

UNILEVER

REPORT & ACCOUNTS

1957

UNILEVER N.V.

DIRECTORS

F. J. TEMPEL *Chairman*

SIDNEY J. VAN DEN BERGH }
THE LORD HEYWORTH } *Vice-Chairmen*

COLIN BAXTER

J. P. VAN DEN BERGH

A. F. H. BLAAUW

A. D. BONHAM CARTER

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J. F. VAN MOORSEL

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F. J. PEDLER

R. H. SIDDONS

A. H. SMITH

E. G. WOODROOFE

ADVISORY DIRECTORS

H. M. HIRSCHFELD

J. M. HONIG

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JHR. J. A. G. SANDBERG

T. J. TWIJNSTRA

H. L. WOLTERSOM

SECRETARY

E. A. HOFMAN

AUDITORS

PRICE WATERHOUSE & Co.

COOPER BROTHERS & Co.

This is a translation of the original Dutch report.

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Unilever Limited, the English Company, is referred to as "LIMITED."

They are referred to jointly as "The Parent Companies."

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SALIENT POINTS

All figures relate to the N.V. and LIMITED Groups combined.

1956		1957						
Fl.		Fl.						
17,784,000,000	TURNOVER	18,297,000,000						
1,054,000,000	TRADING PROFIT.....	907,000,000						
552,000,000	TAXATION FOR THE YEAR	480,000,000						
26,000,000	EXCEPTIONAL PROFITS	23,000,000						
501,000,000	CONSOLIDATED NET PROFIT.....	428,000,000						
88,000,000	ORDINARY DIVIDENDS	88,000,000						
	<table style="margin-left: auto; margin-right: auto; border: none;"> <tr> <td style="text-align: center;">15¹/₂%</td> <td style="text-align: center;">N.V.</td> <td style="text-align: center;">15¹/₂%</td> </tr> <tr> <td style="text-align: center;">17¹/₂%</td> <td style="text-align: center;">LIMITED</td> <td style="text-align: center;">17¹/₂%</td> </tr> </table>	15 ¹ / ₂ %	N.V.	15 ¹ / ₂ %	17 ¹ / ₂ %	LIMITED	17 ¹ / ₂ %	
15 ¹ / ₂ %	N.V.	15 ¹ / ₂ %						
17 ¹ / ₂ %	LIMITED	17 ¹ / ₂ %						
375,000,000	PROFITS RETAINED IN THE BUSINESS	302,000,000						
5,007,000,000	CAPITAL EMPLOYED	5,311,000,000						
397,000,000	EXPENDITURE ON FIXED ASSETS (NET)	445,000,000						
206,000,000	DEPRECIATION.....	227,000,000						

REPORT OF THE DIRECTORS FOR THE YEAR 1957

TO BE SUBMITTED AT THE GENERAL MEETING OF SHAREHOLDERS
TO BE HELD AT ROTTERDAM
ON 24TH APRIL, 1958.

The Directors submit their Report and Accounts for the year 1957. UNILEVER N.V. and UNILEVER LIMITED, referred to as "N.V." and "LIMITED" respectively, are linked by a series of agreements of which the principal is the Equalisation Agreement. This, *inter alia*, in effect equalises the rights of the ordinary capitals of the two companies as to dividends and, on liquidation, as to capital value, on the basis of £ 1 nominal of LIMITED's ordinary capital being equivalent to Fl. 12 nominal of N.V.'s ordinary capital. For this reason the Report and Accounts combine, as hitherto, the results and operations of the two Groups. The guilder equivalents of all LIMITED figures for both 1957 and 1956 have been calculated at the official parity, i.e. £ 1 = Fl. 10.64.

The Annual General Meetings of N.V. and LIMITED will be addressed by their respective Chairmen and reports of their speeches will be published in the Press.

RESULTS

Turnover, particulars of which are shown in the table on page 7, again increased, from Fl. 17,784,122,000 in 1956 to Fl. 18,297,097,000 in 1957, but profits were lower. Trading profits fell from Fl. 1,053,669,000 in 1956 to Fl. 907,132,000 in 1957 and after charging Fl. 480,452,000 for taxation (Fl. 551,923,000 in 1956) the consolidated net profit for the year amounted to Fl. 428,475,000 compared with Fl. 501,489,000 in 1956.

A number of causes have contributed to bringing about this setback in profits. At the beginning of 1957, it was more than usually difficult in some important countries to adjust the selling prices of margarine and other edible fats to match the steep rise in the price of raw materials in the last quarter of 1956. In addition, the market for margarine was affected in a number of countries by the plentiful supply of cheap butter. In our seed crushing and animal feeding stuffs businesses, the selling prices of our products had to follow closely the decline of the raw material prices in the first half of the year. Profits were reduced by the combination of this price movement and the higher cost of raw materials acquired earlier and at the same time the demand in Europe for animal feeds fell because of the unusually mild winter. And

although, as will be seen from the table on page 7, turnover increased in most of the main commodity groups, intensified competition meant that this could only be achieved by an increase of advertising and other expenses, with a consequent reduction in net profits. The French exchange rate was revised in August and the guilder equivalents of the turnover and profits for France and French overseas territories are therefore necessarily smaller compared with 1956 than they would otherwise have been. Another factor which has a bearing on the consolidated net profit was our decision that, in view of the present uncertainties in Indonesia, the profits earned in that country in 1957 should not be included in the consolidated results.

Profit for the year after taxation, but before deducting loan interest, was equivalent in 1957 to 8.2% on the capital employed as against 10.2% in 1956. The returns on capital employed and on turnover for the eight years ending with 1957, are shown in the chart on page 25.

Having estimated the effect on net results of price variations in oils and fats, we have not thought it necessary to make any changes in stock reserves as at 31st December, 1957.

The proposed appropriations of the profits of the Parent Companies are shown in the consolidated profit and loss account. Interim ordinary dividends in respect of 1957, 5¹/₄% for N.V. and 6% before deducting income tax for LIMITED, were paid on 17th December last. The Directors now recommend the payment of final dividends of 10¹/₄% on the ordinary capital of N.V. and 11¹/₂% before deducting income tax on the ordinary stock of LIMITED, both payable on 13th May, 1958, making a total for the year of 15¹/₂% for N.V. (1956, 15¹/₂%) and 17¹/₂% for LIMITED (1956, 17¹/₂%). The dividends recommended on the respective ordinary capitals are equivalent in value under the terms of the Equalisation Agreement. After payment of the above dividends, an amount of Fl. 302,355,000 remains to be added to the profits retained in the business which, after taking into account the adjustments set out in statement C, will then amount to Fl. 2,634,744,000.

REVIEW OF OPERATIONS

ECONOMIC BACKGROUND

In many countries, measures against inflation and balance of payments difficulties were intensified in 1957 and, as a result, economic expansion slowed down. World industrial production (excluding the Communist-dominated countries) increased by less than 2% (rather less than half the rate of the previous year) and this increase was concentrated almost entirely in the first half of the year. Towards the end of 1957 industrial activity had already begun to slacken, both in North America and in many countries of Western Europe, and the expansion of international trade had clearly been checked.

The re-emergence of the world dollar gap meant additional restrictions on world trade. Other features were the strength of the German mark, the devaluation of the French franc and, for a period, intense speculative pressure against the guilder and sterling. In addition, the fall in most commodity prices reduced spending power in a number of primary producing countries.

On top of all this tax rates continued to rise with additional taxes on profits in the Netherlands, France, Finland, Pakistan, Ceylon and some French African territories. There was a small tax reduction in Australia. In India there was a substantial increase in the tax charge on retained profits, but the overall burden on profits distributed to a foreign holding company fell slightly.

TURNOVER

Turnover in 1957 amounted to Fl. 18,297,097,000, an increase of nearly 3% on the 1956 figures of Fl. 17,784,122,000.

Turnover by commodities is given below:—

1956			1957			
%	Fl.	Tons	Tons	Fl.	%	
16	2,849,179,000	1,602,000	Margarine, edible fats and salad oils	1,617,000	2,945,918,000	16
15	2,752,504,000	1,670,000	Soaps and other detergents	1,740,000	2,973,805,000	16
2	298,537,000		Toilet preparations, including perfumes		314,061,000	2
9	1,627,452,000		Foods (other than margarine, edible fats, etc.) for human consumption..		1,800,479,000	10
26	4,631,613,000	3,927,000	Other vegetable and animal oils and fats	3,832,000	4,701,167,000	26
9	1,552,397,000	4,297,000	Animal feeding stuffs	4,060,000	1,407,119,000	8
5	791,605,000		Miscellaneous manufactures, including glycerine		819,642,000	4
6	1,126,021,000		Produce (mainly tropical produce handled by the United Africa Group) including timber products		1,143,087,000	6
11	1,951,515,000		Merchandise handled by the United Africa Group		1,967,698,000	11
1	203,299,000		Services (including ocean, river and road transport)		224,121,000	1
100	<u>17,784,122,000</u>		Total value		<u>18,297,097,000</u>	100

Fl.
12,579,534,000
4,690,346,000
514,242,000
<u>17,784,122,000</u>

Represented by:

Sales to third parties
Supplies of marketable products and services within the organisation
Value of produce purchased for the West African Marketing Boards and production for other manufacturers

Fl.
12,975,554,000
4,825,751,000
495,792,000
<u>18,297,097,000</u>

Supplies of marketable products – for use as raw materials – and services by one industry to other industries within the organisation are included to provide a proper ratio of turnover to capital employed and profits earned.

Produce purchased for the West African Marketing Boards is included on the basis of prices controlled by statutory bodies.

The geographical pattern of the business is shown in the following table:—

	1955		1956		1957	
	Fl.	%	Fl.	%	Fl.	%
Europe	9,954,795,000	62	11,057,886,000	62	11,103,255,000	61
North and South America	1,771,698,000	11	1,914,147,000	11	2,217,120,000	12
Africa, Middle East and Australasia	743,715,000	5	895,963,000	5	1,023,164,000	6
The Orient	733,777,000	4	828,079,000	5	817,184,000	4
The United Africa Group	2,915,477,000	18	3,088,047,000	17	3,136,374,000	17
Total	<u>16,119,462,000</u>	<u>100</u>	<u>17,784,122,000</u>	<u>100</u>	<u>18,297,097,000</u>	<u>100</u>

FINANCE

At the end of the year, total cash resources throughout the world, consisting of bank balances and investments, less short term borrowings, stood at the equivalent of Fl. 233 million. On 31st December, 1956, cash resources, at Fl. 507 million, had been unusually high. In part, this was due to the effect of Suez, which involved an exceptional reduction in stocks, and the 1957 cash movement reflects, in some measure, a reversal of this reduction. In addition, our working capital requirements generally tended to increase during 1957.

Expenditure on fixed assets rose from Fl. 397 million in 1956 to approximately Fl. 445 million in 1957; depreciation charged for the year provided half of this amount, and the balance was met from our other resources. Fl. 27 million was applied to purchasing new businesses and minority interests in subsidiaries. Approximately Fl. 22 million was absorbed by the difference between the amount of loan capital repaid in accordance with our commitments and the amount of new borrowings.

We expect our resources to be sufficient to meet requirements in 1958.

RAW MATERIALS

The general average of the prices of oils and fats in 1957 was much the same as in 1956, but the pattern of prices during the year was markedly different. At the beginning, prices were very high following the Suez troubles in November, 1956, but they then fell steadily, with only minor interruptions, until September.

The prices (per ton) of four principal raw materials are shown in the following table:—

	September 1956	January 1957	March 1957	June 1957	September 1957	December 1957	March 1958
	£	£	£	£	£	£	£
Philippine copra.....	65	65	63	61	64	69	68
Groundnut oil.....	117	166	138	118	124	122	103
Cottonseed oil.....	123	147	141	124	123	136	128
Palm oil (Belgian Congo).....	88	93	90	90	89	87	85

World exports of edible and soapmaking oils and fats were some 300,000 tons less than in 1956, reductions in shipments of most varieties, especially West African groundnuts and U.S. cottonseed oil, being only partially offset by heavier exports of U.S. soya beans. Turkey and certain other countries continued to receive large quantities of edible oils from the United States under special purchase arrangements. The United Kingdom was among those Western European countries which imported larger quantities than in 1956. Imports into countries outside Western Europe declined in total.

Both world production and consumption of oils and fats are estimated to have increased by over 2% in 1957.

MARGARINE AND OTHER EDIBLE FATS

In 1957 we introduced in the Netherlands, the United Kingdom, Germany and Austria a margarine with a unique combination of characteristics in which the latest results of our research have been incorporated. Abundant supplies of butter, particularly in the more

important European countries, limited the expansion of sales of margarine. Nevertheless, the housewife appears increasingly to prefer our higher quality margarines which continued to make good progress, while the demand for our cheaper qualities fell, notwithstanding price reductions in some countries. Our sales of cooking fats were maintained at the 1956 level despite plentiful world supplies of lard. Although total sales of edible fats were slightly higher than last year, profits in most countries were lower. Sales of edible fats for the past three years were:—

1955	1956	1957
1,589,000 tons	1,602,000 tons	1,617,000 tons

In the Netherlands, sales of our leading brands were somewhat lower than in 1956, chiefly because the availability of cheap butter reduced the total margarine market.

In the United Kingdom, sales of Summer County increased and, with our standard brand of margarine, improved its share of the total market, which contracted. Total consumption of compound cooking fats again dropped, but our brands held their share of the market. Selling prices, both of margarine and of compounds, which had been increased in December, 1956, in view of the high prices of raw materials after Suez, were reduced in April, 1957, and again later in the year; they are now virtually back to the same level as at the time of decontrol in 1954.

In Germany, the demand for margarine fell for the first time since the war, while butter consumption increased. Nevertheless, sales of our leading brand continued to expand. In total, sales were slightly lower than in 1956.

Total sales of edible fats in both Belgium and France made satisfactory progress, and in Italy, where the margarine business was reinforced by the acquisition of an oil refinery, the table margarine which we launched in 1956 was firmly established. In Austria, sales again increased substantially. In the United States, too, our margarine sales showed a further considerable increase and we secured a proportionately greater share of the total market; our top quality product made excellent progress.

Additions and improvements were made to many factories at home and overseas. In the United Kingdom, major reconstruction of the Purfleet factory is now nearing completion and a start has been made on the Bromborough margarine factory.

SOAPS AND OTHER DETERGENTS

Despite a year of keen competition and a carryover from 1956 in consumer stocks in certain European countries, our total sales continued to rise, though profits were rather lower. Soapless detergents made further substantial progress in almost every country, but sales of soap products fell slightly. Total sales for the past three years were:—

1955	1956	1957
1,559,000 tons	1,670,000 tons	1,740,000 tons

In the Netherlands and in Belgium our sales held their own. In the United Kingdom, our sales were lower, partly because of larger trade buying at the end of 1956 and partly because

of greatly increased competition. During the year the market for soap powders increased appreciably and that for synthetic powders fell. Although Persil—one of our brands of soap powder in some parts of the world including the British Commonwealth and France—failed to continue its record breaking progress, it maintained its leadership among soap powders; Omo and Surf more than held their own among the synthetics.

In France, our higher sales of synthetic powders were accompanied by a decrease in sales of Persil. Product improvements were well received in Germany and our total sales increased. The synthetic powders again sold well in the face of keen competition and Lux toilet soap secured a higher share of the market. In Italy, sales continued to grow, and progress was also made in most of the other European countries.

In the United States, sales increased sharply and results were better than in previous years. The new synthetic toilet bar, Dove, did well and liquid Lux continued to improve its leadership in the light duty field. Sales of Lux toilet soap, now available in four pastel shades as well as the original white, increased significantly and obtained a larger share of the market. In May, 1957, we acquired from the Monsanto Chemical Company the trade-marks and full marketing rights for the "all" brand of detergents, in the United States and many other countries.

Among the more important overseas countries, sales increased satisfactorily in Australia and India.

Additional manufacturing capacity for synthetic powders has been brought into operation in Germany, France, Italy, South Africa and Thailand, and plant for an improved quality of Vim has been installed in a number of factories.

TOILET PREPARATIONS

Progress in our trade in toilet preparations in the past few years has been maintained and in particular the volume of sales of toothpaste and liquid shampoos has increased. Profits have improved with the rising turnover. Sales for the last three years are as follows:—

1955	1956	1957
Fl. 240,932,000	Fl. 298,537,000	Fl. 314,061,000

In the United States, turnover rose; Pepsodent toothpaste increased its sales and held its share of this highly competitive and growing market. In the last quarter of the year we began the first phase of launching a new toothpaste, Stripe, on a national scale.

In most European countries, turnover was higher. In France, our sales of toothpastes increased substantially. In Germany, our toilet preparations business had a good year and Pepsodent in particular did well.

In the United Kingdom, sales of Gibbs S.R. toothpaste again increased sharply and maintained a leading position in an expanding market.

Business was good in Argentina, Australia and India.

FOODS

In most countries where we sell food, our sales have continued to develop satisfactorily. In many of them new food products have been launched during the year, and in the United States, Liptons acquired Wishbone Products Inc., a company manufacturing salad dressings.

Our sales of foods for the last three years are as follows:—

1955	1956	1957
Fl. 1,470,225,000	Fl. 1,627,452,000	Fl. 1,800,479,000

FROZEN FOODS

In the United Kingdom, sales of Birds Eye frozen foods showed a further substantial increase and profits expanded in proportion. Peas and fish products, the two largest selling lines, continued to do well and several new lines were successfully introduced, among which poultry and poultry products were outstanding. In both Australia and New Zealand a glut of fresh vegetables meant an unprofitable year for our quick-freezing businesses.

TEA

In the United States, Liptons maintained their share of the market and achieved satisfactory trading results.

SOUPS

Our sales of dry soup mixes continued to grow, particularly in the United Kingdom, United States, Canada and France, and in many countries the number of varieties has been extended. Competition on the Continent was intensified.

ICE CREAM

In the United Kingdom, Wall's ice cream and water ices had a very successful year and total sales achieved a new record. In Germany, too, sales of ice cream more than maintained their rate of growth. In both countries profits were good.

CANNED PRODUCTS

In the United Kingdom, sales of Batchelors' canned goods were affected by the abundant supplies of fresh vegetables, and both turnover and profits fell.

FISH

Mac Fisheries in the United Kingdom had a good year and both sales and results were higher. In Germany, the trawling business suffered from poor catches and low prices, but the fish wholesale and retail organisation increased its turnover.

MEAT PRODUCTS

In the Netherlands, sales of Hartog's meat and meat products increased, while in the United Kingdom, Wall's sausages, pies and other meat products had another good year. A new business (Wall's Handy Foods) was formed at the end of 1956 to sell prepacked bacon and other easy-to-handle foods; the first results of this venture are satisfactory.

GENERAL

Major extensions have been carried out at several of our food factories, particularly in the United Kingdom.

OIL, CAKE AND MEAL

The mild winter in Europe reduced the demand for compound feeds, cake and meal and as a result our sales were lower:—

1955	1956	1957
3,892,000 tons	4,297,000 tons	4,060,000 tons

Our sales in the Netherlands and France were lower. In the United Kingdom, additional factors which adversely affected our sales were the official measures to reduce surplus production of milk and eggs and to encourage home grown feeds, and the build-up in trade stocks in the closing months of 1956.

In Germany, the new oil mill at Harburg will be completed early this year.

OTHER INTERESTS

During the year the extension to our printing works in the Netherlands was completed. Our paper, printing and packaging materials businesses in Germany had a good year.

In the United Kingdom, sales of Crosfield's chemicals were lower and this was reflected in their trading results. Both sales and profits of Price's oleine, stearine and fatty acids business fell. John Knight's sales of tallow and glue increased but profits were lower.

PLANTATIONS

The total area of our plantations in the Belgian Congo, Nigeria and the Cameroons, Ghana, Gaboon, Malaya and the Solomon Islands was 74,000 hectares in 1957 compared with 70,500 hectares in 1956. More than half of the increase was in oil palms in the Belgian Congo and a further 1,300 hectares was accounted for by the purchase in 1957 of an adjoining coconut property in the Solomon Islands.

Production of main crops (in tons) was:—

	1955	1956	1957
Palm oil	65,700	67,100	64,800
Rubber	4,900	6,300	7,200
Copra	4,800	4,800	4,500
Bananas	5,000	7,200	6,400

Total value of produce sold in 1957 amounted to Fl. 85,854,000 compared with Fl. 84,758,000 in the previous year. Production of palm oil was lower in all regions mainly because of adverse weather conditions. The increased rubber output was the result of the mature age of the trees, with consequent higher yields. Among the other crops, a leaf fungus epidemic—widespread in the Cameroons—affected the banana crop and a large number of stems were unfit to market. Aerial spraying is now bringing the pest under control. The output of our still young cocoa and coffee plantations in the Belgian Congo was somewhat lower because of abnormally heavy rains.

A start was made on new oil palm plantings in the Cameroons and Nigeria, which were made possible in the case of Nigeria by a change in Government land policy. The pilot venture in palm plantations in French Gaboon was continued in partnership with the Government of French Equatorial Africa.

THE UNITED AFRICA GROUP

The fall in world commodity prices has had adverse effects on the economic position in tropical Africa and in some cases has led to reductions in local purchasing power. There was some recession in the Belgian Congo, while in Ghana a smaller 1957/58 cocoa crop is currently damping business activity. In French West Africa, the main development was the devaluation of the franc in August and the subsequent widespread efforts of local African Governments to impose some measure of price control. Inflationary pressure in the French Territories is still quite strong and wages have risen substantially. In East Africa, too, prices and wages have continued to rise but a falling off in investment has checked the boom of recent years. Competition has become much keener everywhere in tropical Africa.

This changing economic environment is reflected in the trade of the Group for 1957. The total value of produce handled, merchandise sold and services supplied by the Group in all territories was Fl. 3,136,000,000; an increase of only about $1\frac{1}{2}\%$. We have been able to maintain our share of the trade. The value of merchandise sales (Fl. 1,958,000,000) and sale of produce handled (Fl. 1,057,000,000) were each about Fl. 15 million greater than in 1956.

COMMONWEALTH WEST AFRICA

The merchandise business has been more exacting in 1957 than in recent years, and the expected 25% reduction in the Ghana cocoa crop 1957/58, coupled with a reduction in the price paid by the Marketing Board to producers, was already having a marked effect towards the end of the year on merchandise demand. This was only partly compensated by more favourable trading conditions in Northern Nigeria caused by the bumper 1957/58 groundnut crop and higher prices to producers. The effect of all this has been that total merchandise sales in 1957 were no higher than in 1956. There was, however, a significant increase in sales in our department stores. A new Kingsway Store at Accra was opened by the Prime Minister of Ghana in February, 1957.

More locally manufactured goods are becoming available in West Africa. The Group is playing its part in this development and has participated in a new brewery at Aba and in two new mineral water factories. A new cycle assembly plant in Accra is now in full operation.

FRENCH TERRITORIES

The Group's business in French Africa showed improved results. In the general trading, both turnover and profits increased and the stock position is healthier. Produce purchases and profits were lower than in 1956. Our grading plant in the Ivory Coast, which produces a uniform quality of coffee, came into operation at the end of 1957.

BELGIAN CONGO

Turnover in general merchandise and in motor vehicles was practically the same as in 1956, but lower margins and heavier operating expenses reduced profits. The produce business has also been less profitable.

EAST AFRICA

The total tonnage of produce purchased was below the 1956 level chiefly because of the smaller purchases of maize. Profits did not fall in proportion because of reduced expenses and improved gross margins. The turnover of business in agricultural equipment and machinery increased, but gross margins have fallen and expenses risen.

MIDDLE EAST

The diversion of shipping via the Cape as a result of the Suez crisis and the consequent increase in freight rates during the first part of the year, made Iraq barley uncompetitive in world markets.

Merchandise turnover fell, and this, with rising expenses, reduced our profits.

PALM LINE

During the year two new vessels were delivered to the Palm Line, which has now twenty-one vessels in service. Four new vessels will be taken into service in the first half of 1958.

TRANSPORT

The Group's transport department in Commonwealth West Africa handled over 4,000,000 tons in 1957, a reduction of about 100,000 tons on the previous year. Conditions on the Benue River were exceptionally good, but with smaller produce crops and less merchandise traffic the tonnage handled fell. This decrease in earnings was not fully offset by increased traffic on the Niger River.

TIMBER OPERATIONS

1957 was difficult for our timber operations and profits fell sharply. Imports of logs into France were banned and the American market continued to be lifeless throughout the year.

AFRICAN STAFF

Further progress was made in the training of African staff for managerial and technical posts. Fifty-eight African Managers were appointed in West Africa and two more technical training schools were established in Nigeria.

EXPORTS

Export sales for the past three years (including merchandise exports by the United Africa Group) were as follows:—

	1955	1956	1957
Netherlands	Fl. 329,759,000	Fl. 331,958,000	Fl. 337,920,000
United Kingdom	Fl. 548,407,000	Fl. 543,140,000	Fl. 559,685,000

Our exports from the Netherlands increased, although shipments of edible fats were smaller. Exports of meat products rose substantially, but sales of soup mixes were lower.

Our exports of detergents from the United Kingdom, particularly those of hard soap, increased; in the face of keen competition, good progress has been made with synthetic detergents in most markets. Our exports of edible fats improved and shipments of foods continued to increase. Exports of toilet preparations fell. The United Africa Group's shipments of merchandise from the United Kingdom increased slightly.

INDONESIA

Political and economic difficulties in Indonesia had serious repercussions upon our business in that territory. At the year end production in our oil milling, soap and margarine plants had been brought to a halt through lack of raw materials due to the shortage of inter-island transport. Production of toilet preparations, however, is continuing on a reduced scale.

A statement was made in December by the Indonesian Authorities recognising the international character of Unilever and our business in Indonesia has not been subject to Government intervention.

We are at present engaged in replacing our Dutch staff in the territory by other nationals and suitable employment elsewhere in Unilever is being arranged as quickly as possible for the Dutch staff thus displaced.

PERSONNEL

In the process of recruiting and training the future managers of the business, we maintain close contact with universities and technical colleges in many countries. In the United Kingdom, a number of young officers leaving the Services, chiefly the Royal Navy and the Army, have applied to us for employment under the Management Development Scheme and about half of them have passed our Selection Boards and joined the business.

We have continued our management training courses in the Netherlands, the United Kingdom, France, Germany and Scandinavia. In addition a number of senior managers attended advanced management courses at the Management Training Centre at Berg en Dal in the Netherlands, the Henley Administrative Staff College in the United Kingdom, and the Harvard Graduate School of Business Administration in the United States.

In the Netherlands the labour shortage continued, although by the end of the year the effects of the Government's policy to restrict capital investment and consumption were beginning to be felt. Here, and elsewhere on the Continent, relations with the Trade Unions continued to be good. Labour relations in our companies in the United Kingdom, too, continued to be good and, although more working days were lost in Britain from industrial disputes in 1957 than in any other year since the war, our companies were almost completely unaffected.

A serious dispute arose at the Toronto factory of our Canadian company as a result of a demand by the Trade Union that rates of pay should be equalised with those of our American company. This the company was unable to accept and in the middle of May almost all the factory staff struck work. The strike was protracted until the beginning of October, when terms of settlement were agreed with the Union. These terms, under which the company's view on the rates of pay issue was accepted, included protection for those who had returned to work during the strike, as well as arrangements for a phased re-employment of those who had taken part in it.

The value of the assets of the Unilever Pension and Provident Funds throughout the world rose to over Fl. 1,000 million, their current pension roll amounting to Fl. 21 million a year. The total number of employees covered by the funds was 109,800, and a further 3,900 are covered under schemes with insurance companies. The total of companies' pension contributions and other payments for employees' retirement provisions, excluding payments to state pension schemes, increased from Fl. 76 million in 1956 to Fl. 82 million in 1957.

In the United Kingdom, the Pensions Department successfully instituted a system of visiting lonely and sick pensioners, the volunteer visitors being fellow pensioners who have common experiences in the business to give them a link with the old people whom they visit. The scheme, which has aroused much interest in industry generally and in a number of Government Departments, was started in London and south-east England and by the middle of the present year will have been extended to the whole of Britain.

CAPITAL PROJECTS

Projects involving an expenditure totalling Fl. 400 million were approved during 1957; the most important are listed below.

MARGARINE AND OTHER EDIBLE FATS:	Fl.
First stage of reconstruction and extension of margarine factory at Bromborough, England	8,200,000
Building and plant extension for edible products at Manila, Philippines	2,800,000
Plant for refineries and margarine factories at Mannheim and Kleve, Germany, and Hammond, U.S.A.	4,500,000
Purchase of oil mill and refinery at Crema, Italy.....	4,900,000
SOAPS AND OTHER DETERGENTS:	
Plant for production of synthetic detergents and/or chemicals for synthetic detergents in the Netherlands, England, Germany, Sweden, U.S.A. and Brazil	13,600,000
Facilities for manufacture of Vim at Haubourdin, France	2,200,000
OIL, CAKE AND MEAL:	
Modernisation of oil milling plant at Zwijndrecht, Netherlands	3,500,000
Modernisation of oil milling plant at Baasrode, Belgium	2,200,000
FOODS OTHER THAN EDIBLE FATS:	
Extension of processing and storage facilities for frozen foods, United Kingdom	19,700,000
Ice cream depots, cold stores, customers' refrigerators and plant for water ices, United Kingdom	11,800,000
Extension of plant and storage facilities for ice cream, ice cream depots and customers' refrigerators, Germany.....	7,600,000
Facilities for production of sliced bacon packs and canned meat products at London and Godley, England	5,300,000
New frozen foods factory at Hastings, New Zealand	3,600,000
Tea-bagging machines for U.S.A.	2,200,000
Purchase and modernisation of Mac Fisheries' shops in the United Kingdom....	2,900,000
THE UNITED AFRICA GROUP:	
Development of motor business, Nigeria	2,600,000
Agricultural equipment and machinery showrooms and offices, Nairobi, Kenya	3,800,000
GENERAL:	
First stage of factory reorganisation and extension programme—new building and equipment for chemicals at Warrington, England	10,000,000
Storage and distribution depots in the United Kingdom	14,500,000

	Fl.
Building new wing to the research laboratory at Vlaardingen, Netherlands	4,800,000
Warehouse for finished products at Toronto, Canada	6,600,000
Motor vehicles (less sales of old vehicles)	45,300,000
Housing and welfare facilities for employees (including United Africa and Plantations Groups)	19,000,000

ROYAL VISIT TO PORT SUNLIGHT

On 16th July, 1957, Her Majesty Queen Elizabeth, accompanied by H.R.H. the Prince Philip, Duke of Edinburgh, visited Port Sunlight and made a tour of the factory and village. This was the first visit to Port Sunlight by the reigning Monarch since the visit of their Majesties King George V and Queen Mary in March, 1914.

MEMBERSHIP

At 31st December, 1957, the number of stockholders in LIMITED was 189,896. Nearly all the share capital of N.V. is represented by bearer scrip and the number of members cannot be ascertained.

DIRECTORS

Mr. M. M. van Hengel was elected a Director of N.V. and LIMITED in September, 1957.

Since the last Annual General Meeting, Mr. M. G. de Baat and Mr. J. Laurence Heyworth have reached retirement age and have relinquished office as Directors of N.V. and LIMITED. Their many years of valuable service to the Company are recorded with thanks.

All the Directors retire in accordance with Article 15 of the Articles of Association and offer themselves for re-election.

AUDITORS

The Auditors, Messrs. Price Waterhouse & Co. and Messrs. Cooper Brothers & Co., retire and offer themselves for re-appointment.

ROTTERDAM, 18th March, 1958.

ON BEHALF OF THE BOARD,

F. J. TEMPEL, *Chairman.*

HEYWORTH, *Vice-Chairman.*

STATEMENT A

CONSOLIDATED PRO
UNILEVER N.V. AND UNILEVER

Figures in red

1956				1957		
N.V.	LIMITED	Combined		Combined	N.V.	LIMITED
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
554,799,000	498,870,000	1,053,669,000	I. TRADING PROFIT	907,132,000	465,082,000	442,050,000
3,610,000	12,274,000	15,884,000	II. INCOME FROM TRADE INVESTMENTS ..	18,346,000	4,969,000	13,377,000
8,129,000	10,392,000	18,521,000	III. INTEREST ON LOAN CAPITAL	17,755,000	7,644,000	10,111,000
550,280,000	500,752,000	1,051,032,000	IV. PROFIT BEFORE TAXATION ..	907,723,000	462,407,000	445,316,000
296,568,000	255,355,000	551,923,000	V. TAXATION ON PROFIT FOR THE YEAR	480,452,000	256,454,000	223,998,000
253,712,000	245,397,000	499,109,000	VI. PROFIT FOR THE YEAR AFTER TAXATION	427,271,000	205,953,000	221,318,000
			VII. EXCEPTIONAL ITEMS			
4,055,000	26,397,000	30,452,000	a. Taxation adjustments — previous years	22,745,000	16,818,000	5,927,000
10,813,000	6,318,000	4,495,000	b. Other	281,000	5,727,000	6,008,000
			VIII. AMOUNTS ATTRIBUTABLE TO OUTSIDE SHAREHOLDERS' INTERESTS IN SUBSIDIARIES	21,822,000	13,411,000	8,411,000
233,325,000	268,164,000	501,489,000	IX. CONSOLIDATED NET PROFIT	428,475,000	203,633,000	224,842,000
11,742,000	46,255,000	57,997,000	X. PREFERENTIAL DIVIDENDS OF PARENT COMPANIES	57,997,000	11,742,000	46,255,000
—	19,658,000	19,658,000	Less: United Kingdom income tax	19,658,000	—	19,658,000
11,742,000	26,597,000	38,339,000		38,339,000	11,742,000	26,597,000
221,583,000	241,567,000	463,150,000	XI. PROFIT ACCRUING TO ORDINARY AND DEFERRED CAPITAL	390,136,000	191,891,000	198,245,000
			XII. ORDINARY AND DEFERRED DIVIDENDS OF PARENT COMPANIES			
59,108,000	49,801,000	108,909,000	Ordinary (N.V. 15½%; LIMITED 17½%)	108,909,000	59,108,000	49,801,000
—	64,000	64,000	Deferred	64,000	—	64,000
—	21,192,000	21,192,000	Less: United Kingdom income tax	21,192,000	—	21,192,000
59,108,000	28,673,000	87,781,000		87,781,000	59,108,000	28,673,000
162,475,000	212,894,000	375,369,000	XIII. PROFIT RETAINED IN THE BUSINESS	302,355,000	132,783,000	169,572,000

FIT AND LOSS ACCOUNTS
STATEMENT A
LIMITED AND THEIR SUBSIDIARIES
represent deductions.
NOTES

- i. Trading profit has been ascertained after charging the following:

1956			1957			
N.V.	LIMITED	Combined	Combined	N.V.	LIMITED	
Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	
104,655,000	101,196,000	205,851,000	Depreciation	226,985,000	115,243,000	111,742,000
1,267,000	2,353,000	3,620,000	Emoluments of Directors as managers	3,986,000	1,415,000	2,571,000
139,000	432,000	571,000	Pensions to former Directors	763,000	331,000	432,000
<u>106,061,000</u>	<u>103,981,000</u>	<u>210,042,000</u>		<u>231,734,000</u>	<u>116,989,000</u>	<u>114,745,000</u>

Trading profit includes income from investments, other than trade investments, N.V. Fl. 4,698,000 (Fl. 3,416,000), LIMITED Fl. 7,188,000 (Fl. 9,378,000).

- v. In LIMITED, taxation comprises United Kingdom income and profits taxes Fl. 206,918,000 (including profits tax on dividends of LIMITED, Fl. 23,876,000) less foreign tax relief of Fl. 42,486,000, and foreign taxes of Fl. 59,566,000.
- vii. Taxation adjustments arise mainly from release of provisions no longer required.
- Exceptional items, Other, are shown after deduction of taxation and include profits less losses on disposal of fixed assets and other items not applicable to current trading.
- xii. The Equalisation Agreement provides that the relationship between the ordinary capitals of LIMITED and N.V., for dividend purposes and on liquidation, shall be based on a rate of £ 1 = Fl. 12.
- xiii. Profit retained in the business is represented by additions to the balances in:

1956			1957			
N.V.	LIMITED	Combined	Combined	N.V.	LIMITED	
Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	
19,714,000	68,249,000	87,963,000	Parent Companies	72,113,000	14,733,000	57,380,000
142,761,000	144,645,000	287,406,000	Subsidiaries	230,242,000	118,050,000	112,192,000
<u>162,475,000</u>	<u>212,894,000</u>	<u>375,369,000</u>		<u>302,355,000</u>	<u>132,783,000</u>	<u>169,572,000</u>

GENERAL

The net profits of the Parent Companies, N.V. Fl. 85,583,000, LIMITED £ 10,588,000 (Fl. 112,650,000), include dividends from direct subsidiaries. A number of direct subsidiaries are themselves holding companies some of which include the results of their subsidiaries in their accounts as if all the profits had been distributed to them. Dividends declared by direct subsidiaries may therefore be represented partly by dividends, including bonus shares, from their subsidiaries and partly by profits retained by those subsidiaries.

STATEMENT B

CONSOLIDATED
UNILEVER N.V. AND UNILEVER

Figures in red

31st December 1956			31st December 1957		
N.V.	LIMITED	Combined	CAPITAL EMPLOYED		
Fl.	Fl.	Fl.	Combined Fl.	N.V. Fl.	LIMITED Fl.
215,865,000	598,966,000	814,831,000	I. PREFERENTIAL CAPITAL—PARENT COMPANIES		
			814,831,000	215,865,000	598,966,000
			II. ORDINARY CAPITAL AND RESERVES		
			<i>a. Ordinary capital—Parent Companies</i>		
378,946,000	284,578,000	663,524,000	663,524,000	378,946,000	284,578,000
860,915,000	1,524,336,000	2,385,251,000	<i>b. Profits retained in the business and other reserves</i>		
			2,708,677,000	992,042,000	1,716,635,000
1,239,861,000	1,808,914,000	3,048,775,000	ORDINARY SHAREHOLDERS' FUNDS—PARENT COMPANIES		
			3,372,201,000	1,370,988,000	2,001,213,000
			III. OUTSIDE SHAREHOLDERS' INTERESTS IN SUBSIDIARIES		
99,126,000	162,049,000	261,175,000	257,811,000	101,706,000	156,105,000
225,353,000	258,092,000	483,445,000	IV. LOAN CAPITAL		
			461,520,000	206,252,000	255,268,000
167,555,000	167,555,000	—	V. N.V./LIMITED INTER-GROUP ITEMS		
			—	130,041,000	130,041,000
114,000,000	285,152,000	399,152,000	VI. FUTURE TAXATION		
			404,384,000	132,000,000	272,384,000
2,061,760,000	2,945,618,000	5,007,378,000	5,310,747,000	2,156,852,000	3,153,895,000
			EMPLOYMENT OF CAPITAL		
			VII. LAND, BUILDINGS, PLANTATIONS, SHIPS, PLANT AND EQUIPMENT		
1,012,658,000	1,110,111,000	2,122,769,000	2,415,785,000	1,093,756,000	1,322,029,000
62,714,000	—	62,714,000	VIII. INTERESTS NOT CONSOLIDATED		
			62,271,000	62,271,000	—
26,172,000	76,829,000	103,001,000	IX. TRADE INVESTMENTS		
			105,352,000	26,959,000	78,393,000
1,101,544,000	1,186,940,000	2,288,484,000	FIXED ASSETS		
			2,583,408,000	1,182,986,000	1,400,422,000
			X. CURRENT ASSETS		
			<i>a. Stocks</i>		
1,113,246,000	1,471,639,000	2,584,885,000	2,766,540,000	1,222,074,000	1,544,466,000
441,869,000	776,612,000	1,218,481,000	<i>b. Debtors</i>		
			1,253,823,000	452,529,000	801,294,000
107,411,000	232,915,000	340,326,000	<i>c. Investments</i>		
			288,035,000	93,683,000	194,352,000
264,338,000	189,030,000	453,368,000	<i>d. Cash and bank balances</i>		
			364,294,000	186,892,000	177,402,000
1,926,864,000	2,670,196,000	4,597,060,000	4,672,692,000	1,955,178,000	2,717,514,000
			XI. CURRENT LIABILITIES		
			<i>a. Creditors</i>		
539,698,000	492,762,000	1,032,460,000	986,845,000	507,869,000	478,976,000
133,398,000	153,004,000	286,402,000	<i>b. Short term borrowings</i>		
			419,696,000	209,313,000	210,383,000
246,503,000	230,228,000	476,731,000	<i>c. Taxation and contingencies</i>		
			455,917,000	216,644,000	239,273,000
47,049,000	35,524,000	82,573,000	<i>d. Dividends</i>		
			82,895,000	47,486,000	35,409,000
966,648,000	911,518,000	1,878,166,000	NET CURRENT ASSETS		
			1,945,353,000	981,312,000	964,041,000
960,216,000	1,758,678,000	2,718,894,000	2,727,339,000	973,866,000	1,753,473,000
2,061,760,000	2,945,618,000	5,007,378,000	5,310,747,000	2,156,852,000	3,153,895,000

LIMITED AND THEIR SUBSIDIARIES

represent deductions.

NOTES

- ii. The Equalisation Agreement provides that the relationship between the ordinary capitals of LIMITED and N.V., for dividend purposes and on liquidation, shall be based on a rate of £ 1 = Fl. 12.
Details of profits retained and other reserves are set out in statement C.
The reserves of N.V. are subject to any losses that may arise on interests not consolidated Fl. 62,271,000 referred to under viii below.
- iv. Loan Capital is secured to the extent of N.V. Fl. 36,653,000, LIMITED Fl. 251,012,000.
- v. This is the net balance of several accounts and incorporates loans of £ 11,500,000 by the LIMITED Group to the N.V. Group which are secured on shares of subsidiaries of N.V.
- vi. Future taxation includes, in addition to United Kingdom income tax on the profits of 1957, taxes which would only become payable if profits retained by subsidiaries were distributed to the holding companies, and certain other taxes which are not in the nature of current liabilities.
- vii. Details of movements in 1957 and the composition of the net values at 31st December, 1957, are given in statement D.
- viii. This comprises interests in Czechoslovakia, Yugoslavia, Roumania, Poland, Hungary and China.
- ix. This includes interests in companies in which 50% of the ordinary capital is owned, and other investments not held for sale.
In LIMITED, trade investments are shown at the net book value at 31st December, 1947, with additions at cost or valuation, less Fl. 3,213,000 written off.
- x. Investments comprise - quoted, N.V. Fl. 83,568,000, LIMITED Fl. 152,545,000 - market value, N.V. Fl. 93,130,000, LIMITED Fl. 149,602,000 - and other items, mainly moneys on call and short notice.
- xi. Short term borrowings consist mainly of advances from bankers. In N.V. they are secured to the extent of Fl. 45,798,000.

GENERAL

Foreign currencies have been converted at the appropriate official parities or other current rates of exchange, with the exception of fixed assets in Indonesia which are included at their guilder value at 31st December, 1956, pending clarification of the situation.

It should be borne in mind that there are restrictions on transfer of some currencies.

In order to conform to the seasonal nature of their operations, the financial year of some subsidiaries of LIMITED having interests in Africa ends on 31st August. With the consent of the Board of Trade the accounts of these companies have been consolidated on the basis of estimated accounts at 31st December.

There are contingent liabilities, upon which no loss is expected.

The commitments for capital expenditure at 31st December, 1957, were approximately - N.V. Fl. 47,000,000, LIMITED Fl. 128,000,000.

STATEMENT C

RESERVES

Representing a consolidation of the figures of N.V. and LIMITED and their subsidiaries.

Figures in red represent deductions.

	Combined	N.V.		LIMITED	
		Parent	Subsidiaries	Parent	Subsidiaries
	Fl.	Fl.	Fl.	Fl.	Fl.
PREMIUMS ON CAPITAL ISSUED					
At 31st December, 1957	1,119,000	1,119,000	—	—	—
SURPLUS ON REVALUATIONS OF FIXED ASSETS, ETC.					
At 1st January, 1957	13,995,000	—	13,995,000	—	—
Additions	71,553,000	—	24,402,000	—	47,151,000
Excess of price paid for new interests over tangible assets acquired	12,734,000	—	10,154,000	—	2,580,000
At 31st December, 1957	72,814,000	—	28,243,000	—	44,571,000
PROFITS RETAINED IN THE BUSINESS					
At 1st January, 1957	2,370,137,000	138,574,000	707,227,000	693,475,000	830,861,000
Adjustment for bonus shares received from subsidiaries ..	—	—	—	1,262,000	1,262,000
Exchange adjustments arising on consolidation	37,748,000	—	15,904,000	—	21,844,000
Profit of 1957 retained – see statement A	302,355,000	14,733,000	118,050,000	57,380,000	112,192,000
At 31st December, 1957	2,634,744,000	153,307,000	809,373,000	752,117,000	919,947,000
		154,426,000	837,616,000	752,117,000	964,518,000
TOTAL	2,708,677,000	992,042,000		1,716,635,000	

NOTES

Profits retained in the business include stock reserves, N.V. Fl. 21,600,000 and LIMITED Fl. 104,272,000.

Exchange adjustments arising on consolidation result mainly from movements in exchange rates for Brazil, Canada, the French franc monetary area and Indonesia.

STATEMENT D

LAND, BUILDINGS, PLANTATIONS, SHIPS, PLANT AND EQUIPMENT

Representing a consolidation of the figures of N.V. and LIMITED and their subsidiaries.

Figures in red represent deductions.

1956				1957		
N.V.	LIMITED	Combined		Combined	N.V.	LIMITED
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
COST OR VALUATION						
1,542,498,000	1,379,761,000	2,922,259,000	At 1st January	3,401,343,000	1,731,815,000	1,669,528,000
187,903,000	241,880,000	429,783,000	Expenditure	473,705,000	186,022,000	287,683,000
<i>18,681,000</i>	<i>14,277,000</i>	<i>32,958,000</i>	Proceeds of sales	<i>29,131,000</i>	<i>15,421,000</i>	<i>13,710,000</i>
<i>28,632,000</i>	<i>12,490,000</i>	<i>41,122,000</i>	Adjustments on disposals and conversion differences	<i>53,401,000</i>	<i>29,693,000</i>	<i>23,708,000</i>
1,683,088,000	1,594,874,000	3,277,962,000	At 31st December	3,792,516,000	1,872,723,000	1,919,793,000
DEPRECIATION						
599,228,000	405,859,000	1,005,087,000	At 1st January	1,205,707,000	693,354,000	512,353,000
104,655,000	101,196,000	205,851,000	Charged to revenue	226,985,000	115,243,000	111,742,000
<i>33,453,000</i>	<i>22,292,000</i>	<i>55,745,000</i>	Adjustments on disposals and conversion differences	<i>55,961,000</i>	<i>29,630,000</i>	<i>26,331,000</i>
670,430,000	484,763,000	1,155,193,000	At 31st December	1,376,731,000	778,967,000	597,764,000
NET BALANCE SHEET VALUES						
1,012,658,000	1,110,111,000	2,122,769,000		2,415,785,000	1,093,756,000	1,322,029,000
DETAILS OF NET BALANCE SHEET VALUES						
444,398,000	519,644,000	964,042,000	Land, buildings and plantations	1,111,259,000	484,039,000	627,220,000
568,260,000	590,467,000	1,158,727,000	Ships, plant and equipment	1,304,526,000	609,717,000	694,809,000
1,012,658,000	1,110,111,000	2,122,769,000		2,415,785,000	1,093,756,000	1,322,029,000

NOTES

These assets are stated at cost or as valued by Directors at various dates since 1945.

The movements between the balances at 31st December, 1956, and those shown for 1st January, 1957, arise mainly from restating gross value and accumulated depreciation of certain fixed assets on revaluation, and consolidation in 1957 of new subsidiaries.

SUMMARY OF CONSOLIDATED FIGURES 1948—1957

N.V. and LIMITED Groups.

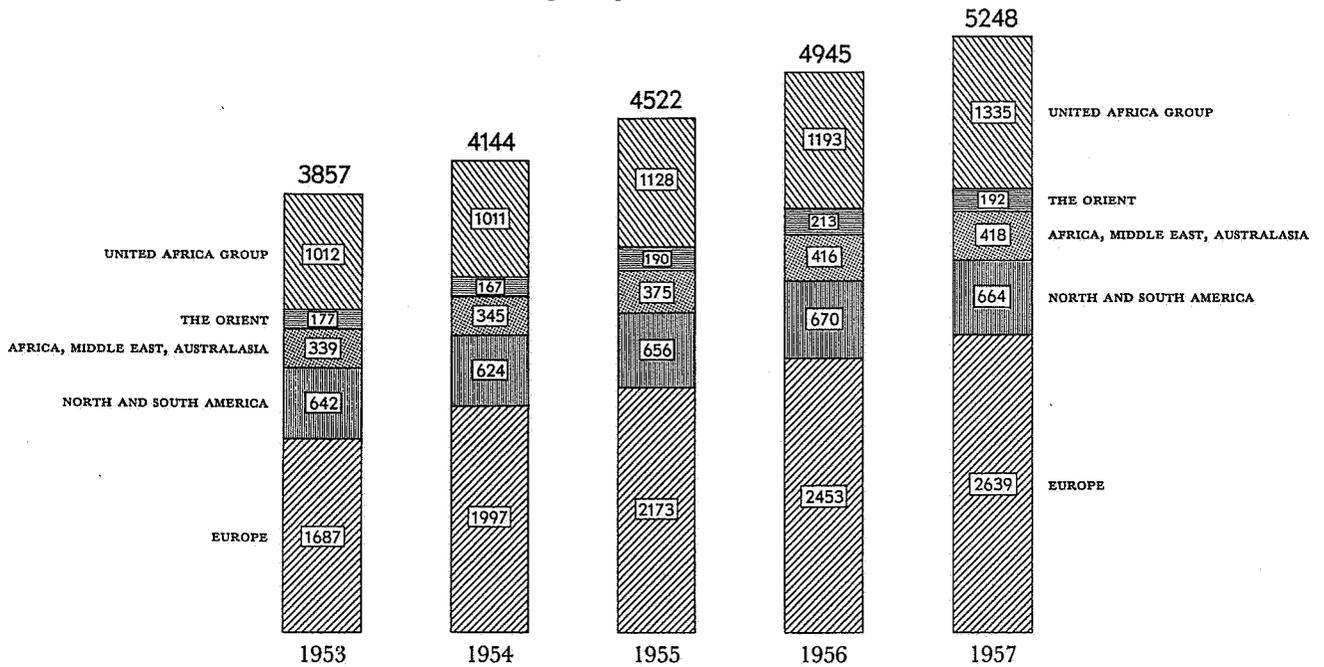
(000's omitted)

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.
Turnover	6,601,778	8,521,544	10,521,576	12,825,956	12,983,258	13,900,384	15,294,245	16,119,462	17,784,122	18,297,097
Trading Profit	321,743	339,921	555,209	573,849	411,788	654,125	745,813	909,241	1,053,669	907,132
Taxation for the year ...	187,231	199,319	313,859	350,952	234,666	359,249	406,631	467,149	551,923	480,452
Exceptional Items	28,556	62,212	6,661	25,938	52,025	6,107	28,374	64,896	25,957	23,026
Consolidated Net Profit ..	111,814	208,333	204,573	200,433	222,769	274,001	338,931	480,055	501,489	428,475
Dividends:										
Preferential	37,141	37,019	37,019	35,863	35,726	36,947	37,019	38,257	38,339	38,339
Ordinary and Deferred	23,395	23,358	31,002	31,003	39,058	45,869	62,515	79,197	87,781	87,781
Profit retained in the business	51,278	147,956	136,552	133,567	147,985	191,185	239,397	362,601	375,369	302,355
Profit in relation to Ordinary Shareholders' Funds:	%	%	%	%	%	%	%	%	%	%
Distributed	1.9	1.6	1.8	1.5	* 2.2	2.4	2.7	3.0	2.9	2.6
Retained	4.3	10.4	8.1	6.7	* 8.5	9.8	10.5	13.7	12.3	9.0
Preferential Capital	814,972	812,102	812,102	812,102	808,724	810,413	812,102	814,817	814,831	814,831
Ordinary Shareholders' Funds:										
Capital	316,003	315,320	315,320	394,750	393,723	394,237	530,684	663,524	663,524	663,524
Reserves	884,644	1,112,589	1,363,699	1,611,103	*1,355,129	1,548,839	1,744,897	1,985,637	2,385,251	2,708,677
Outside Shareholders' Interests	185,072	192,616	194,665	218,002	* 226,851	233,488	238,374	245,729	261,175	257,811
Loan Capital	194,925	360,183	473,107	622,877	621,987	595,722	518,869	497,142	483,445	461,520
Future Taxation	150,946	199,280	236,752	304,056	288,788	338,335	362,640	378,384	399,152	404,384
Total Capital Employed	2,546,562	2,992,090	3,395,645	3,962,890	3,695,202	3,921,034	4,207,566	4,585,233	5,007,378	5,310,747

* As adjusted for elimination of Premiums and Goodwill and other changes in the presentation of the accounts.

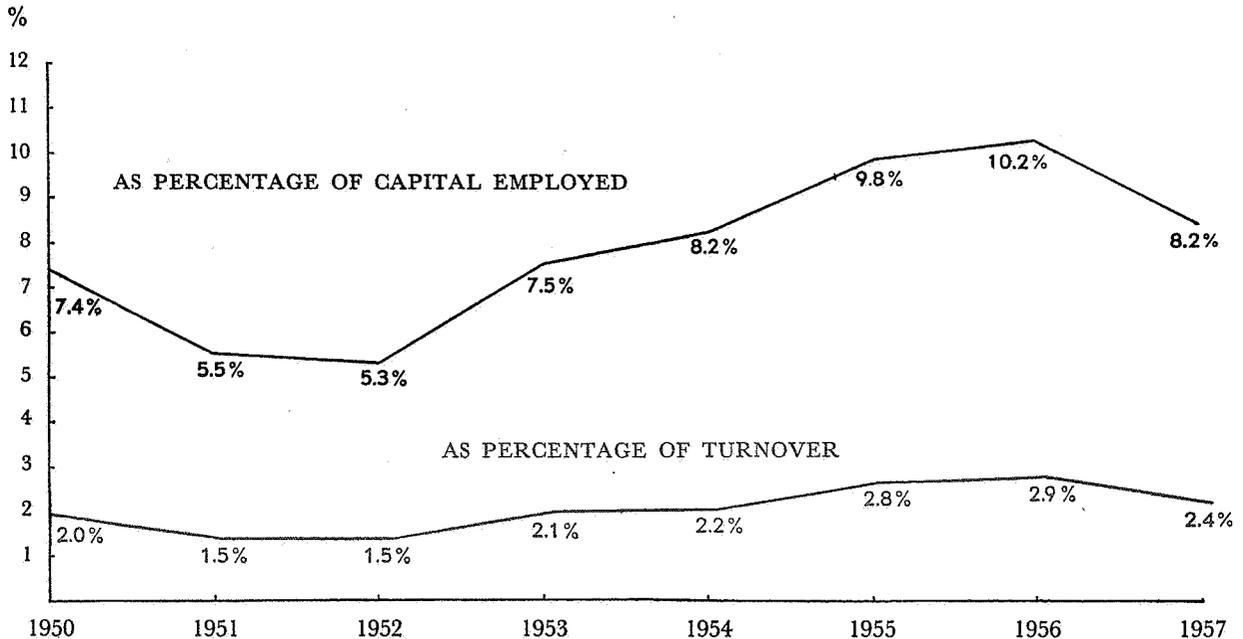
CAPITAL EMPLOYED 1953-1957 BY GEOGRAPHICAL AREAS

Figures represent Fl. millions.



Capital Employed does not include Interests Not Consolidated.

RETURN ON CAPITAL EMPLOYED AND ON TURNOVER 1950-1957.



The returns are based on the profits, after taxation, but before deducting loan interest.

31st DECEMBER 1957

represent deductions.

NOTES

I. The 4% Redeemable Cumulative Preference Capital is redeemable at par at the Company's option either wholly or in part.

II. Fl. 1,200,000 Ordinary Capital is held by a subsidiary of N.V. and Fl. 1,200,000 by a subsidiary of LIMITED.
Details of reserves are set out in statement C.

The Company's reserves are subject to any provisions which may be required against interests in Czechoslovakia, Yugoslavia, Roumania, Poland, Hungary and China held by subsidiaries at a book value of Fl. 62,271,000.

V. Debtors and payments in advance have been shown after provision for doubtful debts.
Investments are at cost and comprise Treasury Bills and moneys on call and short notice.

GENERAL

There are contingent liabilities, upon which no loss is expected.

Foreign currencies have been converted at the appropriate official parities or other current rates of exchange.

Figures in red

1956		CAPITAL EMPLOYED		
£	£	£	£	£
		<i>Authorised</i>		
			<i>Issued and fully paid</i>	
	35,984,690	7% Cumulative Preference } <i>Ranking</i>	35,984,690	35,984,690
	2,360,000	5% Cumulative Preference } <i>pari passu</i>	4,015,310	2,360,000
	15,661,749	8% Cumulative A Preference	40,000,000	15,661,749
	2,287,312	20% Cumulative Preferred Ordinary	2,287,312	2,287,312
56,294,000	56,293,751		82,287,312	56,293,751
		II. ORDINARY AND DEFERRED CAPITAL AND PROFITS RETAINED		
		CAPITAL		
	26,746,109	Ordinary	59,031,438	26,746,109
	100,000	Deferred	100,000	100,000
	26,846,000		59,131,438	26,846,000
	65,176,000	PROFITS RETAINED IN THE BUSINESS		70,688,000
92,022,000				97,534,000
		III. LOAN CAPITAL		
	9,297,000	3 3/4% Debenture Stock, 1955/75 } <i>Ranking</i>		9,207,000
	13,690,000	4% Debenture Stock, 1960/80 } <i>pari passu</i>		13,607,000
22,987,000				22,814,000
4,711,000				2,900,000
176,014,000		IV. FUTURE UNITED KINGDOM TAXATION		
<i>12,892,000</i>				179,542,000
163,122,000		V. Less: INDEBTEDNESS OF N.V. GROUP		
				<i>13,261,000</i>
				166,281,000
		EMPLOYMENT OF CAPITAL		
		<i>Cost or Valuation</i>		
		<i>Depreciation</i>		
		VI. FIXED ASSETS		
	2,876,000	Land and buildings	3,232,000	322,000
	993,000	Plant and office equipment	1,607,000	420,000
	3,869,000		4,839,000	742,000
	5,152,000	Trade investments		5,712,000
9,021,000				9,809,000
		VII. INTERESTS IN SUBSIDIARIES		
	120,506,000	Shares		129,778,000
	58,689,000	Advances		64,871,000
	179,195,000			194,649,000
	<i>42,480,000</i>	Less: Deposits		<i>47,415,000</i>
136,715,000				147,234,000
		VIII. CURRENT ASSETS		
	543,000	Debtors	643,000	
	19,836,000	Investments	13,702,000	
	7,567,000	Cash and bank balances	6,291,000	
	27,946,000			20,636,000
		IX. CURRENT LIABILITIES		
	<i>2,298,000</i>	Creditors	<i>2,083,000</i>	
	<i>5,240,000</i>	Taxation	<i>6,293,000</i>	
	<i>3,022,000</i>	Dividends (net) due or proposed	<i>3,022,000</i>	
	10,560,000			11,398,000
17,386,000				9,238,000
163,122,000				166,281,000
		HEYWORTH, <i>Chairman</i>		
		F. J. TEMPEL, <i>Vice-Chairman</i>		

31st DECEMBER 1957

represent deductions.

NOTES

- II. £ 50,000 Deferred Stock is held by a subsidiary of LIMITED and £ 50,000 by a subsidiary of N.V.
Details of profits retained in the business are set out in statement C at their guilder equivalent.
- III. The two issues of debenture stock are secured by a floating charge on the assets of the Company. During the year £ 90,000 of 3³/₄% Debenture Stock 1955/75 and £ 83,000 of 4% Debenture Stock 1960/80 were purchased by the Company.
- V. This includes a loan of £ 11,000,000 which is secured on the shares of subsidiaries of N.V.
- VI. Land, buildings, plant, etc., were revalued at 1st January, 1953, and additions since that date are at cost.
Trade investments are shown at net book value at 31st December, 1947, with additions at cost or valuation.
- VII. Shares in subsidiaries are stated at Directors' valuation made on the re-arrangement of the Unilever Groups in 1937, with bonus shares at par and other additions at cost or valuation, less amounts written off £ 2,486,000.
- VIII. Investments comprise short dated Government Stocks £ 9,139,000 and Treasury Bills £ 2,445,000, stated at market value, and Municipal Loans at call £ 2,118,000.

GENERAL

There are contingent liabilities, upon which no loss is expected.

The estimated commitments for capital expenditure at 31st December, 1957, were £ 450,000 including £ 190,000 on behalf of subsidiaries.

Foreign currencies have been converted at the appropriate official parities or other current rates of exchange.

REPORTS OF THE AUDITORS

N.V. GROUP

TO THE MEMBERS OF UNILEVER N.V.

We have examined the accounts set out in statements A to E. We have not audited the accounts of some of the subsidiaries but these have been audited either by other public accountants or by the Group's internal audit staff. Sufficient information is not available to enable us to estimate the extent to which the reserves may be required to write down interests not consolidated which are included in the accounts at Fl. 62,271,000 and are referred to in note II in statements B and E. As in past years the company's net profit Fl. 85,583,000 shown in the general note in statement A has been arrived at after crediting dividends from its direct subsidiaries which are represented in part by profits of their subsidiaries capitalised by them as bonus shares or retained and not declared as dividend.

Subject to the foregoing remarks, we have obtained all the information and explanations which we considered necessary and in our opinion the said accounts, in conjunction with the relative notes, give a true and fair view of the state of the company's affairs as at 31st December, 1957, and of its profit for the year 1957.

18th March, 1958.

PRICE WATERHOUSE & Co.
COOPER BROTHERS & Co.

LIMITED GROUP

The following is the auditors' report on the accounts of LIMITED and the LIMITED Group which are expressed in sterling.

TO THE MEMBERS OF UNILEVER LIMITED

We have examined the balance sheet of the company set out in statement F, which is in agreement with the books of account, and the consolidated accounts of the company and its subsidiaries set out in statements A to D. Proper books of account have been kept by the company. The accounts of some of the subsidiaries have not been audited by us and those of a group of major importance having interests in Africa, audited as at 31st August, 1957, are estimated accounts based on unaudited returns at 31st December, 1957. We have obtained all the information and explanations which we considered necessary and it is our opinion that, in conjunction with the relative notes, the accounts give the information required by the Companies Act, 1948.

We are of the opinion that, in conjunction with the relative notes, the balance sheet of the company gives with the consolidated accounts a true and fair view of the state of its affairs at 31st December, 1957, and the consolidated accounts give, from the standpoint of the members of Unilever Limited, a true and fair view of the state of affairs at that date of the company and its subsidiaries and of their profit for the year 1957.

18th March, 1958.

COOPER BROTHERS & Co.
PRICE WATERHOUSE & Co.

“PROGRESS”

PROGRESS, Unilever's quarterly magazine published in England, contains articles by experts inside and outside the business on current topics in which Unilever is interested.

Shareholders of Unilever N.V. who are not already on our list, and who would like to receive complimentary copies, are invited to send their names and addresses to Unilever N.V., Museumpark 1, Rotterdam.