

UNILEVER

TRANSLATION
OF
ANNUAL REPORT
AND
STATEMENT OF ACCOUNTS
1952

UNILEVER N.V.

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AUDITORS

PRICE WATERHOUSE & Co.

COOPER BROTHERS & Co.

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Unilever N.V., the Dutch Company, is referred to as "N.V."

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; details are set out in the accompanying Statements and should be considered in conjunction with the Notes thereon.

1951		1952
Fl.		Fl.
1,987,000,000	FIXED ASSETS.....	2,162,000,000
1,823,000,000	NET CURRENT ASSETS.....	1,836,000,000
<u>3,810,000,000</u>	CAPITAL EMPLOYED.....	<u>3,998,000,000</u>
12,826,000,000	TURNOVER.....	12,983,000,000
158,000,000	DEPRECIATION ON REPLACEMENT BASIS.....	178,000,000
574,000,000	TRADING PROFIT.....	412,000,000
351,000,000	TAXATION FOR THE YEAR.....	235,000,000
32,000,000	STOCK RESERVES SET ASIDE.....	—
—	WITHDRAWN FROM STOCK RESERVES.....	20,000,000
200,000,000	CONSOLIDATED NET PROFIT.....	223,000,000
164,570,000	PROFIT ACCRUING TO THE ORDINARY SHAREHOLDERS..	187,043,000
	Fl. 133,567,000 PROFITS RETAINED Fl. 147,985,000	
	Fl. 31,003,000 ORDINARY DIVIDENDS Fl. 39,058,000	

N.V., 12%; LIMITED, 13.5%

REPORT OF THE DIRECTORS FOR THE YEAR 1952

TO BE SUBMITTED AT THE GENERAL MEETING OF
SHAREHOLDERS ON 10TH JUNE, 1953.

The Directors submit their Report and Accounts for the year 1952. N.V. and LIMITED are linked together by a series of agreements of which the principal is the Equalisation Agreement. This in effect equalises the rights of the Ordinary Capitals of the two Companies as to dividends and as to capital value on liquidation 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 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.

To simplify the presentation and interpretation of the statements, all figures, except details of authorised and paid-up capital of LIMITED on Statement G, are shown rounded off to the nearest thousand. Such a modification in the accounts of an undertaking of this size does not distort the overall picture they are intended to present, and it has the advantage of making the figures easier to assimilate.

It will be noted that taxation adjustments relating to previous years appear under Exceptional items. This enables the incidence of taxation on profits of the year to be shown more clearly. For the same reason, other Exceptional items have been shown after deduction of the taxation relative thereto and the comparative figures have been adjusted accordingly.

The guilder equivalents of all LIMITED figures for 1952 have been calculated at the rate at 31st December, 1952, i.e. £1 = Fl. 10.58; for 1951 the rate was £1 = Fl. 10.64.

RESULTS

Details of the results are given in the Consolidated Profit and Loss Account (Statement A) and the figures therein should be considered in conjunction with the relevant notes.

As in previous years, an attempt has been made to measure the amount by which the provision for depreciation calculated on the basis of cost or subsequent valuation falls short of depreciation on the basis of replacement values. As explained in the Report for 1951 the amount of this short-fall is not capable of precise calculation, but in the opinion of the Board the transfer to reserve of Fl. 55,895,000, together with the normal depreciation charge of Fl. 122,115,000 for 1952, constitute an adequate charge against the results of the year's operations.

The revenue from trading was Fl. 411,788,000 compared with Fl. 573,849,000 in 1951, in each case after charging depreciation on replacement basis as described above.

In previous years, while raw material prices have been rising, it has been the practice to set aside as a Reserve for Stocks the amount estimated to be included in profits through the consumption of stocks purchased at prices below those at which such stocks were replaced, and in 1951 Fl. 31,920,000 was so set aside out of Trading Profit. In 1952, the general level of prices of our basic raw materials was lower than that at which stocks on hand at 1st January, 1952, had been purchased. The effect on profits of the year has, therefore, been the reverse of that of a period of rising prices, and it is appropriate that transfers to profits from the reserves set aside during such period should now be made. The amounts so withdrawn from reserves, as shown on Statement A, are N.V. Fl. 15,000,000 and LIMITED Fl. 4,761,000.

The Consolidated Net Profit for the year amounted to Fl. 222,769,000, compared with Fl. 200,433,000 for the previous year. It is noteworthy that, although the trading profits for 1952 were substantially lower than for 1951, the Consolidated Net Profit for 1952 is higher than for the previous year. This is attributable to:—

- (a) The movements in the reserves for stocks referred to above, and the fact that these are not taken into account in computing taxation charges.
- (b) The changes in United Kingdom taxation proposed in the Finance Bill, 1953, which reduce the burden on the 1952 trading results of LIMITED, and make possible the release of part of the amounts provided in previous years in respect of undistributed profits of overseas subsidiaries.
- (c) Exceptional credits arising from settlements of matters relating to previous years and, in the case of N.V., from the effect of treaties for relief from double taxation.

Details of the proposed appropriations of the profits of the Parent Companies are set out in Statement B. The Directors propose to add Fl. 5,000,000 (Fl. 5,000,000) to the General Reserve of N.V. and Fl. 19,076,000 (Fl. 20,146,000) to the General Reserve of LIMITED. Interim dividends in respect of the year 1952 of 4½ per cent. on the Ordinary Capital of N.V. and 5 per cent., less income tax, on the Ordinary Stock of LIMITED, were paid in December last. The Directors recommend that the total dividends in respect of 1952 be 12 per cent. for N.V. and 13½ per cent. for LIMITED (12 per cent. and 13½ per cent. in respect of 1951); and final dividends of 7½ per cent. on the Ordinary Capital of N.V. and 8½ per cent., less income tax, on the Ordinary Stock of LIMITED are now proposed, payable on 22nd June, 1953. The total dividends recommended on the respective Ordinary Capitals are equivalent in value under the terms of the Equalisation Agreement. After the proposed appropriations the profits carried forward are increased by Fl. 1,423,000 (Fl. 1,695,000) in N.V. and Fl. 9,607,000 (Fl. 8,720,000) in LIMITED.

As stated in the Review of Operations, the trading profits for 1952 were adversely affected by conditions which existed in the first half of the year. The subsequent improvement referred to in the Review has been maintained and results have continued to be on a satisfactory level

during the current year. The damage suffered by the Groups from the floods in Holland and the United Kingdom, while serious from a local point of view, is not expected to have any material effect on the Groups' results for the year. The factories affected are now operating normally.

RESERVES

The capital reserves of the two Groups have been increased by a total of Fl. 62,347,000 to Fl. 669,166,000. The major part of this movement represents the addition of Fl. 55,895,000 to the reserves for replacement of fixed assets charged against trading profits.

After the proposed appropriations the revenue reserves at 31st December, 1952, amount to Fl. 1,136,142,000, an increase of Fl. 131,858,000 over the year. The reserves were increased by profits retained Fl. 147,985,000, and bonus shares received by LIMITED through a trade investment Fl. 7,747,000; the Reserves for Stocks were reduced by Fl. 19,761,000, the amount withdrawn as explained earlier, and there was a reduction in LIMITED Fl. 4,113,000 owing to the guilder equivalents of LIMITED's figures having been calculated at the rate of £ 1 = Fl. 10.58 at 31st December, 1952, and at £ 1 = Fl. 10.64 at 31st December, 1951.

REVIEW OF OPERATIONS

GENERAL

In the first half of 1952 raw material markets continued to decline and manufacturers had to reduce selling prices, notwithstanding their holdings of high-priced raw materials. Trade was slack because of the continued liquidation of abnormally high trade inventories and household stocks.

About the middle of the year conditions changed. Raw material markets rose slightly but continuously for the rest of the year and sales of finished products recovered. Nevertheless, it was clear that in practically all countries the sellers' market had come to an end.

Edible fats continued to be rationed in 1952 in the United Kingdom, Finland and Austria, and both soap and edible fats in Israel. This is due not to scarcity of oils and fats but to the foreign currency situation of these countries. As this situation is improving, prospects of a return to freer markets seem favourable. Price controls continue in some countries where an inflationary situation or a preference for Government regulation still prevails.

Though experience varied from country to country, in total the volume of our operations in 1952 was greater than in any previous year.

For the first six months the trading results were poor. Against these, however, the amounts withdrawn from stock reserves and referred to in the Directors' Report have to be taken into consideration. During the second half of the year the results were good.

The volume of sales and the profits earned in 1953 so far have been satisfactory.

FINANCE, DEVELOPMENT AND RESEARCH

During the year the balances of the proceeds of the capital issues made in 1951 were received. In addition to the resources provided by profits retained the liquid position was also strengthened by a reduction in the investment in trading stocks consequent on the fall in prices, the stocks at 31st December at Fl. 1,928 million being some Fl. 331 million lower than at the end of 1951.

In recent years capital expenditure has been substantially in excess of the amounts set aside for depreciation on a replacement basis, the excess in 1952 being Fl. 102 million. Also, a factor we have to bear in mind is the call on our liquid resources which will arise when further de-control of raw material supplies and edible fat production occurs and Governments no longer provide the relevant finance. As conditions are, we consider our present liquid position satisfactory.

Net capital expenditure in 1952 amounted to approximately Fl. 280,000,000. During the year the following major projects, some of which had been in progress for two years or more, were completed:—

	Fl.
Petroleum Catalyst plant at Warrington, England	11,014,000
A new ocean motor vessel for Palm Line	5,078,000
Synthetic detergent production facilities at St. Louis, in the United States, and in the United Kingdom, Holland and France.....	32,555,000
New research laboratory at Edgewater, U.S.A.	14,283,000
New soap and edible fat factory at Kuala Lumpur, Malaya	10,813,000
Extensions to the oil mill and soapmaking facilities at Djakarta, Indonesia	5,565,000
New oil mill, edible fat plant and housing at Rahim Yar Khan, Pakistan	10,707,000
New factory for edible fats at Bakirkoy, Turkey	4,835,000
Plantation development	5,607,000
Extension of port facilities and river transport fleet in Africa	5,216,000
Sawmills and ancillary services in Africa	4,846,000

During 1952 new proposals for capital expenditure of some Fl. 180,000,000 were approved. A large proportion represented normal replacement or minor development, but the following projects were included:—

	Estimated Cost Fl.
Reconstruction of edible fats and margarine production and soapmaking plant at Balmain, Australia	2,300,000
Research laboratory at Vlaardingen, Holland	3,200,000
Extension of Rotterdam offices	2,100,000
New boiler house at Rotterdam margarine factory	2,400,000
Two ocean-going steamers for use by Palm Line	12,000,000
Three deep-sea trawlers for Germany	4,200,000
Plant for treatment of refinery residues at Emmerich, Germany	1,100,000
Plant for synthetic detergents at Nyköping, Sweden	1,100,000
Quick freezing factory at Kirkby, Liverpool, England	1,400,000
Improvements to T. Wall & Sons' ice-cream factories, England	1,700,000
Further additional plant for margarine production at Purfleet, England	2,100,000

Our research departments made good progress during the year. Besides the need to maintain our efforts in the basic fields of edible fats and detergents, both soap and synthetic, extra claims on research have been made by our growing interests in food products and toilet articles. The food research station at Colworth House in the United Kingdom is making an increasing contribution. Our new research laboratory at Edgewater in the United States was opened in November. The new research laboratory at Vlaardingen in Holland should be completed during 1954.

RAW MATERIALS

1952 was the first year since the war during which the world supply of oils and fats was, in spite of the increase in population, nearly equal *per capita* to that of 1934/1938. However,

the quantities exported did not in all cases keep up with the production. For example, comparing 1952 with 1951, exports of soya beans, in terms of oil, declined by 189,000 tons, against a production virtually unchanged, and exports of cottonseed oil increased by only 10,000 tons against an increase in production of 245,000 tons.

The price decline for all oils and fats, which started in the later months of 1951, became steeper during the first four months of 1952. There was then little change until August when prices, except for U.S. tallow, began to rise. These movements are illustrated by the following table of prices per ton.

Commodity		Early Jan. 1952	Mid Aug. 1952	End Dec. 1952
		£	£	£
Copra	Straits	88	58	86
Copra	Philippines	70	50	86
Whale Oil		120	67	70
Palm Oil	Congo	112	73	78
Soya Bean Oil ...	U.S.	94	90	106
Tallow	U.S.	58	48	42

The decline was, as usual, exaggerated by speculative sales, especially in respect of copra. The rising trend was probably due to reaction against this exaggeration rather than to a fear of future shortage, since considerable quantities, notably of cotton oil in the United States and of whale oil in markets other than the Netherlands and the United Kingdom, were left unsold.

Long-term United Kingdom Government contracts for Malayan palm oil and Australian and New Zealand tallow have been discontinued and the market in these commodities is now open to all countries.

SALES

Turnover figures, excluding those of the United Africa Group, are given below. The figures for 1952, as might be expected, show in general a decrease as a result of lower prices. In volume, turnover has increased due to a growing demand for margarine throughout the world, caused by the scarcity and higher price of butter. There has also been a general expansion in our foods and toilet articles businesses.

	1950 Fl.	1951 Fl.	1952 Fl.
Europe	6,451,862,000	7,939,334,000	7,773,115,000
N. and S. America	1,549,705,000	1,631,538,000	1,577,616,000
Africa, Middle East and Australasia	284,173,000	341,544,000	403,722,000
Orient, excluding China	482,609,000	624,366,000	612,571,000

During the year many controls on prices in the United Kingdom, India, South Africa, Finland and Sweden were removed. There was, however, no relief from the loss caused by administrative delay in adjusting selling prices to rising costs to which reference was made in the case of Australia and New Zealand in the last Report.

MARGARINE AND EDIBLE FAT PRODUCTS

Demand for margarine was strong in all markets and the tonnage of margarine and edible fats constituted a record.

1950	1951	1952
1,117,000 tons	1,167,000 tons	1,259,000 tons

The greatest advances were made in Europe; there was a considerable advance also in the United States, where the restrictions on the sale of yellow margarine have now been virtually eliminated. In Germany, already a substantial consumer, there was a notable rise in volume, which was partly attributable to the high price of butter. Severe competition developed in the Netherlands and has continued since. Conditions also became more competitive in Canada.

In the United Kingdom the edible oils and fats industry still operates under a rationing system and all margarine sold carries only the Ministry of Food label. This has prevented our marketing a quality margarine under our "Stork" brand, but discussions on the reintroduction of brands within the framework of the rationing scheme were begun late in 1952 and it is hoped that in 1953 branded margarine and cooking fats will return to the shops for the first time for 13 years. Because of inadequate supplies of butter the margarine ration was temporarily increased, with the result that margarine consumption reached a new record in 1952.

Consumption of hydrogenated cooking fat in North America and the Netherlands has been affected by competition from heavy supplies of cheap animal fats. The demand for vegetable fats and margarine in important oriental markets, such as Indonesia and India, was well maintained.

Scarcity of butter in South Africa led to record sales of our margarine brands despite the existing ban on colouring the product, and we are planning to increase capacity. A small margarine unit was added to our factory in Trinidad, and production of margarine in our new factories in Nigeria and the Belgian Congo should begin in the course of 1953.

DETERGENTS

In spite of increased competition in some of our main markets, and also of generally reduced trade demand in the early and middle months of the year, our total tonnage remained unchanged, decreases in individual markets being balanced by gains in others.

The relevant figures are:

1950	1951	1952
1,239,000 tons	1,217,000 tons	1,217,000 tons

Synthetic detergents continue to grow in popularity in North America and Europe with a consequent decline in the use of true soap products. They now dominate the market for household washing materials in the United States, where they were first developed on a large scale, and they have already become an important factor in a number of European markets. They are not yet of significant importance in other parts of the world.

At the beginning of 1952 Unilever companies were manufacturing synthetic washing products in 11 major countries and exporting to 25 others. In the course of the year manufacture was begun in a further 5 countries, and the extension of manufacture to other markets is under consideration. Our sales made good progress, advancing in total by nearly 50% compared with 1951. "Omo" was successfully launched in the Netherlands and France, and a comparable product, "Surf", in the United Kingdom.

In Europe and in certain overseas markets, such as Australia, New Zealand and South Africa, the use of true soap powders continued to grow at the expense of soap in bar form. In most of these countries our brands of soap powder had a successful year, sales being exceptionally good in the U.K. and France.

In the less sophisticated markets of the world, the absence of home washing facilities still dictates the use of hard soaps. In these countries the soap trade continues to develop.

Taking the detergent trade as a whole—soap and synthetic—1952 can be looked upon as a successful year, particularly in France, Germany, Sweden, Switzerland, India and Ceylon. In South Africa and Australia the substantial volume of trade was maintained, but profits were not satisfactory.

TOILET PREPARATIONS

The total value of our sales of toilet preparations for the last three years was as follows:

1950	1951	1952
Fl. 185,583,000	Fl. 213,119,000	Fl. 301,371,000

In 1952 the business in the United States was especially buoyant, while the development in most other countries was satisfactory. The greatest improvement was in dentifrices. The success in the United States of our chlorophyll toothpaste, the first of its kind to be made widely available to the consuming public, encouraged us to launch similar products in other countries. This range, now well established in 13 markets and also developing as an export line, is largely responsible for the great increase in turnover during the year. Competitors have not been slow to follow our lead. It is satisfactory that in most cases the launch was made without materially affecting our main international brands. Sales of "Pepsodent" increased in Canada, Scandinavia, Germany, Switzerland and Austria and the brand held its position amongst the leaders in the United States.

The total turnover of shaving preparations and shampoos has in general been maintained.

FOODS

Our food businesses continued to make progress with the substantial increase in sales value shown below:

1950	1951	1952
Fl. 746,609,000	Fl. 1,024,930,000	Fl. 1,141,847,000

The Lipton business in the United States had a record year both in sales and profits. The tea market there has begun to expand for the first time for some years. Lipton's share improved and profits were helped by better margins. Their soup sales in the United States increased, chicken noodle, tomato vegetable and the new onion soup being very successful. In various other countries chicken noodle soup sales have made good progress, and asparagus and pea soups have been added to the range marketed.

The demand for quick frozen foods increased in the United Kingdom, where Birds Eye sales and profits improved substantially. The new factory near Liverpool, already mentioned, should come into operation during 1953. These products are also manufactured in Canada, Australia and New Zealand. Although successful in Canada and New Zealand, operations in Australia were again adversely affected by crop failure. A small but healthy export trade is being developed from the United Kingdom.

In the Netherlands, domestic sales of meat and meat products exceeded those of 1951. Exports of ham to the United States developed satisfactorily in spite of a temporary check due to higher pig prices. Restrictions on imports into the United Kingdom affected the important business in tinned luncheon meat. Nevertheless our total meat exports were well above the 1951 figure.

The tin plate shortage in the United Kingdom, which had handicapped Batchelors' canning business in 1951, eased during the second half of 1952. At the same time, high quality ingredients became more freely available with the result that sales increased substantially. T. Wall & Sons' meat business in the United Kingdom improved both in volume and profits. Their ice-cream trade encountered sales resistance towards the end of the year and rising costs meant that results were less favourable than in 1951. The fish businesses in Germany and the United Kingdom showed satisfactory results, although in the United Kingdom turnover decreased because alternative foods were more freely available. The European businesses in various foods such as processed cheese and artificial cream made progress.

OIL, CAKE AND MEAL

In the Netherlands, Government buying of oils and oilseeds for home consumption continued but, as in the United Kingdom, there were indications that freer conditions might develop. Nearly all our factories worked at full capacity; the most important exception was the extraction plant at Zwijndrecht. Total turnover was slightly below 1951. During the 1951/52 winter season sales of cake and meal were low and did not improve until stimulated by a price reduction in August.

In the United Kingdom, the industry continued to be controlled by the Ministry of Food, except that certain technical oils and the seeds from which they are produced were freed towards the end of the year. Arrangements to free animal feeding-stuffs from control in 1953 have since been made. The quantity of seed processed remained at the low level to which it had fallen in 1951. Sales of compound feeding-stuffs remained high. In recent years the charges allowed by the Ministry in respect of manufacturing and selling expenses have been insufficient to cover the actual costs incurred. In 1952 the Ministry agreed to certain increases in these charges and results benefited accordingly.

In Germany heavy price cutting led to poor financial results, and in France sales of cattle foods remained low. In Norway the sales made by hardening and refining factories in which we are interested were less than in 1951. The new plant at Fredrikstad, designed to increase the value of refinery residues, was nearing completion at the end of the year. Results of the Philippine coconut oil mill were disappointing because throughout the year the price of copra was out of line with the price of the coconut oil made from it.

EXPORTS

Notwithstanding the generally lower price levels the total value of our exports from the Netherlands was practically maintained owing to increased volume. The meat export trade was well above any previous year.

During 1952 the conditions for export trade from the United Kingdom were not so favourable as in 1951, and profits declined from their record 1951 levels. Competition intensified in many of our main fields of activity and a reduction in purchasing power in some of the countries producing raw materials led to a lower demand for our export products, for which these countries are important markets. Export trade in foods was nearly double that of the previous year, but is still a relatively small item.

The tonnage of chemicals exported from the United Kingdom declined appreciably, due to reaction from overstocking in 1951, but prices and margins were maintained. There was a fall in the price and tonnage of fatty acids exported.

Our total exports from the Netherlands and the United Kingdom, including exports by the United Africa Group, were as follows:

	1950	1951	1952
Netherlands	Fl. 150,987,000	Fl. 250,008,000	Fl. 236,156,000
United Kingdom	Fl. 289,674,000	Fl. 397,883,000	Fl. 422,195,000

OTHER INTERESTS

The plant in the United Kingdom for the production of petroleum cracking catalysts began delivery in January and had reached full production by March.

The chemicals trades of Joseph Crosfield & Sons Limited and Price's (Bromborough) Limited were in general slacker because of the tendency to liquidate stocks and, in the case of Price's, the temporary depression in the British wool industry.

Production of crude glycerine declined, as was to be expected with the growing demand for synthetic detergents which, unlike true soaps, do not yield glycerine as a by-product.

Results of the transport and coastal shipping interests in Europe improved. The turnover and profits of our paper factories have remained satisfactory, though below those of 1951, which was a very exceptional year.

THE UNITED AFRICA GROUP

In 1952, with few exceptions, notably cocoa and coffee, the world prices of produce handled by the United Africa Group continued the general decline which had set in towards the end of 1951. As a consequence, although the volume of the principal crops in West Africa increased, in some cases to new record figures, their value in world markets in 1952 began to decline for the first time since the end of the war.

In the British West African territories the price paid to the African grower is determined by Marketing Boards. For many years this price has been fixed substantially below the local equivalent of the selling price agreed with the Ministry of Food, or (in the case of cocoa) of the world price: as a result, substantial surpluses have been built up by the Marketing Boards. The prices to the African producer had been fixed so low that in 1952, notwithstanding the fall in world prices, the Marketing Boards were able, without drawing on balances previously accumulated, to maintain the producer prices for Nigerian groundnuts and cotton, and even to raise prices for palm products. In the Gold Coast the price paid for cocoa was reduced for the season 1952/1953, but this obviously could not have its full effect in 1952.

Development expenditure on both private and Government account continued to be high in most territories. The general spending power was more than maintained, and merchandise sales were considerably higher in 1952 than in the previous year, but profit margins were lower and operating expenses higher.

The total tonnages of the principal export crops of West and Equatorial Africa (the area stretching from French Senegal to the Belgian Congo) are shown in the following table, with estimates of the total amounts paid to the producers:

	1950		1951		1952	
	Tons	Fl. m.	Tons	Fl. m.	Tons	Fl. m.
Groundnuts	576,000	210	705,000	465	931,000	427
Palm Oil	303,000	183	280,000	278	336,000	246
Palm Kernels	648,000	210	603,000	268	677,000	270
Cocoa	437,000	577	442,000	717	482,000	755
	<u>1,964,000</u>	<u>1,180</u>	<u>2,030,000</u>	<u>1,728</u>	<u>2,426,000</u>	<u>1,698</u>

The amount of currency in circulation increased by 8% in the British territories, by 13¹/₂% in the French and by 10% in the Belgian Congo.

The total value of merchandise and produce handled and services supplied by the United Africa Group in all the territories in which it operates rose from Fl. 2,289 million to a new high level of Fl. 2,616 million, an increase of 14%. Merchandise sales rose from Fl. 1,237 million to Fl. 1,439 million and the value of produce handled from Fl. 984 million to Fl. 1,100 million.

BRITISH WEST AFRICA

MERCHANDISE

Early in 1952 supplies began to arrive in West Africa more quickly and in greater abundance, mainly from the United Kingdom where a disinflationary monetary policy and a slump in Lancashire, combined with import restrictions in other parts of the sterling area, led to greater pressure of sales and shorter times of delivery. On the other hand, the African consumer was inclined to be very discriminating in his buying and to wait for further price reductions. In some areas merchants became seriously overstocked and indent houses found some of their customers unwilling to take up orders. The Group's sales were more than maintained but, because of the prevailing stock position, competition forced down gross profits.

PRODUCE

Largely owing to the record groundnut crops of 1951/1952 and 1952/1953 in Nigeria, the tonnage of the Group's purchases of produce on behalf of the Marketing Boards was higher in 1952 than in the previous year. The tonnage of other produce purchases was well maintained.

In recent years there has been a steady improvement in the quality of Nigerian palm oil, largely brought about by the Marketing Board's policy of paying high premiums for the higher grades of oil.

EAST AFRICA

MERCHANDISE

The political disturbances in Kenya had no noticeable effect on the business until the last two months of 1952, and the total sales for the year were higher than for the previous year. As a result, net profits were maintained in spite of a fall in profit margins and a rise in expenses.

PRODUCE

Our produce business in East Africa is developing well on a broader basis; hides and skins have for long been an important element in the business, but recently purchases of castorseed, sunflowerseed, cottonseed and coffee have been gaining importance. In 1952 the volume of produce purchases increased, trading profits rose and, owing to the larger scale of operations, net profits improved.

MIDDLE EAST

Operations in the Middle East have been difficult, and profits small. Political conditions caused our Teheran branch to be closed; but we continued to operate our shipping branch at Khorramshahr. A branch was opened in Dubai and a trading connection was established in Kuwait, dealing in imported merchandise.

BELGIAN CONGO

The general prosperity of the Belgian Congo continued. Prices of the important export crops were lower than in 1951, but capital expenditure was maintained at a high level. Spending power continued to be high and wage rates rose.

Trading conditions were made difficult by the sudden release of goods in course of transit following an improvement in transport conditions. Excessive stocks at selling points, combined with lower replacement costs, brought about a decline in prices. The Group's trading turnover increased by 19% on 1951, but profits were reduced.

FRENCH TERRITORIES

In French Africa, as in British West Africa, trading conditions became difficult in 1952, more particularly in French West Africa and the Cameroons. The fall in the world price of all West African products, except cocoa and coffee, caused a decline in purchasing power which was accentuated by a decrease in Government spending and private investment. In French African territories, with certain exceptions, the import markets were overstocked, and, although the Group's sales were 18% higher in 1952, margins were reduced and merchandise profits were slightly lower.

The volume of produce handled by the Group in 1952 was about the same as in 1951, but the value was 25% less.

RIVER FLEET AND PORTS

Conditions on the Benue River were difficult owing to an unprecedented fall in river levels at the height of the season, and some of the fleet's vessels were temporarily immobilised in the upper reaches. The natural difficulties were to a great extent offset by the greater carrying capacity of the fleet brought about by the introduction in 1951 of the system of pushing ahead instead of towing. This system achieved an increase of 33% in the carrying capacity in 1952.

A number of new craft were commissioned during the year, a quarter-wheeler and eight barges for the Niger River Fleet, and seven tugs and three barges for other port services.

Progress has been made with the African Housing Scheme at Burutu, where 98 houses have been completed.

The total tonnage handled by the River Fleet and the Lighterage and Transport Departments at the various ports in British West Africa was just under 3 million tons.

PLANTATIONS

The total area of the Group's plantations in the Belgian Congo, Nigeria, British Cameroons and Malaya now amounts to 56,778 hectares.

The oil palm plantations in the Belgian Congo, Nigeria and the Cameroons produced record tonnages of palm oil: 53,000 tons in the Congo and 9,000 tons in Nigeria and the Cameroons.

The production of rubber in the plantations in Nigeria and the Cameroons was 11% higher at 1,584 tons; in the Belgian Congo production at 943 tons was more than doubled.

The banana estates in the British Cameroons produced slightly less than in the previous year. At Lobe a further 400 hectares were planted with bananas and the first crop will be ready for shipment in 1953.

Scientific research continued in the Belgian Congo, particular attention being devoted to co-operation with other producers and with a Government-sponsored organisation for research on the milling of palm fruit with a view to avoiding milling losses of oil and improving the quality.

The experiments on the application of fertilisers to oil palms, which have been in progress for some years in Nigeria and the Cameroons, have now produced conclusive results. It has been proved that the increased yield from the oil palm will justify the expense, and the first applications on a large scale have been made.

Our medical and social services in the Belgian Congo were improved. 876 houses for Africans were built, and 3,386 babies were born during the year in our maternity wards.

In Malaya, conditions for our staff continued to be difficult. Our plantations are situated in the danger zone, and there were several attacks by bandits. The Board deeply regrets to report that in one incident in June, 1952, Mr. A. Sargeant, the local manager of our Managing Agents, Guthrie & Co., was killed in an ambush, and that an Indian member of our staff was also killed. Our own manager fortunately escaped serious injury. In spite of these difficulties, the output of palm oil (2,100 tons) was very little lower than the average for previous years. A start has been made on the development of a further 400 hectares.

TIMBER OPERATIONS

The decline in prices, which started towards the end of 1951, continued in 1952. There was, however, some improvement towards the end of the year. The weakness of the market occurred at a time when production costs were tending to rise, and altogether conditions have been more difficult than in previous years.

NIGERIA

The volume of logs extracted, 101,000 tons, was 7% lower than in 1951. The output of sawn timber was 17% higher. Log exports, owing mainly to reduced demand in the United Kingdom, were only 19,000 tons, which is less than half the 1951 figure.

Prices of plywood fell sharply in 1952, but at the lower levels the Group's products found a market and the mill was kept in full production. Output, at 15,700 cubic metres, was 23% greater than in the previous year.

The first group of houses on the African Housing Estate at Sapele was completed and occupied.

GOLD COAST

Most of the construction work at Samreboi has been completed, but further capital expenditure will be required in the next few years to improve communications in the forest areas. The saw mill is now capable of working at full capacity, and production of sawn timber in 1952 almost equalled that of the mill at Sapele. The weight of logs extracted was 78,000 tons.

PALM LINE LIMITED

Both freight and charter rates fell in the first eight months of 1952.

There was an improvement in the turn-round of ships in British ports, but delays persisted in West Africa. The fleet, together with chartered vessels, carried 1,227,000 freight tons during the year, which is about the same as in 1951.

The fleet was increased by a new diesel vessel of 8,500 tons deadweight, bringing the total up to 16 vessels. A sister ship was delivered after the close of the year.

MEMBERSHIP

It is not possible to give the number of N.V. shareholders as almost the whole of the share capital of that Company is represented by bearer scrip. At 31st December, 1952, the number of stockholders in LIMITED was 191,753.

DIRECTORS

All the Directors retire in accordance with Article 15 of the Articles of Association and, being eligible, offer themselves for re-election, with the exception of Dr C. H. Clarke, who has reached retirement age, and whose many years of valuable service to the Company are recorded with thanks.

AUDITORS

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

COMMONWEALTH DEVELOPMENT FINANCE COMPANY LIMITED

In December, 1952, LIMITED and certain other well-known English public companies undertook to co-operate with the Bank of England in the formation of the Commonwealth Development Finance Company Limited. The authorised capital of the company is £15,000,000. LIMITED has agreed to subscribe £500,000 of which £50,000 has been paid up. Sir Geoffrey Heyworth has been appointed one of the first Directors of the new company.

ROTTERDAM, 7th May 1953.

ON BEHALF OF THE BOARD,

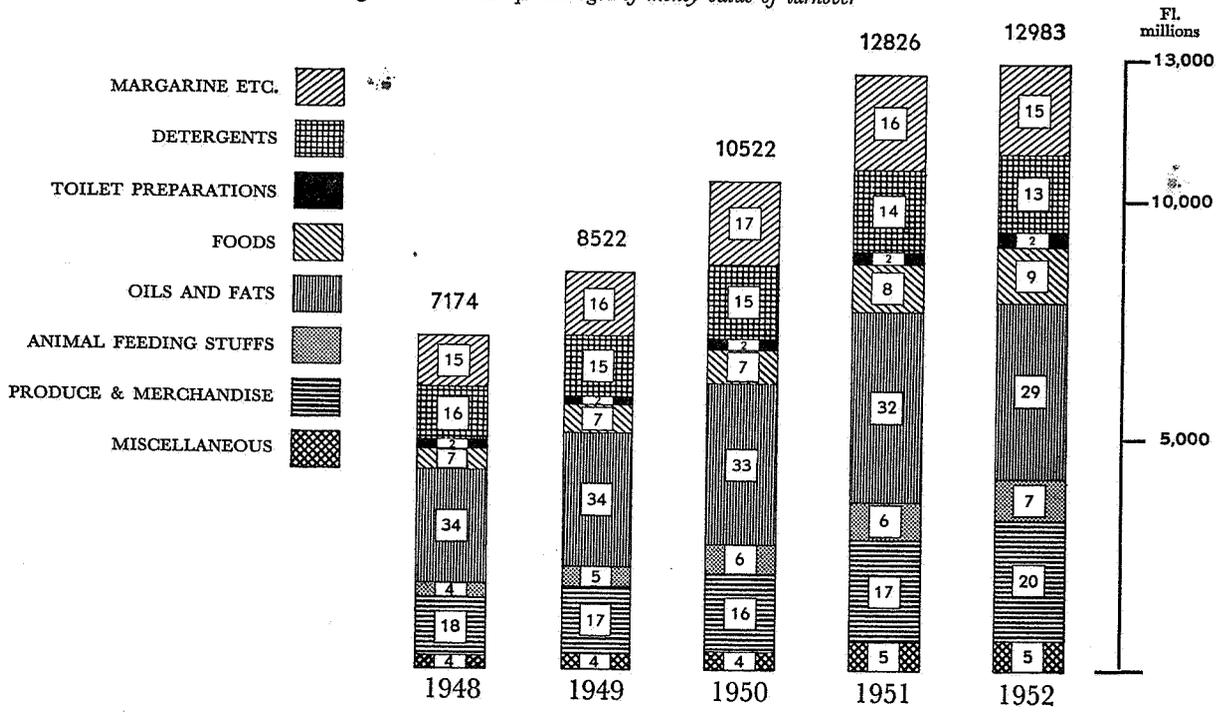
PAUL RIJKENS, *Chairman.*

GEOFFREY HEYWORTH, *Vice-Chairman.*

N.V. AND LIMITED GROUPS

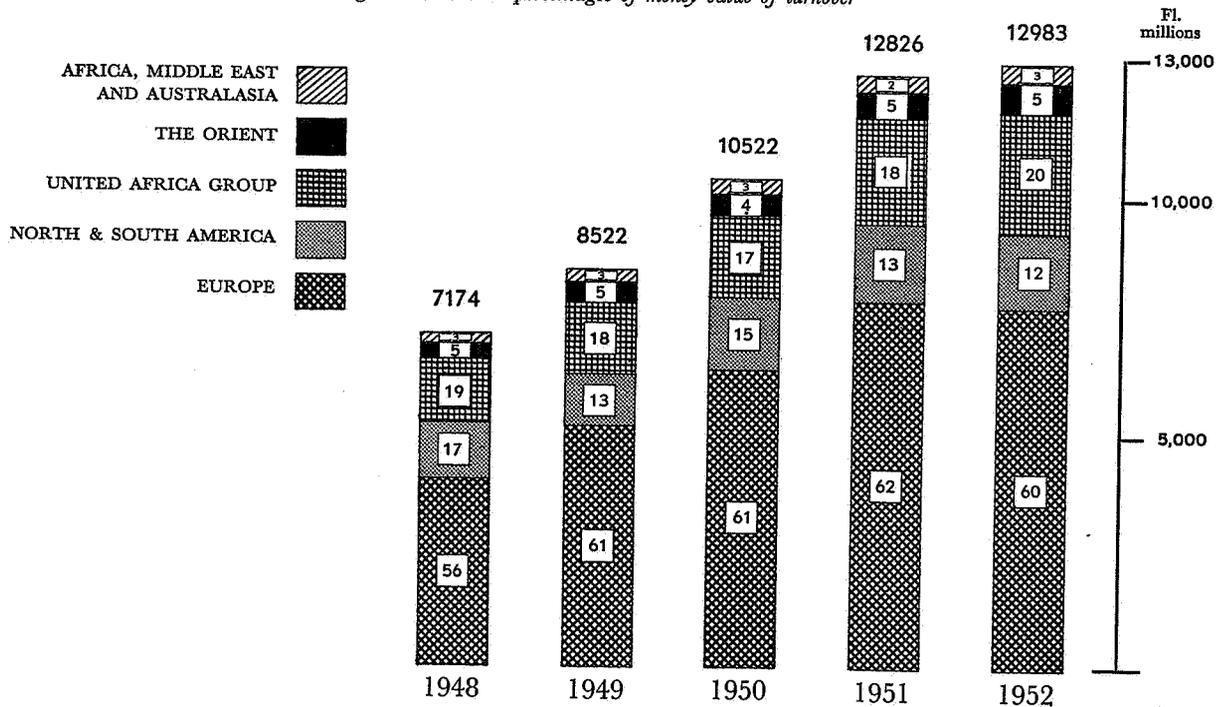
TURNOVER BY COMMODITIES

Figures in bars are percentages of money value of turnover



TURNOVER BY GEOGRAPHICAL AREAS

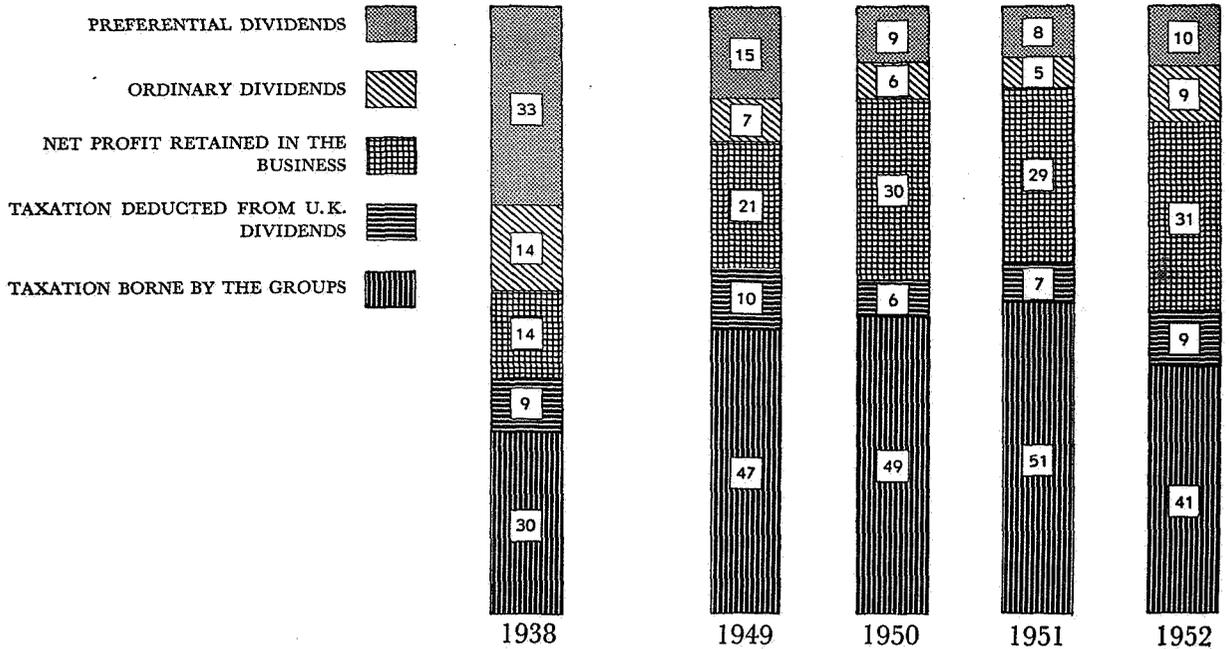
Figures in bars are percentages of money value of turnover



N.V. AND LIMITED GROUPS

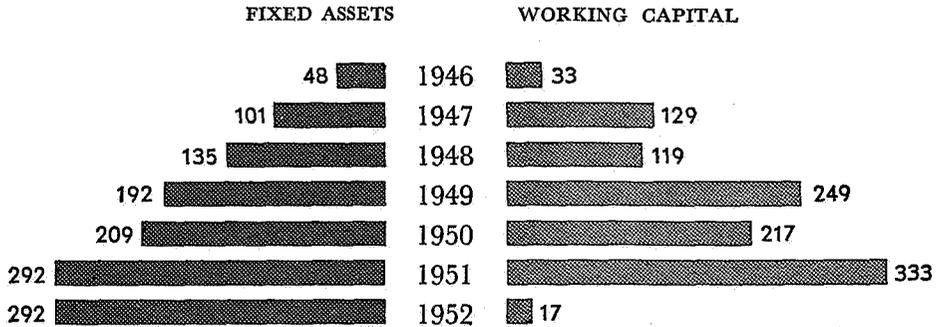
DIVISION OF PROFITS

Figures in bars are percentages



Transfers to and from stock reserves have not been taken into account

ADDITIONAL FINANCE REQUIRED—IN FL. MILLIONS



TOTAL LAST SEVEN YEARS—FL. 2,366 MILLIONS



HOW THIS FINANCE WAS PROVIDED



28% NEW MONEY

72% FROM EARNINGS

STATEMENT A
CONSOLIDATED PRO
UNILEVER N.V. AND UNILEVER

*In considering this Statement, it should be borne in
Figures in red*

1951				1952		
N.V.	LIMITED	Combined		N.V.	LIMITED	Combined
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
208,138,000	365,711,000	573,849,000	(I) TRADING PROFIT	144,601,000	267,187,000	411,788,000
—	31,920,000	31,920,000	(II) RESERVES FOR STOCKS	15,000,000	4,761,000	19,761,000
1,657,000	9,482,000	11,139,000	(III) INCOME FROM TRADE INVESTMENTS	2,105,000	7,975,000	10,080,000
10,653,000	5,042,000	15,695,000	(IV) INTEREST ON LOAN CAPITAL	11,108,000	10,725,000	21,833,000
365,000	365,000	—	(V) INTER-GROUP INTEREST	80,000	80,000	—
198,777,000	338,596,000	537,373,000	(VI) PROFIT BEFORE TAXATION	150,518,000	269,278,000	419,796,000
130,885,000	220,067,000	350,952,000	(VII) TAXATION ON PROFIT OF THE YEAR INCLUDING FOREIGN TAXES	84,915,000	149,751,000	234,666,000
67,892,000	118,529,000	186,421,000	(VIII) PROFIT FOR THE YEAR AFTER TAXATION	65,603,000	119,527,000	185,130,000
6,003,000	16,076,000	22,079,000	(IX) EXCEPTIONAL ITEMS			
2,871,000	988,000	3,859,000	(a) Taxation adjustments—previous years..	17,141,000	26,215,000	43,356,000
			(b) Other.....	5,698,000	2,971,000	8,669,000
5,363,000	6,563,000	11,926,000	(X) AMOUNTS ATTRIBUTABLE TO OUTSIDE SHAREHOLDERS' INTERESTS IN SUBSIDIARIES	6,836,000	7,550,000	14,386,000
71,403,000	129,030,000	200,433,000	(XI) CONSOLIDATED NET PROFIT	81,606,000	141,163,000	222,769,000

LIMITED AND THEIR SUBSIDIARIES

*mind that there are restrictions on transfer of some currencies.
represent deductions.*

NOTES

(i) Trading profit has been ascertained after charging the following:—

1951				1952		
N.V.	LIMITED	Combined		N.V.	LIMITED	Combined
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
53,965,000	49,807,000	103,772,000	Provision for depreciation	61,628,000	60,487,000	122,115,000
24,100,000	30,324,000	54,424,000	Reserves for replacement of fixed assets (a).....	26,800,000	29,095,000	55,895,000
775,000	1,899,000	2,674,000	Emoluments of Directors (b).....	691,000	1,845,000	2,536,000
101,000	284,000	385,000	Pensions to former Directors	112,000	349,000	461,000
78,941,000	82,314,000	161,255,000		89,231,000	91,776,000	181,007,000

(a) Reserves for replacement of fixed assets—the amounts set aside are explained in the Directors' Report.

(b) Emoluments of Directors comprise salaries and pension fund contributions of the Directors of the Parent Companies, all of whom devote their full time to the business. No Directors' fees are paid.

Trading profit includes income from quoted investments N.V. Fl. 1,277,000 (Fl. 492,000), LIMITED Fl. 317,000 (Fl. 389,000).

(ii) Movements in the Reserves for Stocks are explained in the Directors' Report.

(vii) In LIMITED taxation is computed on the basis of the Finance Bill, 1953, and comprises United Kingdom income and profits tax, together Fl. 145,529,000, less foreign tax relief of Fl. 41,558,000, and foreign taxes of Fl. 45,780,000.

(ix) (a) Taxation adjustments represent the release of provisions made in previous years and take account of the proposals in the United Kingdom Finance Bill, 1953.

(xi) The profits shown at (vi), (viii) and (x) are after setting aside reserves for replacement of fixed assets and making transfers from the reserves for stocks.

STATEMENT B

APPROPRIATION

UNILEVER N.V. AND UNILEVER

*In considering this Statement, it should be borne in mind
Figures in red*

1951				1952		
N.V.	LIMITED	Combined		N.V.	LIMITED	Combined
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
71,403,000	129,030,000	200,433,000	CONSOLIDATED NET PROFIT (Statement A)	81,606,000	141,163,000	222,769,000
11,578,000	46,256,000	57,834,000	PREFERENTIAL DIVIDENDS OF PARENT COMPANIES	11,578,000	45,995,000	57,573,000
—	21,971,000	21,971,000	Less: United Kingdom income tax	—	21,847,000	21,847,000
11,578,000	24,285,000	35,863,000		11,578,000	24,148,000	35,726,000
59,825,000	104,745,000	164,570,000	PROFIT ACCRUING TO ORDINARY AND DEFERRED CAPITAL	70,028,000	117,015,000	187,043,000
20,642,000	19,670,000	40,312,000	ORDINARY AND DEFERRED DIVIDENDS OF PARENT COMPANIES—			
—	64,000	64,000	Ordinary (N.V. 12%; LIMITED 13.5%)	25,803,000	24,448,000	50,251,000
—	9,373,000	9,373,000	Deferred	—	64,000	64,000
20,642,000	10,361,000	31,003,000	Less: United Kingdom income tax	—	11,257,000	11,257,000
39,183,000	94,384,000	133,567,000	PROFIT RETAINED	44,225,000	103,760,000	147,985,000

REPORTS OF

N.V. GROUP

To THE MEMBERS OF UNILEVER N.V.

We have examined the accounts set out in statements A to F. 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 in subsidiaries not consolidated which are included in the accounts at Fl. 66,931,000 and are referred to in note (II) on statements C and F. As in past years the company's net profit Fl. 43,804,000 shown in the note on statement B 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, 1952, and of its profit for the year 1952 after making the transfers to and from reserves referred to in note (XI) on statement A.

7th May, 1953.

PRICE WATERHOUSE & Co. }
COOPER BROTHERS & Co. } *Chartered Accountants.*

OF PROFITS

STATEMENT B

LIMITED AND THEIR SUBSIDIARIES

that there are restrictions on transfer of some currencies.
represent deductions.

NOTES

The net profits of the Parent Companies are:—

1951		1952	
Fl.		Fl.	
38,915,000	N.V.	43,804,000	
63,512,000	LIMITED	66,086,000	

The above profits include revenue from subsidiaries to the extent to which profits of direct subsidiaries have been declared as dividends. A number of direct subsidiaries are themselves holding companies. The results of these companies incorporate the results of their subsidiaries as if they had distributed all their profits to their holding companies. Dividends declared by direct subsidiaries may therefore be represented partly by dividends, including stock dividends, from their subsidiaries and partly by profits retained by those subsidiaries.

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.

Profit retained is represented by additions to:—

1951				1952		
N.V.	LIMITED	Combined		N.V.	LIMITED	Combined
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
5,000,000	20,146,000	25,146,000	General Reserves of Parent Companies	5,000,000	19,076,000	24,076,000
1,695,000	8,720,000	10,415,000	Profits carried forward by Parent Companies	1,423,000	9,607,000	11,030,000
32,488,000	65,518,000	98,006,000	Profits retained by subsidiaries	37,802,000	75,077,000	112,879,000
39,183,000	94,384,000	133,567,000		44,225,000	103,760,000	147,985,000

THE AUDITORS

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 G, 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 E. 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, 1952, are estimated accounts based on unaudited returns at 31st December, 1952. 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, 1952, 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 1952 after making the transfers to and from reserves mentioned in note (XI) on statement A.

7th May, 1953.

COOPER BROTHERS & Co. }
PRICE WATERHOUSE & Co. } Chartered Accountants.

STATEMENT C

CONSOLIDATED
UNILEVER N.V. AND UNILEVER

*In considering this Statement, it should be borne in mind
Figures in red*

31st December 1951			31st December 1952		
N.V.	LIMITED	Combined	N.V.	LIMITED	Combined
Fl.	Fl.	Fl.	Fl.	Fl.	Fl.
213,136,000	598,966,000	812,102,000	213,136,000	595,588,000	808,724,000
212,620,000	182,130,000	394,750,000	212,620,000	181,103,000	393,723,000
312,250,000	294,569,000	606,819,000	341,052,000	328,114,000	669,166,000
274,913,000	729,371,000	1,004,284,000	304,138,000	832,004,000	1,136,142,000
799,783,000	1,206,070,000	2,005,853,000	857,810,000	1,341,221,000	2,199,031,000
68,111,000	149,891,000	218,002,000	75,441,000	149,937,000	225,378,000
339,339,000	283,538,000	622,877,000	339,434,000	282,553,000	621,987,000
115,523,000	<i>115,523,000</i>	—	102,442,000	<i>102,442,000</i>	—
—	151,620,000	151,620,000	—	142,830,000	142,830,000
1,535,892,000	2,274,562,000	3,810,454,000	1,588,263,000	2,409,687,000	3,997,950,000
CAPITAL EMPLOYED			EMPLOYMENT OF CAPITAL		
(I) PREFERENTIAL CAPITAL—PARENT COMPANIES			(VII) LAND, BUILDINGS, PLANTATIONS, SHIPS, PLANT, EQUIPMENT AND PREMIUMS, LESS DISCOUNTS, AT WHICH SHARES IN SUBSIDIARIES ARE HELD, INCLUDING GOODWILL		
(II) ORDINARY CAPITAL AND RESERVES—			(VIII) INTERESTS NOT CONSOLIDATED		
(a) Ordinary Capital—Parent Companies			(IX) TRADE INVESTMENTS		
(b) Capital Reserves			FIXED ASSETS		
(c) Revenue Reserves and Exchange Surpluses			(x) CURRENT ASSETS—		
ORDINARY SHAREHOLDERS' FUNDS—PARENT COMPANIES			(a) Stocks		
(III) OUTSIDE SHAREHOLDERS' INTERESTS IN SUBSIDIARIES			(b) Debtors		
(IV) LOAN CAPITAL			(c) Instalments on Ordinary Shares and Debentures		
(V) N.V./LIMITED INTER-GROUP ITEMS			(d) Investments		
(VI) FUTURE UNITED KINGDOM TAXATION			(e) Cash and bank balances		
859,678,000			947,208,000		
68,853,000			66,931,000		
17,696,000			17,519,000		
946,227,000			1,031,658,000		
1,002,221,000			1,130,802,000		
1,861,899,000			2,061,483,000		
—			1,367,765,000		
68,853,000			2,061,483,000		
56,751,000			3,429,248,000		
1,987,503,000			(XI) CURRENT LIABILITIES—		
1,024,921,000			(a) Creditors		
348,997,000			(b) Short term borrowings		
56,593,000			(c) Taxation and contingencies		
22,785,000			(d) Dividends		
118,468,000			393,932,000		
1,571,764,000			390,783,000		
2,152,142,000			150,256,000		
3,723,906,000			218,073,000		
1,234,559,000			24,631,000		
652,885,000			811,160,000		
101,257,000			556,605,000		
17,401,000			1,588,263,000		
40,186,000			2,409,687,000		
264,508,000			3,997,950,000		
1,571,764,000			1,900,955,000		
2,152,142,000			589,665,000		
3,723,906,000			1,233,286,000		
428,598,000			1,822,951,000		
320,998,000			1,535,892,000		
211,169,000			2,274,562,000		
21,334,000			3,810,454,000		
982,099,000			NET CURRENT ASSETS		
589,665,000			556,605,000		
1,535,892,000			1,588,263,000		
2,274,562,000			2,409,687,000		
3,810,454,000			3,997,950,000		

LIMITED AND THEIR SUBSIDIARIES

*that there are restrictions on transfer of some currencies.
represent deductions.*

NOTES

Foreign currencies have been converted into guilders or sterling on the following bases:
Fixed assets—as far as practicable, at the rates ruling in the year of acquisition or valuation.
Current assets and liabilities—at the rates ruling at the date of the balance sheets.

- (ii) (a) 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.
- (b) and (c) Details of Capital and Revenue Reserves and Exchange Surpluses are given on Statement D. The capital reserves of N.V. are subject to any losses that may arise on interests not consolidated, Fl. 66,931,000 referred to under (viii) below.
- (iv) Loan Capital is secured to the extent of N.V. Fl. 26,508,000, LIMITED Fl. 256,470,000.
- (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.
- (vii) Details are given on Statement E.
- (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 net book value at 31st December, 1947, with additions at cost or valuation. The increase in LIMITED during the year arises mainly from the receipt of bonus shares.
- (x) (d) Investments comprise — quoted, N.V. Fl. 58,736,000, LIMITED Fl. 9,501,000 — market value, N.V. Fl. 65,722,000, LIMITED Fl. 8,274,000 — and unquoted, N.V. Fl. 347,000, LIMITED Fl. 1,641,000.
- (xi) (b) Short term borrowings are secured to the extent of N.V. Fl. 27,803,000, LIMITED Fl. 3,237,000.

GENERAL.

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 estimated commitments for capital expenditure at 31st December, 1952, were approximately—
N.V. Fl. 49,000,000, LIMITED Fl. 74,000,000.

STATEMENT D
CAPITAL AND REVENUE RESERVES AND EXCHANGE SURPLUSES

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

31st December 1951				31st December 1952		
N.V.	LIMITED	Combined		N.V.	LIMITED	Combined
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
CAPITAL RESERVES						
83,640,000	87,148,000	170,788,000	Premiums on Capital issued by the Parent Companies	83,795,000	86,657,000	170,452,000
56,023,000	17,760,000	73,783,000	Surplus on valuation of shares in subsidiaries and trade investments	56,023,000	17,660,000	73,683,000
117,442,000	180,622,000	298,064,000	Fixed assets replacement	146,282,000	214,810,000	361,092,000
55,145,000	9,039,000	64,184,000	Other	54,952,000	8,987,000	63,939,000
312,250,000	294,569,000	606,819,000		341,052,000	328,114,000	669,166,000
REVENUE RESERVES AND EXCHANGE SURPLUSES						
Parent Companies						
55,000,000	250,040,000	305,040,000	General reserves	60,000,000	280,370,000	340,370,000
17,184,000	53,929,000	71,113,000	Profits carried forward	18,607,000	63,228,000	81,835,000
166,129,000	316,342,000	482,471,000	General reserves and profits carried forward of subsidiaries and exchange surpluses.....	203,931,000	384,722,000	588,653,000
36,600,000	109,060,000	145,660,000	Stock reserves	21,600,000	103,684,000	125,284,000
274,913,000	729,371,000	1,004,284,000		304,138,000	832,004,000	1,136,142,000

Revenue reserves and exchange surpluses cannot be remitted to the extent that they comprise (a) substantial amounts retained by subsidiaries to finance fixed assets or working capital or because of currency and other restrictions, and (b) exchange surpluses arising on consolidation estimated at approximately FL. 40,000,000 for N.V.

NOTES

In LIMITED, the guilder equivalents of the capital and revenue reserves brought forward from 1951 show reductions in total of Fl. 1,661,000 and Fl. 4,113,000 as a result of converting sterling at £1 = Fl. 10.58 in 1952 against £1 = Fl. 10.64 in 1951.

The increases in fixed assets replacement reserves consist mainly of the amounts set aside out of current revenue, N.V. Fl. 26,800,000, LIMITED Fl. 29,095,000, and surpluses on disposals of fixed assets, N.V. Fl. 2,186,000, LIMITED Fl. 5,555,000, less the proportions attributable to outside shareholders' interests in subsidiaries.

The movements in revenue reserves are represented by retained profits as shown on Statement B and the withdrawals from stock reserves shown on Statement A. In LIMITED there is also an increase in the general reserve of the Parent Company by reason of bonus shares received in respect of a trade investment Fl. 7,747,000 and from a subsidiary Fl. 4,917,000; the latter results in a corresponding reduction in the general reserves of subsidiaries.

**LAND, BUILDINGS, PLANTATIONS, SHIPS, PLANT, EQUIPMENT,
PREMIUMS AND GOODWILL**

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

Figures in red represent deductions.

1951				1952		
N.V.	LIMITED	Combined		N.V.	LIMITED	Combined
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
			LAND, BUILDINGS, PLANTATIONS, SHIPS, PLANT AND EQUIPMENT			
			AT COST OR VALUATION			
780,077,000	799,112,000	1,579,189,000	At 1st January	919,764,000	931,794,000	1,851,558,000
147,023,000	152,556,000	299,579,000	Expenditure.....	160,032,000	147,362,000	307,394,000
8,807,000	8,159,000	16,966,000	Proceeds of sales	16,110,000	10,930,000	27,040,000
9,947,000	5,855,000	15,802,000	Adjustments in respect of disposals	18,490,000	10,799,000	29,289,000
908,346,000	937,654,000	1,846,000,000	At 31st December	1,045,196,000	1,057,427,000	2,102,623,000
			DEPRECIATION			
266,738,000	290,604,000	557,342,000	At 1st January	308,072,000	326,980,000	635,052,000
53,965,000	49,807,000	103,772,000	Charged to revenue.....	61,628,000	60,487,000	122,115,000
11,229,000	10,244,000	21,473,000	Adjustments in respect of disposals	21,635,000	17,442,000	39,077,000
309,474,000	330,167,000	639,641,000	At 31st December	348,065,000	370,025,000	718,090,000
			NET BALANCE SHEET VALUES			
259,568,000	280,488,000	540,056,000	Land, Buildings and Plantations	300,434,000	302,471,000	602,905,000
339,304,000	326,999,000	666,303,000	Ships, Plant and Equipment	396,697,000	384,931,000	781,628,000
598,872,000	607,487,000	1,206,359,000	At 31st December	697,131,000	687,402,000	1,384,533,000
			PREMIUMS AND GOODWILL			
260,806,000	394,734,000	655,540,000	Premiums, less Discounts, at which shares in subsidiaries are held including Good- will	250,077,000	394,087,000	644,164,000
859,678,000	1,002,221,000	1,861,899,000		947,208,000	1,081,489,000	2,028,697,000

In addition to the above provisions for depreciation, there are reserves for replacement of fixed assets amounting to N.V. Fl. 146,282,000, LIMITED Fl. 214,810,000, Combined Fl. 361,092,000.

NOTES

The above assets are stated either at cost or as valued by Directors at various dates.

In N.V. the movements under Land, Buildings, etc. between the balances at 31st December, 1951, and those shown for 1st January, 1952, arise mainly from the consolidation in 1952 of a company which has become a subsidiary through the acquisition during the year of an additional interest and from conversion differences.

Provisions for depreciation include amounts set aside prior to acquisition. In some countries where revaluation of fixed assets has been carried out, depreciation provisions have also been revalued on a similar basis.

	1951		Fl.	Fl.	Fl.
		CAPITAL EMPLOYED			
		(I) PREFERENTIAL CAPITAL—	<i>Authorised</i>	<i>Issued and fully paid</i>	
	29,000,000	7% Cumulative Preference	30,000,000	29,000,000	
	109,136,000	6% Cumulative Preference	125,000,000	109,136,000	
	75,000,000	4% Redeemable Cumulative Preference } <i>Ranking</i>	75,000,000	75,000,000	
			<i>pari</i>		
			<i>passu</i>		
213,136,000			<u>230,000,000</u>		213,136,000
		(II) ORDINARY CAPITAL AND RESERVES—			
	215,020,000	ORDINARY CAPITAL	<u>300,000,000</u>	215,020,000	
	139,663,000	CAPITAL RESERVES		139,818,000	
	72,184,000	REVENUE RESERVES		<u>78,607,000</u>	
426,867,000					433,445,000
640,003,000					646,581,000
		(III) LOAN CAPITAL—			
	74,960,000	3½% Convertible Notes			74,960,000
		(IV) INDEBTEDNESS TO LIMITED GROUP			23,691,000
23,543,000					745,232,000
738,506,000					
		EMPLOYMENT OF CAPITAL			
		(V) INTERESTS IN SUBSIDIARIES—			
	312,546,000	Shares at Directors' valuation 31st December, 1939,			
	415,668,000	with additions at cost		312,598,000	
	728,214,000	Advances		455,564,000	
	13,351,000	Less: Deposits		768,162,000	
714,863,000				<u>14,025,000</u>	754,137,000
		(VI) CURRENT ASSETS—			
	3,109,000	Debtors and payments in advance (Fl. 326,000)	2,216,000		
	57,195,000	Receivable from Shareholders			
	884,000	Investments	7,024,000		
	19,246,000	Cash and bank balances	<u>34,551,000</u>		
	80,434,000			43,791,000	
		(VII) CURRENT LIABILITIES AND PROVISIONS—			
	14,019,000	Creditors and accrued liabilities	8,740,000		
	24,082,000	Taxation and contingencies	22,041,000		
	18,690,000	Dividends, due or proposed	<u>21,915,000</u>		
	56,791,000			52,696,000	
23,643,000					<u>8,905,000</u>
738,506,000					745,232,000

ON BEHALF OF THE BOARD,

PAUL RIJKENS, *Chairman*

GEOFFREY HEYWORTH, *Vice-Chairman*

31st DECEMBER 1952

represent deductions.

NOTES

(I) The 4% Redeemable Cumulative Preference Capital is redeemable at par at the Company's option either wholly or in part after 31st December, 1955.

(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.

The details of Capital Reserves are—

1951		1952
Fl.		Fl.
83,640,000	Premiums on issues of capital	83,795,000
<u>56,023,000</u>	Surplus on valuation in 1939 of shares in subsidiaries	<u>56,023,000</u>
<u>139,663,000</u>		<u>139,818,000</u>

These 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. 66,931,000.

The details of Revenue Reserves are—

1951		1952
Fl.		Fl.
55,000,000	General reserve	60,000,000
<u>17,184,000</u>	Profit carried forward	<u>18,607,000</u>
<u>72,184,000</u>		<u>78,607,000</u>

Details of the increases are shown on Statement B.

(III) Under the terms of the issue, the Notes, which are unsecured, are convertible into ordinary capital at the holders' option at a premium.

(VI) Debtors and payments in advance have been shown after provision for doubtful debts.

GENERAL

There are contingent liabilities upon which no loss is expected.

Foreign currencies have been converted at the rates ruling at the date of the balance sheet.

STATEMENT G

UNILEVER
BALANCE SHEET AT

Figures in red

1951		CAPITAL EMPLOYED			
£	£		£	£	£
		(I) PREFERENTIAL CAPITAL—	<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	56,294,000
		(II) ORDINARY AND DEFERRED CAPITAL AND RESERVES—			
		CAPITAL—			
	17,117,510	Ordinary	59,031,438	17,117,510	
	100,000	Deferred	100,000	100,000	
	17,218,000		59,131,438	17,218,000	
	11,595,000	CAPITAL RESERVES		11,779,000	
	32,568,000	REVENUE RESERVES		36,476,000	
61,381,000					65,473,000
	10,000,000	(III) LOAN CAPITAL—			
	14,000,000	3 ³ / ₄ % Debenture Stock, 1955/75 } <i>Ranking</i>		10,000,000	
		4% Debenture Stock, 1960/80 } <i>pari passu</i>		14,000,000	
24,000,000					24,000,000
1,450,000		(IV) FUTURE UNITED KINGDOM TAXATION			1,500,000
143,125,000					147,267,000
<i>13,288,000</i>		(V) <i>Less: INDEBTEDNESS OF N.V. GROUP</i>			<i>13,209,000</i>
129,837,000					134,058,000
		EMPLOYMENT OF CAPITAL			
		(VI) FIXED ASSETS—	£	£	£
			<i>Cost</i>	<i>Depreciation</i>	
	2,277,000	Land and buildings	2,998,000	745,000	2,253,000
	763,000	Plant and office equipment	1,584,000	765,000	819,000
	3,040,000		4,582,000	1,510,000	3,072,000
	2,245,000	Trade investments			2,978,000
5,285,000					6,050,000
		(VII) INTERESTS IN SUBSIDIARIES—			
	92,256,000	Shares at Directors' valuation at 31st December, 1937, with additions at cost		95,747,000	
	58,905,000	Advances		47,396,000	
	151,161,000			143,143,000	
	<i>27,019,000</i>	<i>Less: Deposits</i>		<i>26,729,000</i>	
124,142,000					116,414,000
		(VIII) CURRENT ASSETS—	£		
	620,000	Debtors and payments in advance	386,000		
	9,517,000	Instalments on Ordinary Shares and Debentures			
	14,000	Cash and bank balances	16,827,000		
	10,151,000				17,213,000
		(IX) CURRENT LIABILITIES—			
	1,644,000	Creditors and accrued liabilities	1,419,000		
	5,322,000	Short term borrowings	560,000		
	1,019,000	Taxation	1,695,000		
	1,756,000	Dividends (net) due or proposed	1,945,000		
	9,741,000				5,619,000
410,000					11,594,000
129,837,000					134,058,000
		GEOFFREY HEYWORTH, <i>Chairman</i>			
		PAUL RIJKENS, <i>Vice-Chairman</i>			

31st DECEMBER 1952

represent deductions.

NOTES

(II) £50,000 Deferred Stock is held by a subsidiary of LIMITED and £50,000 by a subsidiary of N.V.

The details of Capital Reserves are—

1951		1952
£		£
8,191,000	Premiums on issues of capital	8,191,000
	Surplus on valuation 31st December, 1937, of shares in sub-	
1,669,000	sidiaries and trade investments	1,669,000
665,000	Excess profits tax post-war refund	665,000
1,070,000	Fixed assets replacement	1,254,000
<u>11,595,000</u>		<u>11,779,000</u>

The increase in the fixed assets replacement reserve represents the amount set aside during the year.

The details of Revenue Reserves are—

1951		1952
£		£
23,500,000	General reserve	26,500,000
5,068,000	Profit carried forward	5,976,000
4,000,000	Stock reserve	4,000,000
<u>32,568,000</u>		<u>36,476,000</u>

The increase in the General Reserve includes the appropriation on Statement B and £1,197,000 in respect of bonus shares received during the year.

- (III) The two issues of debenture stock are secured by a floating charge on the assets of the Company.
- (V) This includes a loan of £11,000,000 which is secured on the shares of subsidiaries of N.V.
- (VI) Trade investments are shown at net book value at 31st December, 1947, with additions at valuation.

GENERAL

There are contingent liabilities upon which no loss is expected.

There are outstanding commitments to pay The Union Pension Fund four annual instalments of £137,000 and to pay The Union Superannuation Fund two annual instalments of £58,000.

The estimated commitments for capital expenditure at 31st December, 1952, were £1,400,000, including £1,200,000 on behalf of subsidiaries.

Foreign currencies have been converted at the rates ruling at the date of the balance sheet.

TURNOVER OF N.V. AND LIMITED GROUPS

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

In the case of production in the United Kingdom for the Ministry of Food and produce purchased for the West African Marketing Boards, a value has been included based on the Government controlled prices.

1951			1952	
Metric Tons	Fl.		Metric Tons	Fl.
1,167,000	2,040,656,000	Margarine, edible fats and salad oils	1,259,000	1,918,990,000
—	1,024,930,000	Other foods for human consumption	—	1,141,847,000
2,876,000	4,070,194,000	Other vegetable and animal oils and fats	3,054,000	3,704,270,000
2,619,000	849,423,000	Animal feeding stuffs	2,705,000	950,317,000
1,217,000	1,736,895,000	Soap and other detergents	1,217,000	1,736,347,000
—	213,119,000	Toilet preparations, including perfumes	—	301,371,000
—	491,674,000	Miscellaneous manufactures, including glycerine	—	493,218,000
1,100,000	993,042,000	Produce (mainly tropical produce handled by the United Africa Group) including timber products	1,318,000	1,115,862,000
—	1,255,541,000	Merchandise (mainly handled by the United Africa Group)	—	1,460,442,000
—	150,482,000	Services (including ocean, river and road transport)	—	160,594,000
	12,825,956,000	TOTAL VALUE		12,983,258,000
	Fl.	Represented by:—		Fl.
	8,151,357,000	(a) Sales to third parties		8,243,809,000
	1,509,114,000	(b) Value of production in the United Kingdom for the Ministry of Food and for other manufacturers, and produce purchased for the West African Marketing Boards		1,718,055,000
	3,165,485,000	(c) Supplies of marketable products and services within the organisation		3,021,394,000
	12,825,956,000			12,983,258,000

PENSIONS

1951	EMPLOYEES COVERED BY—	1952
77,500	Companies' Pension and Provident Funds	87,800
11,100	Insurance Companies	3,200
Fl.	COMPANIES' CONTRIBUTIONS DURING YEAR—	Fl.
	Contributions to:	
28,632,000	Pension and Provident Funds	38,268,000
8,118,000	Insurance Companies	7,554,000
11,917,000	Pensions supplementing those paid out of the Funds and payments on termination of service	15,362,000
48,667,000		61,184,000
Fl.	PENSION AND PROVIDENT FUNDS ADMINISTERED BY TRUSTEES ON BEHALF OF MEMBERS—	Fl.
417,907,000	Invested outside the Organisation	485,167,000
32,676,000	Invested inside the Organisation	33,274,000
450,583,000		518,441,000

SUMMARY OF CONSOLIDATED FIGURES 1945—1952

N.V. and LIMITED Groups

(000's omitted)

Years	Preferential Capital	Ordinary Shareholders' Funds		Outside Shareholders' Interests	Loan Capital	Future United Kingdom Taxation	Total Capital Employed	Turnover
		Capital	Reserves					
	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.
1945	773,772	314,855	547,274	181,312	131,615	53,455	2,002,283	3,285,857
1946	773,772	315,753	614,082	182,922	109,796	69,492	2,065,817	3,618,882
1947	814,662	316,003	736,963	183,550	111,205	105,027	2,267,410	5,124,324
1948	814,972	316,003	884,644	185,072	194,925	89,804	2,485,420	6,601,778
1949	812,102	315,320	1,112,589	192,616	360,183	117,040	2,909,850	8,521,544
1950	812,102	315,320	1,363,699	194,665	473,107	127,680	3,286,573	10,521,576
1951	812,102	394,750	1,611,103	218,002	622,877	151,620	3,810,454	12,825,956
1952	808,724	393,723	1,805,308	225,378	621,987	142,830	3,997,950	12,983,258

Years	Trading Profit	Taxation for the year	Consolidated Net Profit after transfers to and from specific reserves	Dividends		Profit Retained	Distributed	Retained
				Preferential	Ordinary and Deferred		Profit in Relation to Ordinary Shareholders' Funds	
	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	%	%
1945	222,907	144,429	83,930	30,102	11,645	42,183	1.4	4.9
1946	267,049	144,928	88,391	33,800	23,373	31,218	2.5	3.4
1947	346,963	202,161	91,003	36,327	23,395	31,281	2.2	3.0
1948	321,743	186,244	111,814	37,141	23,395	51,278	1.9	4.3
1949	339,921	194,714	208,333	37,019	23,358	147,956	1.6	10.4
1950	555,209	313,101	204,573	37,019	31,002	136,552	1.8	8.1
1951	573,849	350,952	200,433	35,863	31,003	133,567	1.5	6.7
1952	411,788	234,666	222,769	35,726	39,058	147,985	1.8	6.7