b>	9 300	8 388	7 953	9 104	8 189
Dividends from fixed investments	105	89	59	63	45
Interest paid less received	(1 085)	(648)	(544)	(579)	(658)
Dividends paid	(1 454)	(1 468)	(1 548)	(1 653)	(1 683)
<b>Net cash outflow from returns on investments and servicing of finance</b>	(2 434)	(2 027)	(2 033)	(2 169)	(2 296)
<b>Taxation</b>	(1 830)	(1 785)	(1 482)	(2 317)	(1 669)
Capital expenditure less disposals	(3 246)	(3 114)	(3 421)	(3 651)	(2 853)
Acquisition and disposal of group companies	(411)	353	(1 492)	(1 375)	(1 574)
Other	(466)	(290)	(195)	22	353
<b>Net cash outflow from investing activities</b>	(4 123)	(3 051)	(5 108)	(5 004)	(4 074)
<b>Net cash inflow/(outflow) before financing</b>	913	1 525	(670)	(386)	150
<b>Net cash inflow/(outflow) from financing</b>	(342)	(520)	(194)	618	(198)
<b>Increase/(decrease) in cash and cash equivalents</b>	571	1 005	(864)	232	(48)
<b>Key ratios <sup>(a)</sup></b>					
Return on shareholders' equity (%)	36.7	32.9	28.5	32.0	26.4
Return on capital employed (%)	16.5	17.2	15.5	16.9	14.2
Operating margin (%)	8.6	8.6	7.0	8.5	8.0
Net profit margin (%)	5.0	5.2	4.7	5.3	4.7
Net interest cover (times)	7.2	13.2	12.3	11.9	10.1
Net gearing (%)	33.3	25.5	26.3	24.3	24.0
<b>Sterling/guilder exchange rates</b>					
Annual average £1 = Fl.	3.30	3.10	2.79	2.78	2.53
Year-end £1 = Fl.	3.20	2.76	2.87	2.72	2.49

(a) Return on shareholders' equity is net profit attributable to ordinary shareholders expressed as a percentage of the average capital and reserves attributable to ordinary shareholders during the year.

Return on capital employed is the sum of profit on ordinary activities after taxation, plus interest, after tax, on borrowings due after more than one year, expressed as a percentage of the average capital employed during the year.

Operating margin is operating profit expressed as a percentage of turnover.

Net profit margin is net profit expressed as a percentage of turnover.

Net interest cover is profit before net interest and taxation divided by net interest.

Net gearing is net debt (borrowings less cash and current investments) expressed as a percentage of the sum of capital and reserves, minority interests and net debt.

Return on shareholders' equity is substantially influenced by the Group's policy of writing off purchased goodwill in the year of acquisition as a movement in profit retained. Return on capital employed and net gearing are also influenced but to a lesser extent.

## Unilever Group

## Five year record

Fl. million	1991	1992	1993	1994	1995
<b>By geographical area</b>					
<b>Turnover</b>					
Europe	44 186	43 574	40 676	41 919	<b>41 277</b>
North America	15 771	15 071	15 907	16 548	<b>14 993</b>
Africa and Middle East	4 383	4 684	4 979	5 281	<b>4 945</b>
Asia and Pacific	7 508	7 314	9 464	10 891	<b>10 924</b>
Latin America	4 590	5 927	6 600	7 951	<b>7 564</b>
	<b>76 438</b>	<b>76 570</b>	<b>77 626</b>	<b>82 590</b>	<b>79 703</b>
<b>Operating profit</b>					
Europe	3 994	3 732	2 825	3 481	<b>3 190</b>
North America	1 112	1 197	689	1 405	<b>1 109</b>
Africa and Middle East	494	482	435	472	<b>458</b>
Asia and Pacific	603	594	864	931	<b>951</b>
Latin America	402	591	602	741	<b>681</b>
	<b>6 605</b>	<b>6 596</b>	<b>5 415</b>	<b>7 030</b>	<b>6 389</b>
<b>Net operating assets <sup>(a)</sup></b>					
Europe	10 144	9 233	9 727	10 062	<b>10 155</b>
North America	6 059	6 650	6 130	5 651	<b>5 067</b>
Africa and Middle East	1 350	1 540	1 703	1 480	<b>1 874</b>
Asia and Pacific	1 633	1 678	2 319	2 886	<b>2 876</b>
Latin America	1 410	1 643	1 912	1 895	<b>2 178</b>
	<b>20 596</b>	<b>20 744</b>	<b>21 791</b>	<b>21 974</b>	<b>22 150</b>
<b>By operation</b>					
<b>Turnover</b>					
Foods	39 042	39 216	39 703	42 515	<b>41 195</b>
Detergents	17 137	18 090	18 023	18 085	<b>17 345</b>
Personal Products	9 398	10 051	11 193	12 206	<b>11 469</b>
Speciality Chemicals	6 198	6 083	6 519	7 194	<b>7 192</b>
Other Operations	4 663	3 130	2 188	2 590	<b>2 502</b>
	<b>76 438</b>	<b>76 570</b>	<b>77 626</b>	<b>82 590</b>	<b>79 703</b>
<b>Operating profit</b>					
Foods	3 484	3 375	2 804	3 358	<b>2 774</b>
Detergents	1 226	1 315	844	1 278	<b>1 145</b>
Personal Products	810	991	957	1 311	<b>1 314</b>
Speciality Chemicals	757	711	657	887	<b>931</b>
Other Operations	328	204	153	196	<b>225</b>
	<b>6 605</b>	<b>6 596</b>	<b>5 415</b>	<b>7 030</b>	<b>6 389</b>
<b>Net operating assets <sup>(a)</sup></b>					
Foods	9 496	9 960	11 052	11 062	<b>11 030</b>
Detergents	4 120	4 675	4 332	3 890	<b>3 837</b>
Personal Products	2 422	2 344	2 176	2 236	<b>2 297</b>
Speciality Chemicals	3 411	3 452	3 818	4 074	<b>4 146</b>
Other Operations	1 147	313	413	712	<b>840</b>
	<b>20 596</b>	<b>20 744</b>	<b>21 791</b>	<b>21 974</b>	<b>22 150</b>
<b>Capital expenditure</b>					
Foods	1 797	1 648	1 852	1 984	<b>1 614</b>
Detergents	671	779	785	724	<b>574</b>
Personal Products	269	269	360	437	<b>296</b>
Speciality Chemicals	392	452	560	484	<b>513</b>
Other Operations	361	290	273	346	<b>73</b>
	<b>3 490</b>	<b>3 438</b>	<b>3 830</b>	<b>3 975</b>	<b>3 070</b>

(a) See note 1 on page 10.

## Unilever Group

## Additional information for United States investors

Unilever's consolidated accounts are prepared in accordance with accounting principles which differ in some respects from those applicable in the United States. The following is a summary of the approximate effect on the Group's net profit, combined earnings per share and capital and reserves of the application of United States generally accepted accounting principles (US GAAP).

	Fl. million	
	1995	1994
<b>Net profit</b> as reported in the consolidated profit and loss account	<b>3 725</b>	4 339
US GAAP adjustments:		
Goodwill	(580)	(504)
Restructuring costs	562	—
Interest	53	—
Pensions	164	103
Taxation effect of above adjustments	(177)	(3)
	22	(404)
Cumulative effect of accounting changes:		
Current investments	—	55
Net increase/(decrease)	22	(349)
<b>Approximate net income under US GAAP</b>	<b>3 747</b>	3 990
<b>Approximate combined net income per share under US GAAP</b>		
Before cumulative effect of accounting changes:		
Guilders per Fl. 4 of ordinary capital	13.34	14.06
Pence per 5p of ordinary capital	79.08	75.83
After cumulative effect of accounting changes:		
Guilders per Fl. 4 of ordinary capital	13.34	14.26
Pence per 5p of ordinary capital	79.08	76.85
<b>Capital and reserves</b> as reported in the consolidated balance sheet	<b>13 989</b>	14 146
US GAAP adjustments:		
Goodwill	11 779	11 579
Restructuring costs	563	—
Interest	1 080	1 114
Pensions	540	357
Dividends	1 187	1 194
Taxation effect of above adjustments	(1 736)	(1 506)
Net increase	13 413	12 738
<b>Approximate capital and reserves under US GAAP</b>	<b>27 402</b>	26 884
<b>Net gearing under US GAAP (%)</b> <sup>(a)</sup>	<b>14</b>	15

(a) See note (a) on page 40.

**Unilever Group****Additional information for United States investors**

The following is a summary of the more important differences between Unilever's accounting principles and US GAAP.

---

**Goodwill**

Unilever writes off goodwill, defined as the difference between the consideration paid for new interests in group companies and associates and the fair value of the Group's share of their net tangible assets at the date of acquisition, directly to profit retained in the year of acquisition. Under US GAAP, goodwill is capitalised and amortised through the profit and loss account over its estimated life of up to 40 years.

**Restructuring costs**

Unilever charges all restructuring costs to the profit and loss account in the period in which the decision has been made to restructure a part of the Group's activities. Under US GAAP, certain types of restructuring costs are only recognised when further specific criteria are also met.

**Interest**

Unilever treats all interest costs as a charge to the profit and loss account in the current period. Under US GAAP interest incurred during the construction periods of tangible fixed assets is capitalised and depreciated over the life of the assets.

**Pensions**

Under Unilever's accounting policy the expected costs of providing retirement pensions are charged to the profit and loss account over the periods benefiting from the employees' services. Variations from expected cost are similarly spread. Under US GAAP, pension costs are also spread, but based on prescribed actuarial assumptions.

**Current investments**

Unilever accounts for current investments, which are liquid funds temporarily invested, at their market value. Since 1 January 1994, the same policy has been adopted for reporting under US GAAP. The cumulative effect of this accounting change was credited to the net income reported under US GAAP in 1994.

**Dividends**

The proposed final ordinary dividends and related United Kingdom Advance Corporation Tax are provided for in the Unilever accounts in the financial year in respect of which they are subsequently recommended by the Boards of Directors for approval by the shareholders. Under US GAAP such dividends are not provided for until they become irrevocable.

---



**Produced by:** Unilever Corporate Relations Department  
**Design:** The Partners  
**Cover photography:** Mike Abrahams & Barry Lewis  
**Print:** MediaWare, Eindhoven

