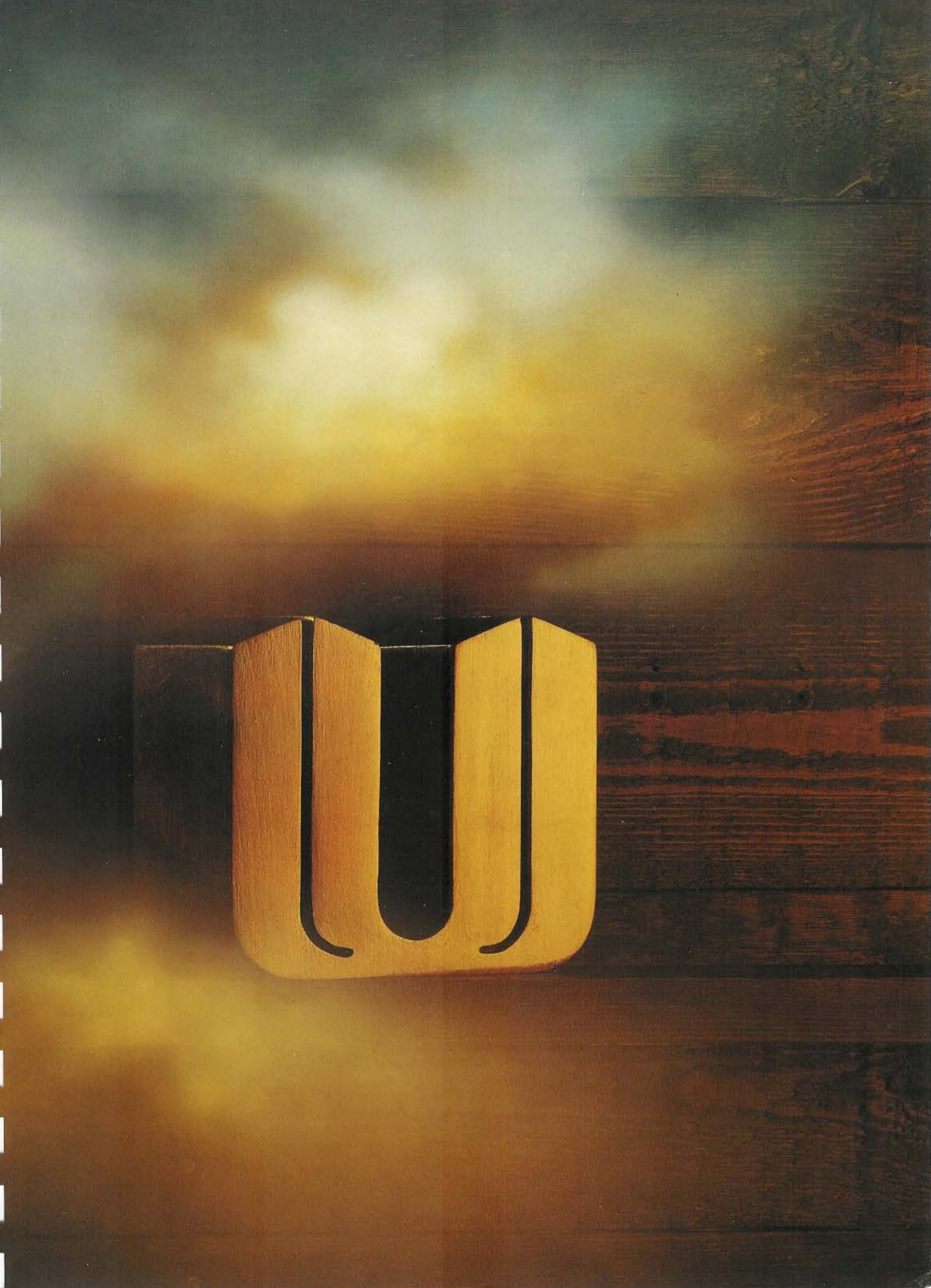
Unilever Report and Accounts 1981



Unilever N.V., Rotterdam
Report and Accounts 1981

The Unilever group of companies provides a wide range of products and services in some 75 countries, employing nearly 300 000 people. In most of these countries the products are manufactured locally. Unilever has existed for more than 50 years as a group, but can trace its roots much further back than that.

There are two parent companies: Unilever N.V., Rotterdam, and Unilever PLC, London. They have identical Boards of Directors and are linked by agreements, one of which equalises the dividends payable on the ordinary capital of N.V. and of PLC, according to a formula set out elsewhere in this Report. Unilever operates as one group. The combined affairs of N.V. and PLC are, therefore, more important to shareholders than those of the two separate companies and the Report and Accounts deal, as usual, with the operations and results of Unilever as a whole: except where stated otherwise, all the figures are for N.V. and PLC combined.

The larger part of Unilever's business is in branded and packaged consumer goods: mainly foods, detergents and toilet preparations. The foods include margarine, other fats and oils, ice cream, frozen and other convenience products, meat, fish, tea and other drinks.

Unilever has other important activities, such as chemicals, paper, plastics and packaging, animal feeds, transport and tropical plantations. UAC International, a major Unilever company, has substantial interests in Africa and other parts of the world in diverse industrial ventures, and as merchants and specialist distributors.

Contents

This Report and Accounts is a translation of the original Dutch Report. French and German translations are also published.

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C. Zwagerman
J. D. Keir

Auditors
Price Waterhouse Nederland
Coopers & Lybrand Nederland

Financial highlights

	1980	1981
ON AN HISTORICAL COST BASIS		
Results Fl. million		
Sales to third parties	51 468	**56 115**
Operating profit	2 914	**3 325**
Profit before taxation	2 900	**3 347**
Profit after taxation	1 529	**1 966**
Profit attributable to ordinary capital	1 421	**1 848**
Ordinary dividends	540	**586**
Profit of the year retained	881	**1 262**
Earnings per share		
per Fl. 20 of capital (Fl.)	25.49	**33.16**
per 25p of capital (pence)	75.41	**105.39**
Ordinary dividends		
N.V.—per Fl. 20 of capital (Fl.)	11.12	**12.04**
PLC—per 25p of capital (pence)	22.91	**26.87**
Shareholders' equity per share		
per Fl. 20 of capital (Fl.)	196.50	**217.62**
per 25p of capital (pence)	581.35	**691.60**
	%	%
Return on capital employed	9.2	**10.7**

	1980	1981
ON A CURRENT COST BASIS		
Fl. million		
Profit attributable to ordinary capital	870	**998**
Earnings per share		
per Fl. 20 of capital (Fl.)	15.60	**17.90**
per 25p of capital (pence)	46.14	**56.90**

Review of 1981

The year 1981 was no better for business generally than 1980, and in many respects it was worse. Economic activity remained low in Europe and North America and consumer expenditure was depressed. The rapid rise in unemployment—much worse than in 1980—was particularly disturbing. Inflation remained a problem, though there were some signs towards the end of the year that rates of inflation were beginning to fall. Interest rates were notably high, especially in the United States. The U.S. dollar appreciated and in consequence import prices of crude oil and other goods in dollars rose sharply in other currencies. Consumption of oil therefore fell in the climate of recession and through energy saving. Falling export prices and debt servicing costs restrained growth in many developing countries though in a number of other countries growth was good.

Generally speaking, the prices of our various raw materials finished the year at about the same level as last year. There were, however, fluctuations during the year in some commodities, notably oils and fats, which rose sharply during the first half of the year before falling back.

Despite these difficult conditions we improved our results. The wide geographical and commercial range of our activities enabled us to seize the opportunities offered to us where growth was good, while consolidating our position elsewhere. We continued to increase efficiency and productivity by reorganising our operations where necessary.

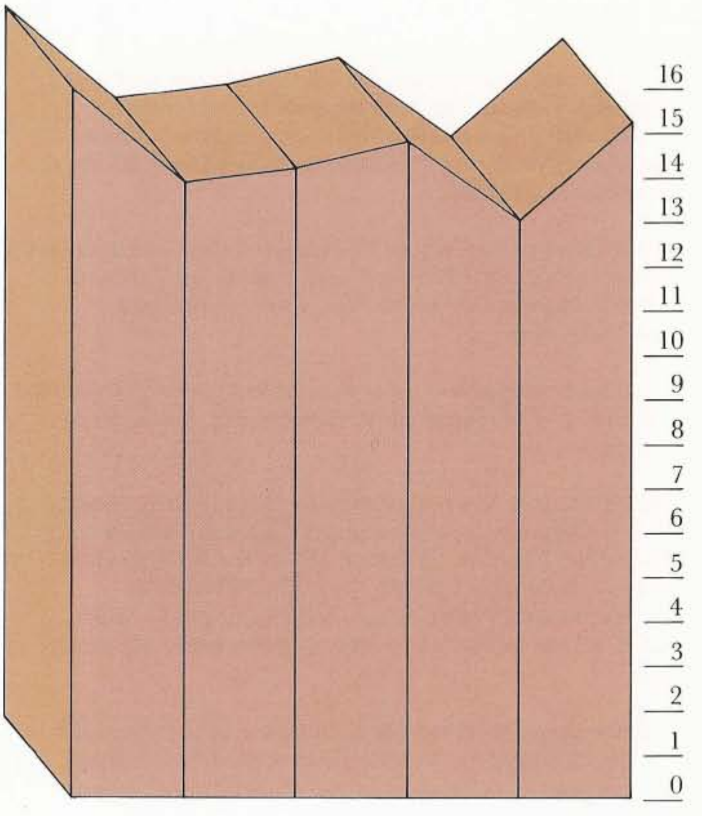
Most of our companies selling goods to retail and consumer markets continued to maintain or improve their performances. Our companies selling goods and services to other industries were operating in markets seriously affected by over-capacity—but several of them showed a worthwhile improvement as a result of their efforts to increase efficiency and reduce excess capacity where it existed.

We were able to achieve a sales volume increase of 2%, slightly lower than the increases in the last three years. Results showed a significant increase over 1980, but there were considerable variations between geographical areas and product groups. We devoted substantial resources to maintaining brands by theme advertising and in other ways, and to maintaining our research effort for innovation and product improvement.

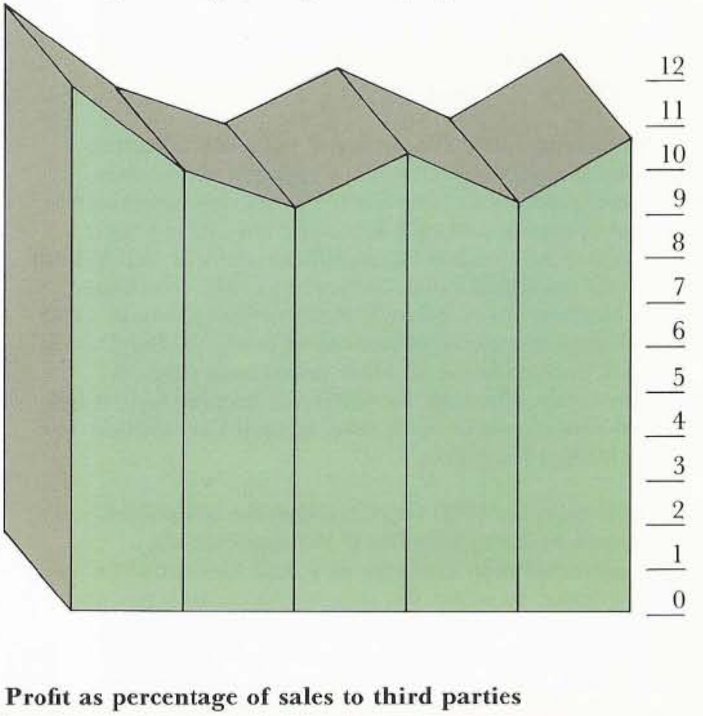
The charts show figures of performance both by geographical areas and by commercial operations. Three other charts show respectively: return on shareholders' equity, capital employed and sales; value added; and earnings and dividends per share.

In Europe, most of our consumer businesses showed a worthwhile improvement in profits, particularly in detergents, sundry foods, and personal products. Our edible fats operations continued their very good performance. Frozen products, however, had a difficult year. In chemicals we improved on 1980, but transport showed a further decline in results. Substantial redundancy costs in some operations adversely affected results.

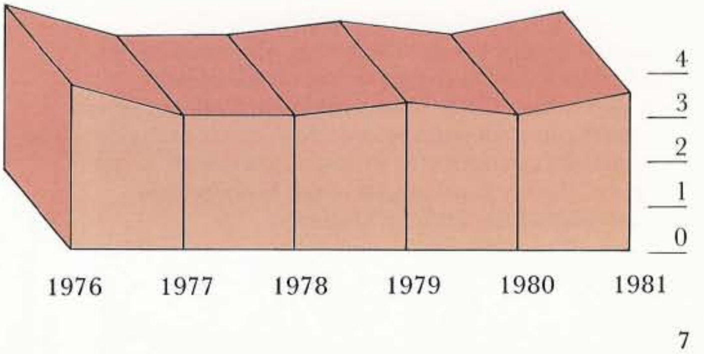
Profit as percentage of ordinary shareholders' equity



Profit as percentage of capital employed



Profit as percentage of sales to third parties



In the United States, National Starch did very well and Thomas J. Lipton, Inc. both maintained its market position and improved its profits. We continue to make progress with our programme of restoring Lever Brothers to commercial health.

Outside Europe and North America, sales showed excellent growth and results have been very good in total. Brazil, India, Indonesia and South Africa have performed particularly well.

Our export companies in Europe, selling goods to countries where we do not manufacture them locally, had a very good year.

Conditions were less favourable for UAC International, because reduced oil production in Nigeria adversely affected the Nigerian economy and by reason of the low level of economic activity in the United Kingdom. Nevertheless, they were able to improve on their 1980 profits, results in French-speaking Africa being especially good.

Capital expenditure was about the same as the very high figure for 1980 and substantially exceeded depreciation. We continue to invest to improve efficiency and, where appropriate, to enlarge capacity.

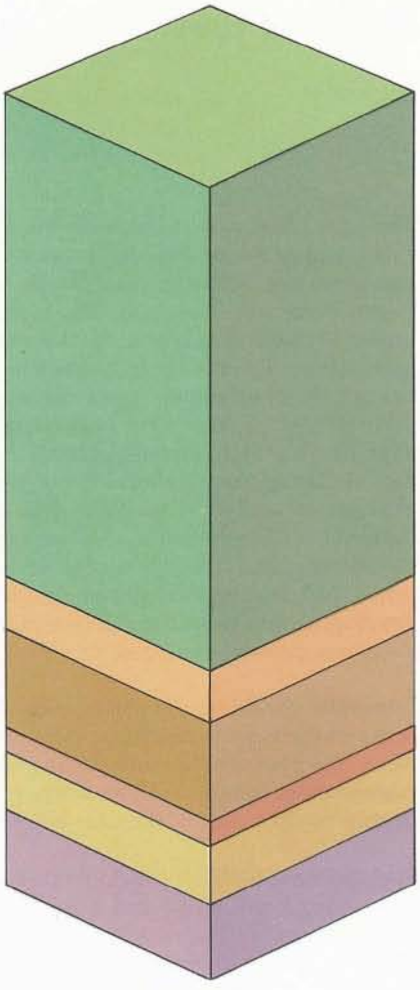
Acquisitions during 1981 included the Lusso ice cream company in Switzerland and a major share in an edible fats venture in Mexico. We also reached agreement to acquire most of the minority interest in Nordsee in Germany.

In the financial field the outstanding feature affecting business during the year has been high interest rates, resulting in heavy finance costs. In these circumstances control of capital and cash management assume great importance and we have been able to perform well in both. Our total net liquid funds increased in 1981. Exchange rates, however, have behaved less erratically than in 1980. The change of most significance has been the sharp rise of the U.S. dollar against all other major currencies. A notable factor affecting our profit attributable figures has been the incidence of stock relief against Corporation Tax in the United Kingdom.

In the Report for 1980 we referred to the difficulties that had arisen in the application of the Equalisation Agreement between Unilever N.V. and Unilever PLC in circumstances in which the relative purchasing powers of the guilder and the pound sterling do not reflect the relative parities of these two currencies. We explained that a study was under way of arrangements which would mitigate these difficulties. This study has been completed and resulted in proposals for amendment of the Equalisation Agreement which were approved by the shareholders of both companies at meetings held on 18th December, 1981. The amended agreement, which enables the two companies to declare different dividends in exceptional circumstances, contains provisions which safeguard the basic principles of the Equalisation Agreement and the unity of Unilever.

Sales to third parties 1981

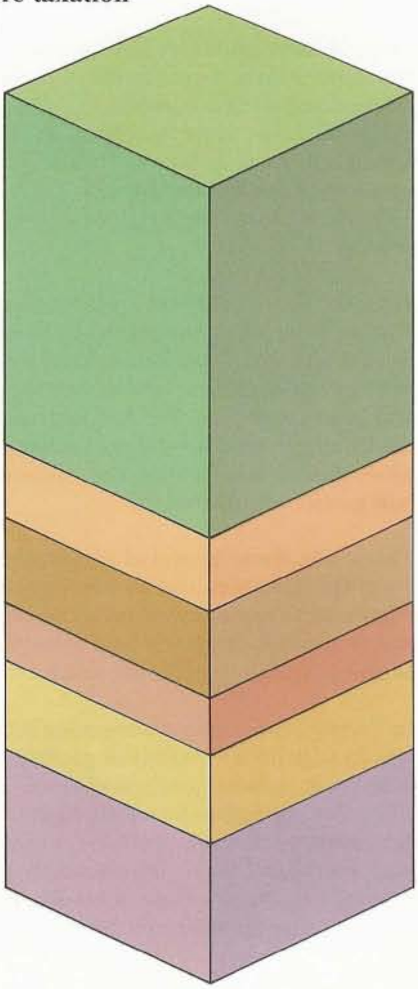
Fl. million



European Community countries	34 239
Other European countries	3 704
North America	7 020
Central and South America	1 629
Africa	4 198
Asia, Australia, New Zealand	5 325
Total	56 115

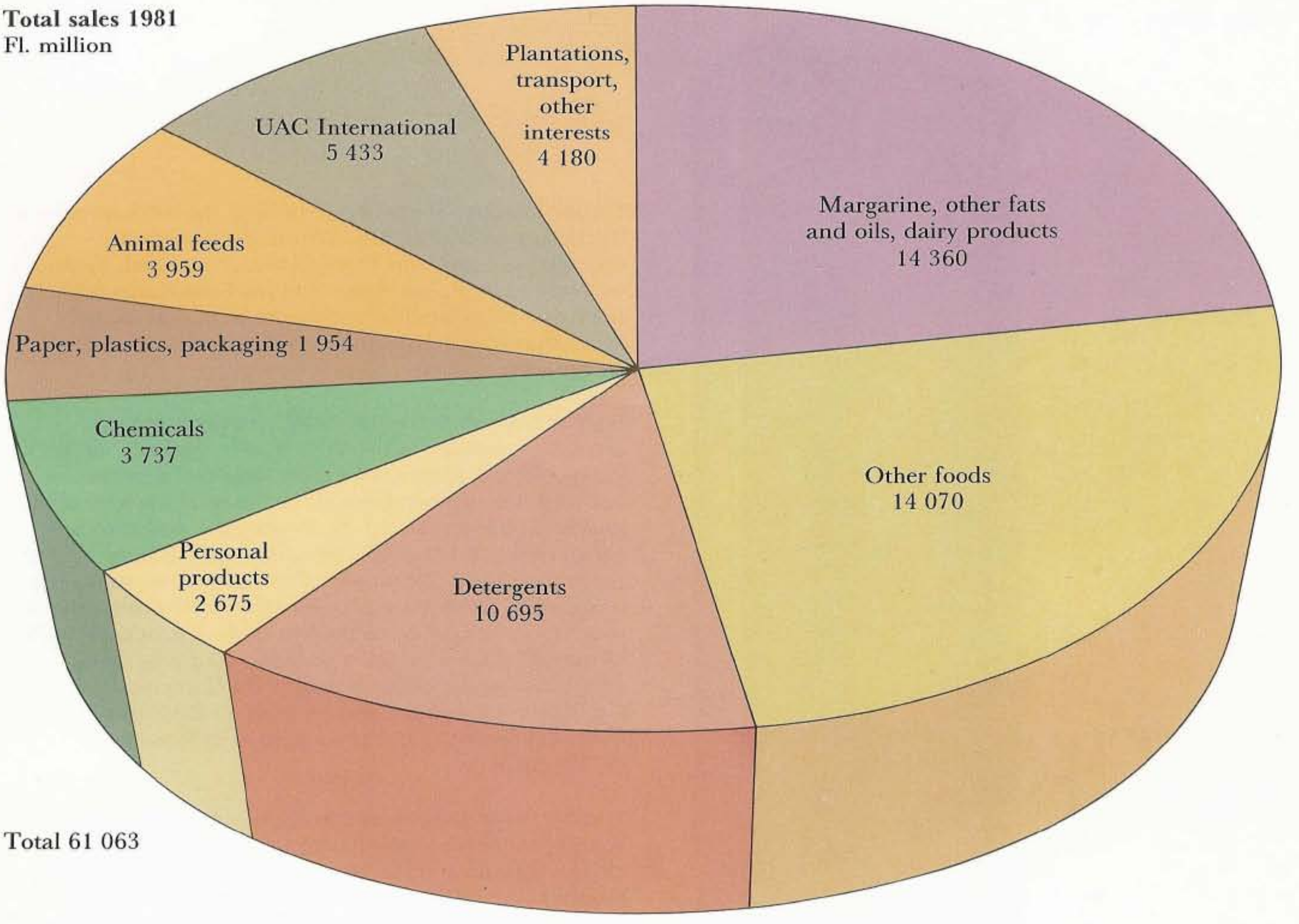
Operating profit before taxation and outside interests

Fl. million



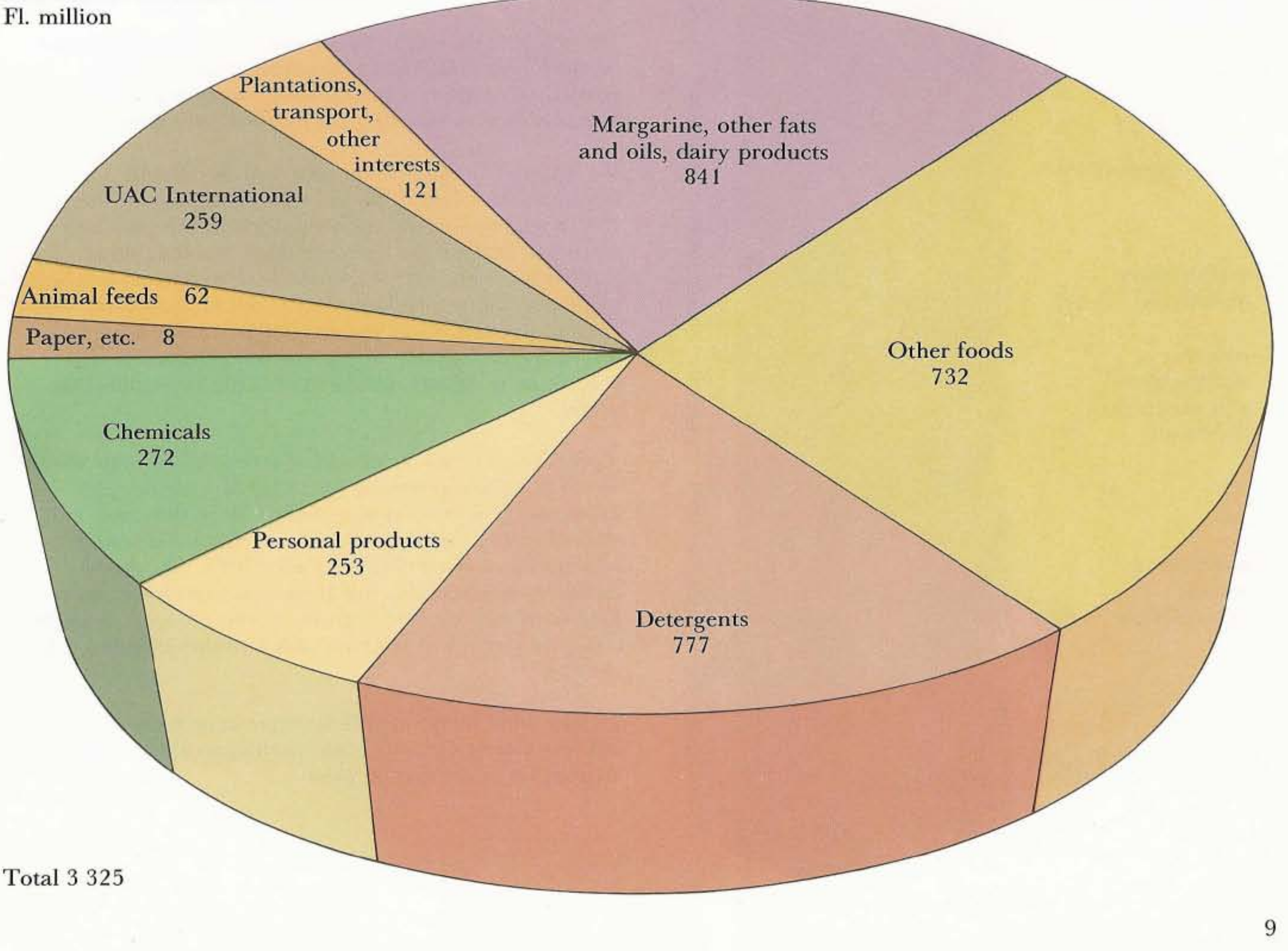
European Community countries	1 472
Other European countries	311
North America	360
Central and South America	229
Africa	373
Asia, Australia, New Zealand	580
Total	3 325

Total sales 1981
Fl. million



Total 61 063

Operating profit before taxation and outside interests
Fl. million



Total 3 325

Value added

To employees in wages, salaries, pension contributions 67%

To governments in taxation 9%

To providers of capital
— loans (interest) 4%

— shareholders (dividends) 4%

— outside shareholders and preference dividends 1%

Reinvested in business
— depreciation 7%

— profit retained 8%

On 1st January, 1981, Greece became the tenth member of the European Community. Within a few years the accession of Spain and Portugal is also expected. Though welcome in itself, enlargement of the Community is likely to bring a substantial increase in costs, mainly in the agricultural field. This will put a further strain on the Community budget.

A structural solution to the problem of agricultural surpluses — notably in the dairy sector — has still not been found and the question of a more balanced distribution amongst the member states of the financial burdens of EC policies awaits an answer. Some progress, however, has been made in solving the difficulties of the fishing industries in the Community. To help promote economic recovery it is now more necessary than ever to abolish the restrictions remaining on the free trade of goods within the Community and to avoid a protectionist policy being adopted towards countries outside the Community. It is also important that the initial success of the European Monetary System should lead soon to its further development.

It is our policy to support the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organisation (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Accordingly, we have as usual prepared this Report and Accounts so as to reflect the recommendations on disclosure of information in the OECD Guidelines.

We welcome the work which is being done internationally on the harmonisation of accounting standards and particularly the contribution being made to it by the International Accounting Standards Committee.

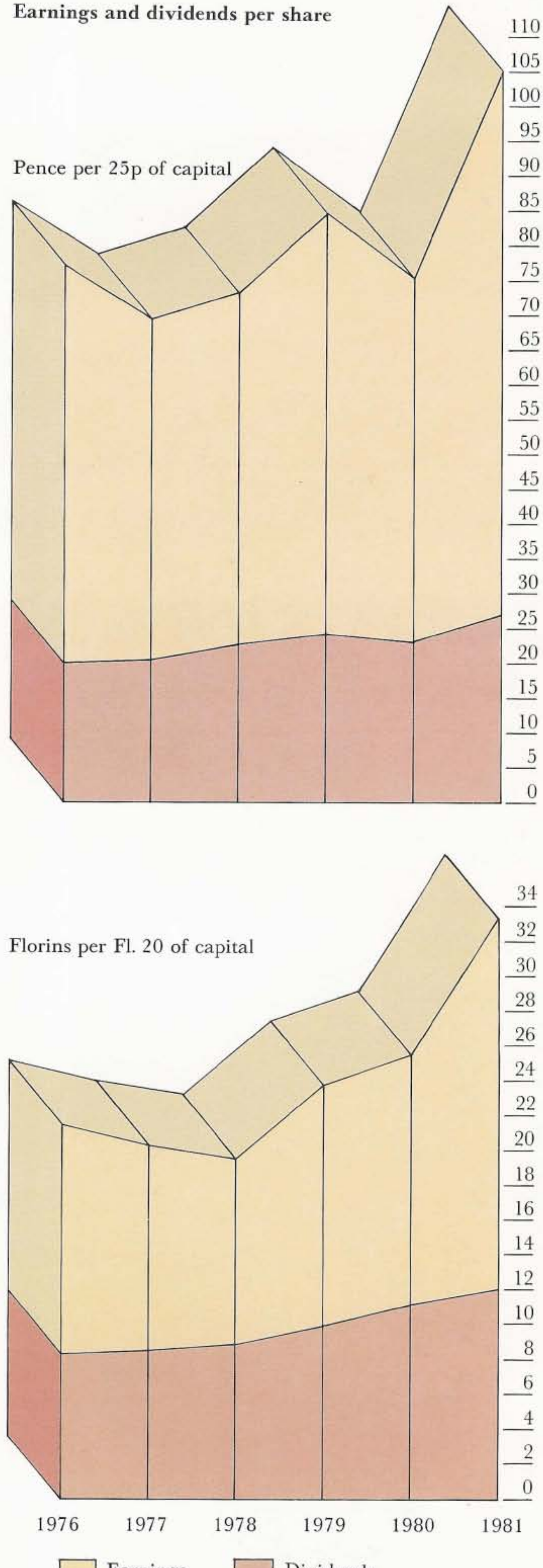
We referred last year to the report of the Brandt Commission — 'North/South — A Programme for Survival'. Whilst acknowledging the seriousness of the problems identified in the report, we regretted that the role of international business in economic development has been neglected. During 1981 we continued to explain the role of competitive enterprise and have tried consistently to inform public opinion about how companies like ours contribute to raising standards of living throughout the world.

There are no grounds for taking an optimistic view of the world economic prospects for 1982. Any recovery in Europe and North America is likely to be slow and unemployment will probably go on rising. Consumer expenditure may well fail to rise in 1982. The world political scene remains full of uncertainties which do not help economic recovery. However, there is some hope that crude oil prices will remain stable and that inflation will decline.

During 1982 Unilever will continue to improve the efficiency of its operations and seek to go on strengthening its position in the market place.

As always, our management and employees throughout the world are the people who deal with the problems in the market place and who are the builders of Unilever's business and results. Our warm thanks are due to them for all they have done.

Earnings and dividends per share




KRONA
margarine
27½p

Margarine, other fats and oils, dairy products
Our margarine business had another good year. Turnover increased by 3% in volume, whilst margins were maintained—assisted by further progress in cost efficiency achievement.

In Europe, the margarine market grew in a number of countries, particularly in the United Kingdom, where the butter price is now approaching the level of that in other EC countries, and in the Mediterranean area, where margarine consumption continues to make steady progress. Some of our major margarine brands showed substantial growth, notably 'Krona' in the United Kingdom and 'Fruit d'Or' in France. The competitive situation is increasingly influenced by the concentration in the retail trade. This results in a significant growth of lower-priced brands in a number of countries, notably the Netherlands, Belgium and Germany. Competition from these brands affected our sales and profits in those countries.

Outside Europe, our margarine sales and margins improved, with very good performances in Japan and Turkey. We have entered the edible fats market in Mexico through a partnership arrangement.

In addition to the traditional fat-based products, we are increasingly engaged in selling bakery materials, particularly in France and Germany.

Raw material prices expressed in the currencies of our major countries increased sharply until August, but then there was a substantial decrease for the remainder of the year back to the same level as at the beginning.

The oil milling industry in Europe had a difficult year, as did our own oil mills, due to low margins on soya beans; there was, however, some improvement towards the end of the year. Profits of our business in speciality fats for the food industry continue to be disappointing.

In the United States, the programme to restore the profitability of the Foods Division of Lever Brothers was beginning to have some effect during 1981.

Turnover and results of our processed cheese operations improved, especially in Germany. The results of our fresh dairy products businesses in the Netherlands and Germany were disappointing, mainly because of fierce price competition. In France, our dairy business made further progress; a new factory will be constructed in Andrézieux-Bouthéon to produce the volume needed to serve this growing market efficiently.

Left, 'Krona' margarine has acquired a substantial market share in the United Kingdom.

Right, Langnese-Iglo's 'Jonny' ice cream is popular with young people in Germany.

Frozen products
The growth of the frozen foods market was slowed down, particularly in the latter half of the year, by the depressed level of consumer spending. There was an intensification of competition from lower quality products together with further development of private label brands. The higher quality, more specialised, high convenience and therefore more expensive products, where we are strongly represented, were particularly affected; our margins were under pressure and total volume did not grow. Profits improved in France but were disappointing elsewhere. However, some promising new products were introduced. Sales of pizza developed well and in Germany we introduced an entirely new pizza with a crisp base. In the United Kingdom there was good progress with snack products, Birds Eye potato waffles being very well received.

In the aftermath of the unfortunate accident which we mentioned last year our frozen foods company in the Netherlands made losses.

In the ice cream market, there was limited growth in Europe; it was only in southern Europe that the weather was reasonably favourable. With a strong range of impulse products we continued to improve our position in this sector and maintained our share of the total market.

Worldwide sales of our well-known 'Cornetto' exceeded 600 million pieces and our developing range of novelty shaped ice lollies for children was successful in many markets. Profits improved in Austria, Denmark, France, Italy, Portugal and Spain, but we had a disappointing year in the United Kingdom. Our ice cream activities in Switzerland have been strengthened by the acquisition of the Lusso Company.

Outside Europe, Streets in Australia improved its market position and increased its profits.

We continued to make capital investments both to increase capacity and to achieve greater efficiency. In the United Kingdom, the fish processing plant at Hull was modernised. In Germany, automated freezing lines for spinach were introduced at Wunstorf, and the pizza production facilities at Heppenheim and Reken were extended.

In Austria at the Gross-Enzersdorf factory and in France at Argentan, extensions to the ice cream production facilities were completed. In the United Kingdom, a new ice cream mix plant will be in operation in the factory at Acton in 1982.

In Italy, the new frozen food factory at Cisterna came into operation during the year.

In Argentina, we acquired a majority shareholding in a company which manufactures and sells 'Laponia', the number two ice cream brand.

Sundry food and drinks
Sales volume was slightly lower than in 1980 but by and large we succeeded in sustaining or increasing our market shares. Margins improved as a result of cost reductions and profits showed a marked improvement.

Our tea businesses further improved, with satisfactory results in many countries. New products were launched in several markets. 'Saveurs du Soir', a range of herbal teas, introduced late in 1980 in France, developed well.

Soup consumption continued to decline in Europe. However, the success of our new high quality instant soups increased both this market sector and our share. This made sufficient impact to keep the volume of our sales of all kinds of soup stable. In Ireland, dry soup mix was successfully relaunched in the autumn.

Sales of salad and other dressings have grown well in spite of heavy competition in many countries. In the Netherlands, Calvé luxury dressings did well and new products were successfully introduced in Italy and Spain.

The instant meals market declined after exceptionally buoyant sales in 1979 and 1980. In the Netherlands initial consumer acceptance for the Calvé shelf-stable pizzas is encouraging. This company also started to sell dry-roasted peanuts. Sales of snacks remain modest in total, but they have grown fast in recent years in both the Netherlands and Belgium.

Bensdorp, our chocolate businesses in the Netherlands and Austria, had worthwhile increases in sales, and in the Netherlands maintained its profits, but in Austria margins were disappointing due to strong competition.

In the United Kingdom, John West's sales of salmon were higher than last year, though higher salmon prices slowed sales in the last months of 1981. Batchelors had a difficult year, though their performance in the dried soup market was encouraging.

In the United States, Thomas J. Lipton, Inc. had a good year. They maintained their sound position in an increasingly competitive tea market and introduced a new range of herbal teas. The performance of dried soups, especially 'Country Style' instant soups, and the success of a new product, 'Lots a Noodles', added further volume gains. Lawry's Foods, Inc. showed excellent progress.

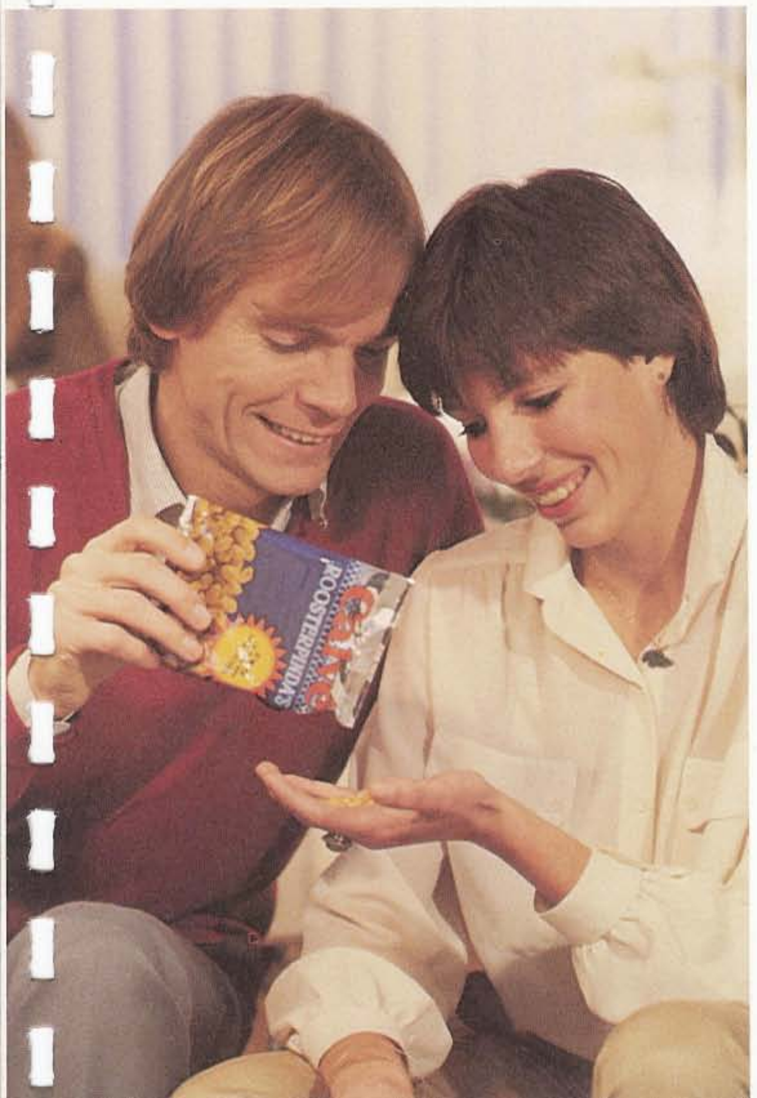
In Australia, both Rosella and Lipton had good results and sales of instant soup and teabags showed good growth.

Meat products
In Western Europe, consumption of meat products in all our markets was depressed. Total sales volume of our businesses fell below the 1980 level; and margins came under pressure during the second half of the year as raw material prices rose markedly from the levels of 1980 and early 1981. However, our companies in total did better than last year.

The United Kingdom operations as a whole showed a further improvement in profitability. Wall's sales volume was better than in 1980 and its losses were slightly reduced. Lawson of Dyce had a disappointing year, but Mattessons once again achieved a significant increase in both sales and profits.

Our business in the Netherlands had significantly poorer results. All its domestic markets declined and intensified competition put its market shares under pressure. With the fresh meat operation showing little change from last year, sales volume in total fell below the 1980 level and losses continued. The new meat products factory at Oss came into operation and should start to show gains in production efficiency from now on.

In Belgium, while the sales volume of our company was below that of 1980, profits were higher. The sales volume of our German company in difficult market conditions showed an improvement over 1980, but average margins were lower.



The use of poultry in meat products is increasing, notably in the United Kingdom and in Germany; Wall's pork and turkey sausages and Mattessons' chicken roll and turkey roll have done well.

Our company in Mexico had another excellent year and significantly increased its profits. The Canadian business achieved some improvement in results, though sales volume was disappointing.

Fish, restaurants and retailing
The trawling operations of Nordsee were again severely affected by the failure of the EC to agree on a fishing policy, which led to the exclusion of European trawlers from the Canadian fishing grounds. An agreement has now been signed with Canada, which should once again enable European trawlers to fish Canadian waters. The Nordsee trawling fleet now consists of eight factory ships and three fresh fish trawlers, a size of fleet which we believe we can operate profitably.

We opened eight new restaurants, so that in Europe we now have 163 restaurants in four countries, but the year as a whole was a rather disappointing one for our restaurants, shops and wholesale business.

Unilever has now reached agreement to acquire in 1982 most of the Nordsee shares which it did not previously own.

Detergents
The detergents market in Europe grew at a rate slightly higher than the previous year, and our market position strengthened. In spite of strong competition, a modest increase in margins was realised and profits showed good progress.

In the United Kingdom fabrics powder market, 'Persil Automatic' recorded its highest sales ever. Elsewhere in Europe, further progress was made with our brands offering improved performance at medium and lower temperatures, the success of 'Omo' in Germany being a good example. The growth in the markets for liquid products slowed down somewhat, but we succeeded in maintaining our strong position as well as our profitability. Our liquid abrasive cleaner product holds a leading position in Europe. Sales of 'Domestos', a hygienic cleaner, continued to grow. Industrial detergents had another successful year.

Our North American business maintained its position. 'Wisk', a liquid product for use in washing machines, continued to grow in sales and maintained leadership in its product category. 'Shield' toilet soap was extended into national distribution early in the year and 'Sunlight'

Far left, demonstration vans take Lipton's 'Yellow Label' teabags to consumers in Saudi Arabia.

Left, Calvé successfully launched their dry-roasted peanuts in the Netherlands.


VIETATO FUMARE

washing-up liquid was put into a large test market. Total profitability, however, is not yet satisfactory.

In countries outside Europe and North America, growth has remained strong in the important fabric and toilet soap markets and profits increased. A number of countries showed significant progress, particularly Brazil, Chile, Indonesia, Nigeria, South Africa and Thailand.

Capital investment programmes to install new capacity and improve operational efficiency took place in the United Kingdom, Greece, Italy and Spain. Investments for the manufacture of toilet soap were made in Brazil, Nigeria and Thailand, and for fabric powders in Brazil and Canada. The new toilet soap plant at Hammond near Chicago is in full operation and fulfilling targets on quality and productivity.

Research and development continued to play an important role in seeking new and improved products aimed at specific consumer needs. Improved product formulae and manufacturing processes contributed to energy savings.

Personal products

The world market for personal products grew by some 2% in volume, an increase to which almost all products contributed, except hairsprays, which continued to decline. Our share of the personal products market improved slightly.

Total results showed a substantial improvement. Europe, where results in 1980 were affected by reorganisation costs, was the main contributor to this, although market conditions remained difficult in Germany. Our toothpaste brands in Europe maintained market share. In deodorants, our 'Rexona' and 'Impulse' brands had a good year. 'Impulse' was launched in France and we also introduced there 'Darling', an eau de toilette. We are putting established brands, such as 'Timotei' and 'All Clear' shampoos into new markets in Europe and elsewhere. We achieved a good improvement in productivity in our European businesses.

In North America, the dentifrice market has seen unprecedented activity. Against this background, market share has been supported at the cost of a reduction in profits. The 'Aim Mint' launch has started successfully. 'Impulse' deodorant has been launched in Eastern Canada and test marketed in the United States.

Outside Europe and North America, results were again higher than in 1980. Our toothpaste brands made strong

Left, the new liquid detergents factory at Pozzilli in the south of Italy.

Below, Elida-Gibbs' 'Mentadent' dental education kit is used by dentists in Italy to promote oral hygiene.

progress, as did our deodorants 'Rexona' and 'Impulse'. Results were particularly good in Brazil and Indonesia and in our export operations. Conditions were difficult in Argentina and profits fell.

Chemicals

The depressed level of industrial activity in Europe continued to affect the performance of the European chemical industry, and a recovery in volume is still not evident, but the concerted effort made during this year has enabled us to improve productivity. This, coupled with exchange rates for sterling which became more favourable towards the end of the year, resulted in some improvement in profitability above the depressed levels of 1980.

Unichema, the oleochemicals group, continued to operate in a market where margins are depressed and demand declined. With the Unichema Chemie plant at Gouda now integrated in this group, it has been possible to restructure the business more in line with demand. Improvements in performance have been effected in the United Kingdom and in Germany.

Emulsions fared better than resins which continued to suffer from reduced demand and increased competition.

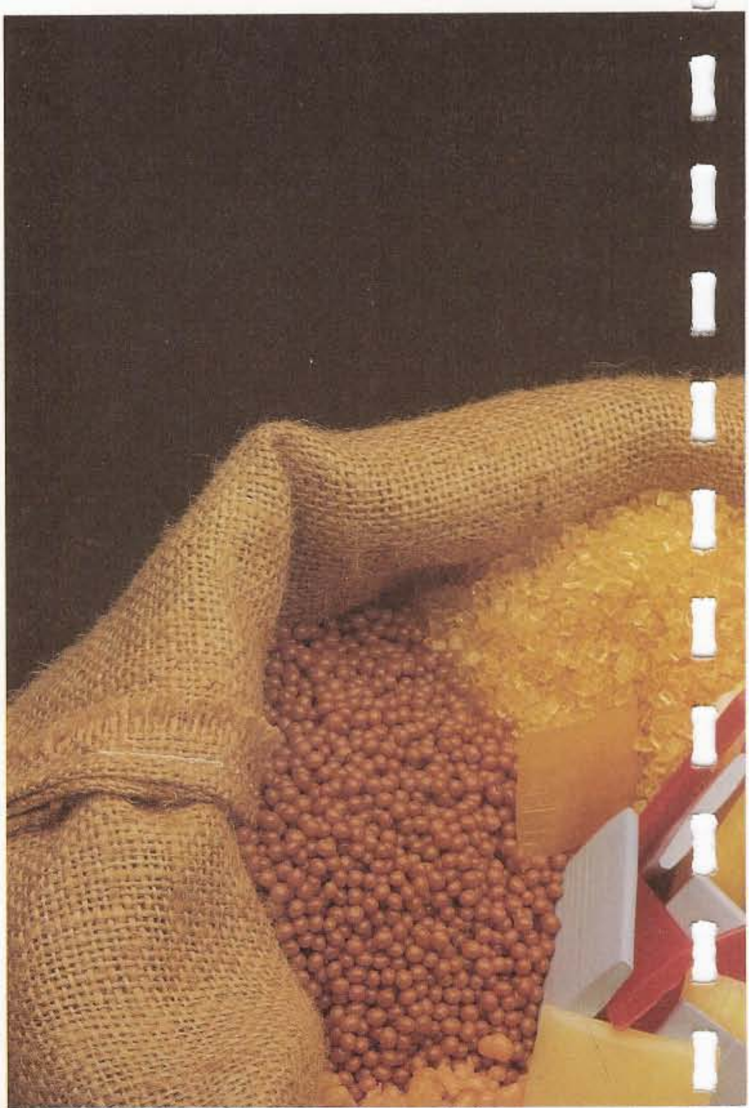
In the United Kingdom, Crosfields showed improved performance over the previous year, mainly due to the relative weakening of sterling. The entry of a new manufacturer of cracking catalyst in Europe has increased competition in that part of the business.

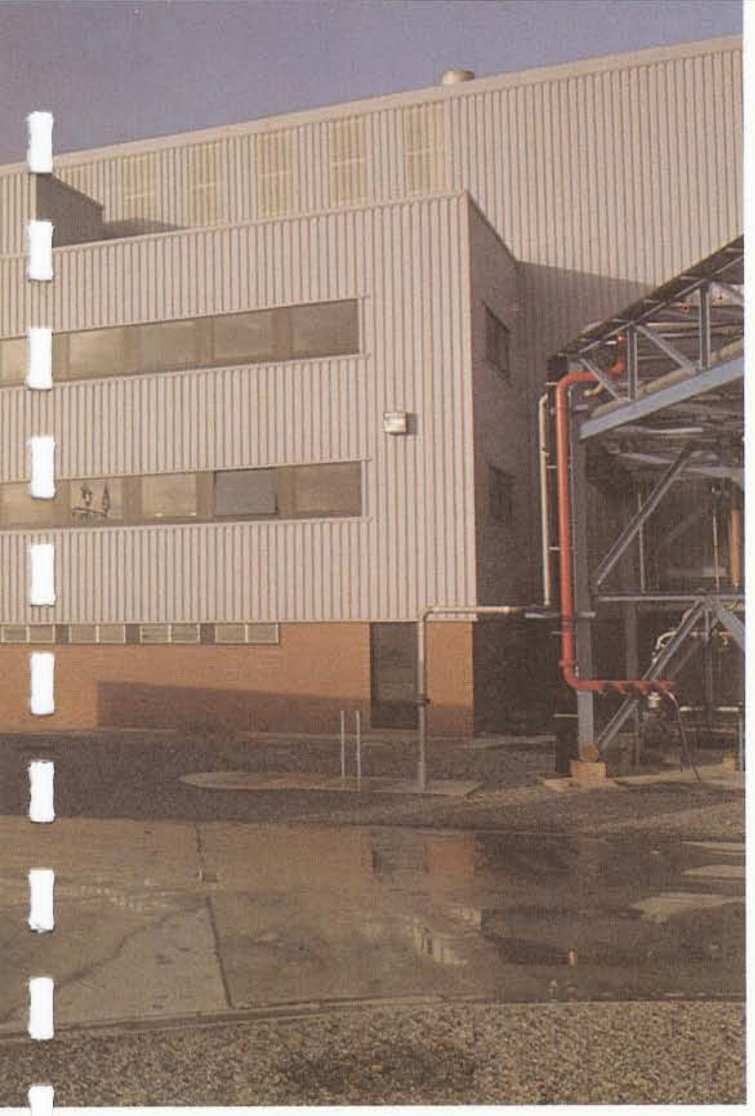
During 1981 the fragrance business had excellent growth in volume and profits. In food ingredients and flavours, margins showed an improvement. It has been decided to merge the fragrances company Proprietary Perfumes Limited and Food Industries Limited, the flavour and food ingredients company, under the name PPF International Limited.

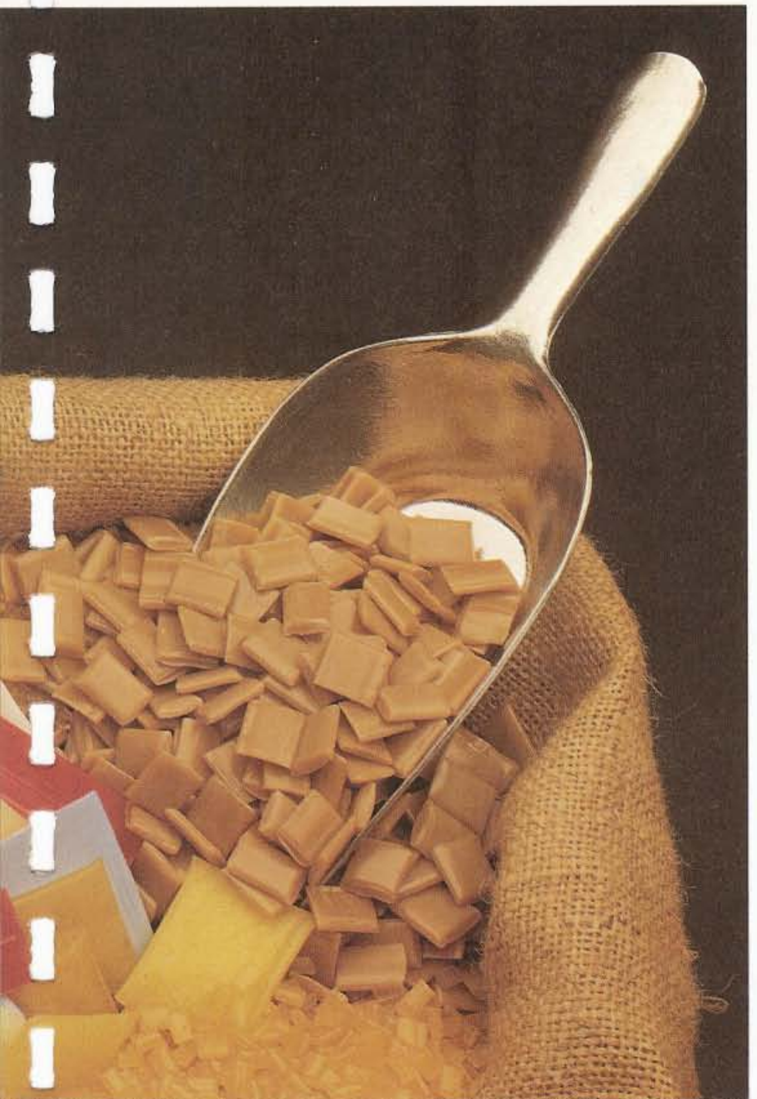
Our chemical businesses in Brazil, India and South Africa improved their performances. The fatty acid plant in Malaysia began production late in 1981.

Major capital projects authorised during the year were for modernisation of facilities for fatty acid production in the United Kingdom, and for the construction of a large nickel catalyst plant in Germany using improved technology. The new precipitated silicas plant at Warrington is nearing completion.

National Starch maintained its record of consistent growth in sales and profits. In the United States, sales and profits were significantly above those of the previous year. The Adhesives Division did well; the Starch Division had especially strong growth in sales. Capital expenditure to provide for additional capacity for speciality adhesives and water treatment polymers was approved during the year. Outside the United States, good performances were achieved by Australia, Canada and Mexico, but the European operations, including those of the joint ventures, performed less well.







Paper, plastics, packaging
The economic environment in Western Europe for this sector of our business remained hostile. Our United Kingdom based companies found their competitive position adversely affected by the relative strength of sterling during most of 1981. There was, however, some relief later in the year when sterling fell somewhat, particularly against the dollar.

The 4P Group supply a wide range of packaging, including flexibles, cartons and containers throughout Western Europe and also export part of their production to other parts of the world. It was particularly encouraging to see some of the 4P companies, notably in France and Germany, achieve significantly better results. Others did less well, leading to reductions in numbers employed and heavy restructuring costs.

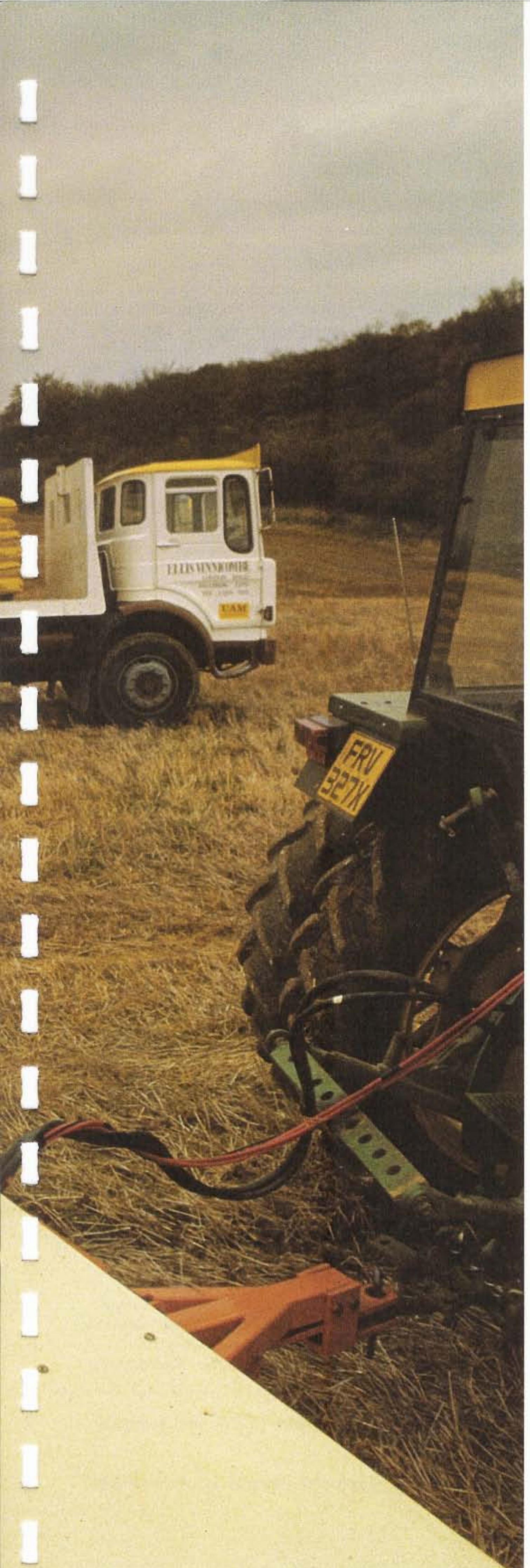
In difficult economic circumstances, where depressed demand for board and high energy costs in the United Kingdom played an important part, Thames Board did well to increase their share of the reduced market, although they were unable to avoid trading at a loss. Part of the loss was attributable to exceptional costs associated with the expansion of the high-quality duplex cartonboard mill at Workington, Cumbria. The expanded mill will strengthen Thames Board's competitive position in the growing duplex sector of the cartonboard market.

The low level of United Kingdom manufacturing activity also affected the corrugated and solid case industries. Thames Case experienced both a volume decline and severe pressure on margins. However, they continued their programme of reinvestment to introduce the latest technical advances in order to lower costs and to concentrate on growth sectors.

Nairn International returned to profit, with the wallcovering business being the main contributor. 70% of wallcovering sales were in export markets and good margins were earned on sales to the United States, Australia and Canada. In the United Kingdom, volume and total market share were static, but reduced raw material and production costs led to an improvement in results. A particular success was the 'Contour' range of relief wallcoverings, the sales of which increased substantially over 1980. Nairn's cushion vinyl floorcovering business increased its share in a static United Kingdom market and improved its results. Exports, which represent 40% of total sales, maintained volume but only at poor margins. A new range of products and designs was completed to meet future market requirements. Other notable Nairn developments during 1981 were a new range of fire-retardant upholstery fabrics under the 'Hilon' name and a range of scratch-resistant furniture veneers.

Above, Crosfield's new precipitated silicas plant at Warrington in the United Kingdom.

Below, a selection of National Starch adhesives sold in solid form for application as melts for a variety of uses.



Animal feeds
The compound feeds market in the United Kingdom was smaller than in 1980. Our strength in buying, production and customer service backed by continuing investment in research and modern mills has nevertheless resulted in another good year for our compounds business.

Our operations in the Netherlands and France have been less successful but satisfactory progress has been made towards developing more soundly based businesses for the future. Losses in the Netherlands were much lower than in 1980. In the Republic of Ireland excess capacity in a severely depressed market proved to be a major problem.

The agricultural merchanting and seed crushing companies in the United Kingdom both did well, with the former increasing its activities in the arable sector. Our poultry business, however, experienced an extremely difficult year because the United Kingdom market was severely affected by low cost imports.

Fish farming developed satisfactorily in very competitive conditions. Exports of animal feed supplements and the sales development of 'Intagen' prophylactic antigens made further progress.

UAC International
UAC International includes many diverse operations in Africa, the United Kingdom and elsewhere. This review of its activities includes those carried on by both subsidiaries and associated companies, of which the principal associated company is UAC of Nigeria.

UACI produced good results in total. Although economic growth in Nigeria was less than expected, UAC of Nigeria's manufacturing and technical businesses performed strongly. The economic environment in several other African countries was unfavourable. In French-speaking Africa, as a whole, however, profits improved. Trading conditions in the Arabian Gulf remained good. Results for our United Kingdom companies reflected the recession, but the export businesses in both the United Kingdom and France did well.

Greater productivity enabled the breweries in Nigeria to achieve good results and two new breweries will commence production in 1982. The brewery in Sierra Leone has had to operate under difficult conditions and the civil war in Tchad kept one of our two breweries there out of action.

The building materials business of UAC of Nigeria was severely affected by competition and results deteriorated.

The United Kingdom business which includes garden centres made a modest profit.

Medical Division, aided by strong research support, continued the development and marketing of clinical laboratory products, in particular diagnostic aids.

A farmer filling the hopper of his seed drill with seed wheat delivered direct to the farm by Ellis Vinnicombe Limited, one of the member companies of United Agricultural Merchants Limited, in the United Kingdom.

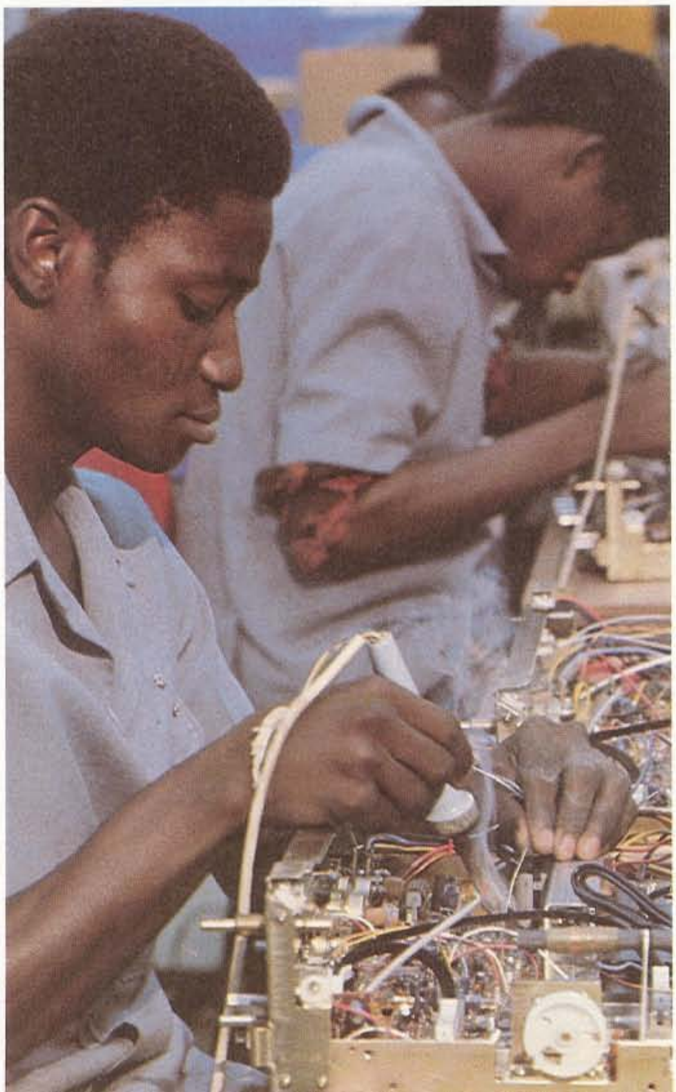
In Nigeria the new factory for the production and sale of toilet preparations, which also provides additional colour film processing facilities, made a good contribution.

Whereas our vehicle distribution activities in the United Kingdom had a difficult year, we continued to make profits from automotive components, body-building and vehicle leasing. Much better results were achieved in Nigeria, assisted by improved supplies for the Bedford and Isuzu truck assembly operation.

The businesses in French-speaking Africa again prospered, though there was lower economic growth in the Ivory Coast. Textiles manufacturing and distribution produced good profits and the results of the general goods, technical and motors activities improved. In France, the electrical wholesale businesses withstood the recession well.

The depressed international shipping market drew additional competition into the West African trade and lower freight rates restricted Palm Line profits. The two container ships currently under construction are due to enter service during 1982.

Lower world log prices reduced the profitability of our timber operations in the Solomon Islands. In Nigeria, major retrenchment was necessitated by a market saturated with cheap illegal imports, coupled with inadequate forest concessions. In agreement with the government, we withdrew from the timber venture in Indonesia.



Shortages of raw materials, fierce competition and a high incidence of smuggling produced difficult conditions for the textiles distribution business in Nigeria. The textile manufacturing ventures in Ghana had to contend with severe price control and import licence restrictions. The Nigerian textile factory which was closed in 1980 was sold during the year.

The BEAM office equipment operation flourished in Nigeria.

Fast food products made further progress in Nigeria and in Ghana. The Kingsway department stores and the G.B. Ollivant general trading business in Nigeria felt the impact of competition from smuggled goods and of restrictions on their own imports of merchandise. Keen competition in Nigeria also affected the plastic foam manufacturing company, but the bedding company had a better year.

UAC of Nigeria set up new production lines for the assembly of audio equipment, colour television sets and air conditioners. The machinery sales and servicing businesses in Nigeria experienced a recovery. The Detroit Diesel Allison distributorships in Australia and Singapore produced higher profits.

The Caterpillar dealerships achieved good results in total. In Nigeria, the new complex near Lagos helped to increase sales and our servicing capability. Additional facilities were also opened in Kano. Despite the low level of construction activity in the United Kingdom, Leverton managed to produce modest profits.

Plantations

The price of palm oil has remained at a relatively low level during the year but our results were somewhat higher. Our programme for rehabilitation of existing plantations and extending into new areas continued. Oil palms are being replanted in Zaïre and coconut palms in the Solomon Islands. The development of a new plantation of 4 000 hectares in Ghana is nearing completion along with installation of a modern oil mill. We have undertaken the development of an oil palm estate in Colombia, our first plantation venture on the South American continent. About 2 500 hectares are being planted, starting in 1982.

The cloning of oil palms through tissue culture has now been undertaken on a commercial basis in the United Kingdom as well as in Malaysia. This will provide plantlets for sale to all parts of the world.

A significant research and development breakthrough during the year was the transfer of the pollinating insect Elaeidobius Camerunicus from our plantations in Cameroun to our plantations in Malaysia. This was the

Left, assembling audio equipment at Pan Electric, part of UAC of Nigeria.

Right, harvesting oil palm bunches at a new plantation in Ghana.

culmination of four years' research work which proved that the oil palm in its natural surroundings was insect-pollinated and not wind-pollinated. Within six months of release in Malaysia, the insect had established itself throughout our two estates and all artificial pollination has been stopped. There are early indications that there will be an improvement in oil yield as well as a cost saving.

Transport
Our transport companies, particularly in the United Kingdom and Germany, had a difficult year. The decline in the level of industrial activity in Europe has affected both volume and price and consequently profit levels have been poor.

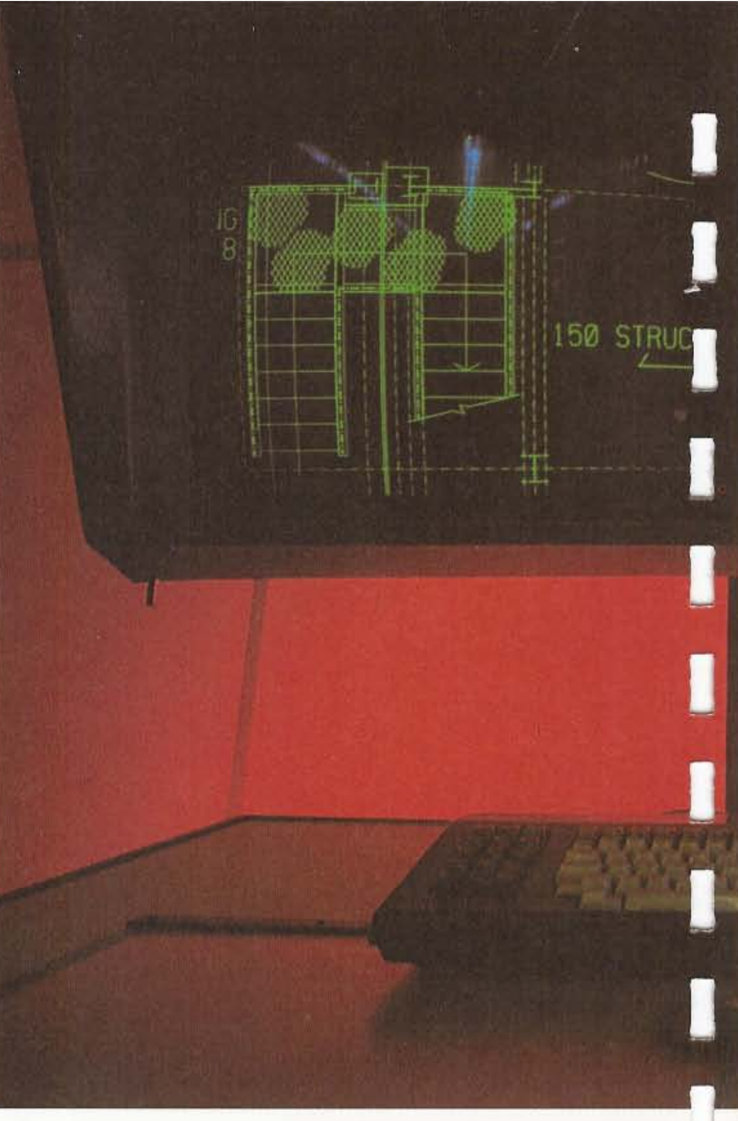
We have had to reduce staff and provision has been made for substantial redundancy costs in several countries. Productivity improvements will be an important contributor to a profit recovery.

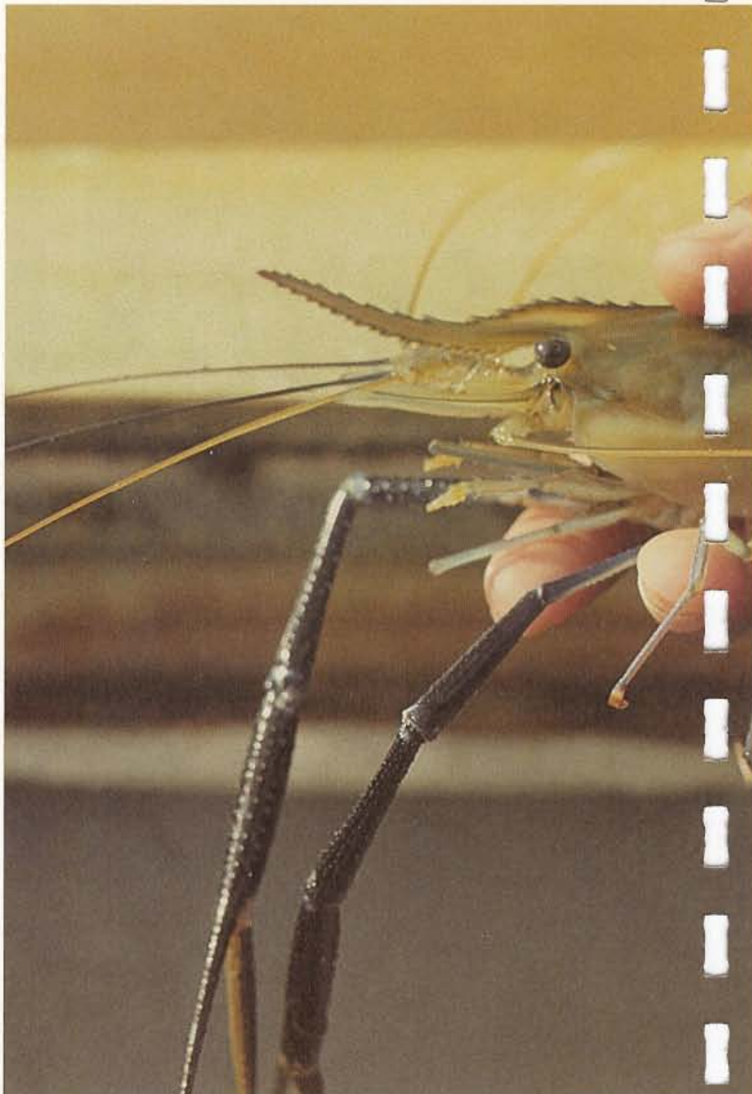
The market for warehousing and distribution still shows opportunities as manufacturers decide to disinvest from their own operations, and our recent investments in depots and computers have made us well equipped to meet their needs.

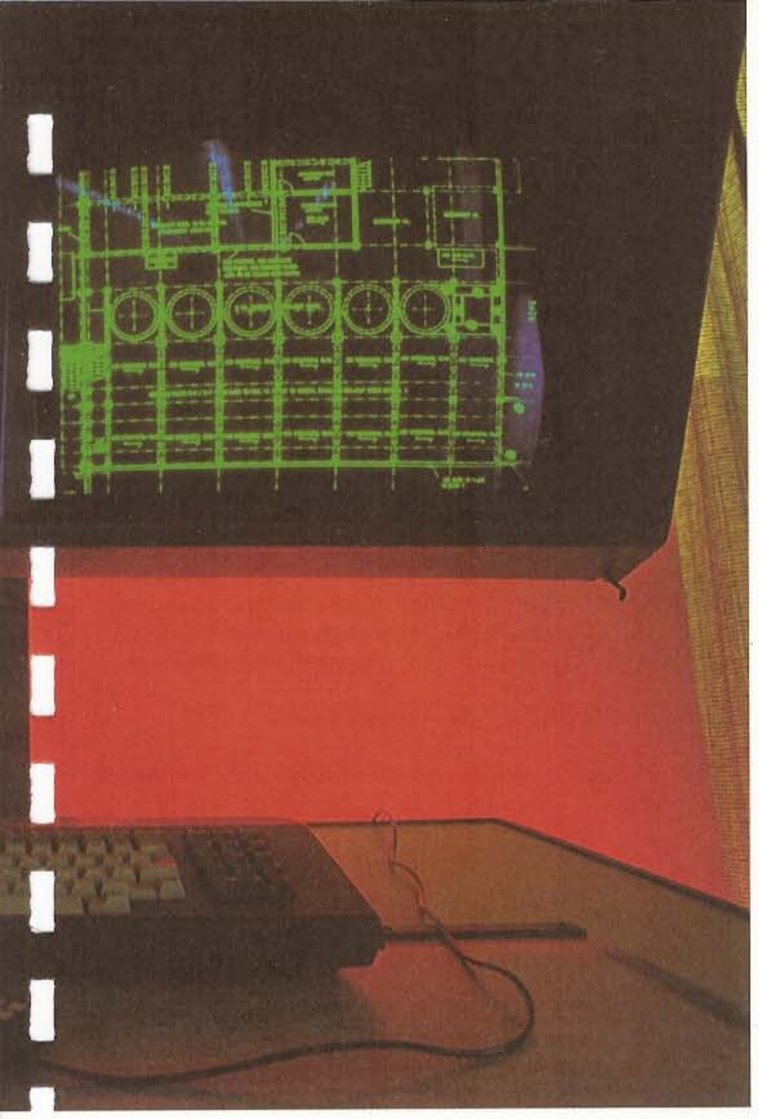
A new roll-on/roll-off ship built in the Netherlands and three new coasters came into service during the year, modernising the fleet and increasing its capacity, whilst lowering the unit costs.

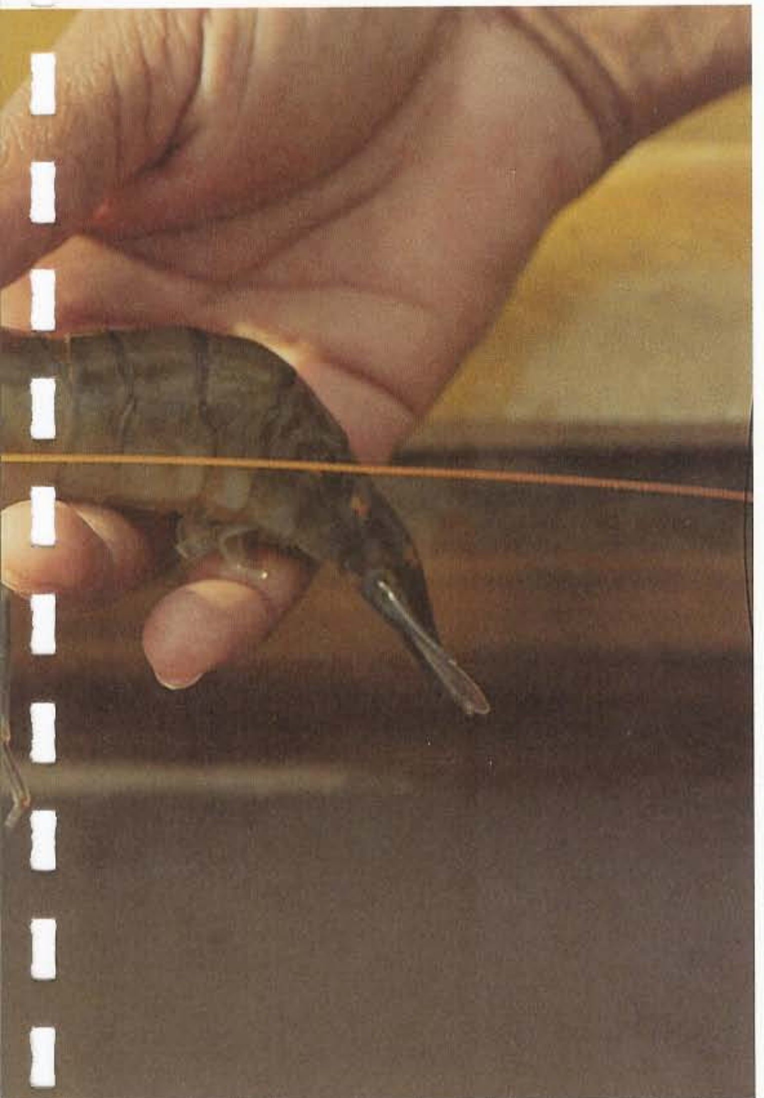
Research and development
Our recognition of the importance of science and technology to our business is reflected by our high commitment to research and development. In 1981 expenditure was Fl. 766 million (1980: Fl. 731 million), divided between our central research, concentrated in three large laboratories in the Netherlands and the United Kingdom, a smaller one in Germany, and company development laboratories in more than 40 countries throughout the world.

Below, the Duke of Holland II, built in the Netherlands for Norfolk Line, entering Scheveningen harbour.









One vital aspect of this substantial investment is the work of the development units, whose task is to take established scientific knowledge and apply it to products and processes which are tailored to the local environment and market demands. Often the same basic technologies are relevant in different countries, but the ways in which they have to be applied can vary quite markedly. The key to doing this successfully lies in the integration with the local operations, taking account of local consumer habits and attitudes, raw materials, legislation and manufacturing facilities. This calls for good collaboration between central research laboratories and company development departments. We foster this by exchanges of managers between the two functions, but for several areas we have also established application units to service companies both in Europe and elsewhere. While these operations have close links with our central research laboratories, the important feature is that the people involved have a specialised knowledge of the needs, problems and technological facilities of the countries with which they work. Research Division is also increasingly serving as a training centre for our development staff throughout the world, supplementing its existing role as a source of technical staff for the business.

Almost half of our development laboratories are outside Europe and North America and it is in these countries that the need to adapt technology to different requirements is usually the most critical. Washing illustrates this clearly. For example, in many countries throughout the Far East soapless detergent bars are very popular for washing clothes, since they give a good performance at a low cost under local conditions. Manufacture of such a product may seem relatively simple, but the basic chemistry involved is complex and problems of products which are too soft and pliable have been encountered. Close collaboration between our overseas companies and Research Division enabled us to tackle these problems utilising basic knowledge of the interactions between the ingredients involved, and has led to new products which combine substantially improved physical stability with no adverse effect on cost or performance. Products designed for the specific requirements of a number of countries are now being introduced. Our understanding of the science underlying the working of fabric washing powders has also been coupled to detailed studies of the washing habits in many countries, and throughout Africa, Asia and Latin America our companies are now selling improved products which satisfy the consumers' expectations and which are geared to cost effectiveness and local raw material availability.

In a similar way our scientists and engineers in many other product areas are adapting their technologies to meet new and demanding requirements—for dental products in Indonesia, low-calorie mayonnaise in Japan, ready-prepared foods for Africa, non-refrigerated margarine for the tropics.

Two aspects of science and technology: above, computer aided design in use by Engineering Division and below, a prawn farmed in India using Unilever's background knowledge of aquaculture.

Our research centre in Bombay is also playing a valuable role in building up our technological base. It has become the largest research establishment in the private sector in India; it makes an important contribution to the local business, and is also working on various developments in collaboration with our European laboratories. One project in India, for example, is prawn farming, which can now share some of the scientific background knowledge of aquaculture built up during the establishment of salmon farming in Europe.

Our major companies in the United States also have substantial research and development laboratories, working on the particular requirements of the local markets. A decision was taken in 1981 to increase significantly the research activity in the United States for personal care and household products.

Capital expenditure and projects
On page 68 will be found figures for our capital expenditure in 1981 compared with previous years, and analysed both by geographical areas and by operations. Capital expenditure in 1981 was at approximately the same level as in 1980.

In 1981 the Board has approved capital projects totalling Fl. 2 094 million (1980: Fl. 2 174 million), some of which has already been spent and the remainder will be spent in 1982 and beyond. These will be carried out in many countries, covering all aspects of our operations. Of particular interest among them are the establishment of an oil palm plantation in Colombia, our first such venture on the South American continent; the building of a new margarine factory at Corlu, Turkey, in the main sunflower growing area of Thrace; and the construction of a sulphonation plant for the production of liquid detergents in the United States.

In London the renovation of Unilever House continues and the construction of the new North Wing is complete; this will bring all the Head Office departments together under one roof, in the interests of operational efficiency.

Amongst the more important projects are:

Centralisation and modernisation of edible fats production in Australia

Construction of a new margarine factory in Turkey

Expansion and renovation of restaurants in Germany

Below, a new fatty acids plant in Malaysia came into service in 1981.

Modernisation of detergent production facilities in Canada

Replacement of power generation facilities for two detergent factories in India

Replacement of a sulphonation plant in Thailand

Modernisation and expansion of manufacturing and storage facilities at a detergents factory in the United Kingdom

Construction of a sulphonation plant for the production of liquid detergents in the United States

Modernisation and extension of a catalyst production plant in Germany

Modernisation of fertiliser production facilities in India

Construction of a new adhesives plant in the United States

Redevelopment of a textile distribution centre in the Ivory Coast

Restructuring of the depot networks for the distribution of frozen products in the United Kingdom

Development of a 2 500 hectare oil palm estate and the construction of a new factory in Colombia

Personnel

The table below shows the total number of our employees and the employees of our associated companies. It also shows their geographical distribution together with comparative figures for 1980.

	Parent companies and subsidiaries		Associated companies		Totals	
(000's)	1980	1981	1980	1981	1980	1981
European Community countries	156	151	3	3	159	154
Other European countries	16	15	1	1	17	16
North America	21	21	—	—	21	21
Central and South America	10	11	3	3	13	14
Africa	56	55	41	38	97	93
Asia, Australia, New Zealand	41	39	6	6	47	45
	300	292	54	51	354	343

The statistics in the table represent in shorthand a work force made up of many nationalities working in any one of the 75 countries in which we have operations. This geographical diversity means that recruitment and training of our employees must be the responsibility of the local management. The development of efficient teams of employees is a continuing priority for our management in all countries as our business depends on innovation, competitiveness and productivity to improve our market position and profitability.

Although much of the personnel function must be decentralised, especially in our relationships with unions and other plant and company representatives of our employees, there still is an important role for the centre in the development of our personnel policies. These embrace our philosophy and give a unifying element to personnel practices throughout Unilever. In particular, the centre retains the responsibility for planning the training and development of our 20 000 managers throughout the world. We consider this to be a most important task and one to which the centre devotes considerable effort. The task of management is today becoming increasingly complex and nowhere is this more so than in developing countries with all their aspirations for a better life. We seek to draw on the skills of our international management cadre to broaden the experience of our young managers and we help them to exchange ideas and experiences with managers from other countries. And so in accordance with our continuing policy of giving our managers experience of working outside their own country, some 1 200 were in expatriate posts in 1981. Many others were sent on training courses in which managers of many nationalities took part. In this way we strive to ensure the long-term future of our business but, at the same time, we contribute effectively to the enhancement of management numbers and skills in many developing countries.

We believe that our employees will react constructively to information about the progress of our business and the future plans for their part of it. Each year we seek to improve our ability to share this kind of information with our employees so that all can feel pride in our achievements and understand the problems we face and, through this, feel a sense of commitment and belonging.

Dividends

The proposed appropriations of the profits of N.V. and PLC are shown in the consolidated profit and loss accounts on page 34.

The Boards have resolved to recommend to the Annual General Meetings on 19th May, 1982 the declaration of final dividends on the Ordinary Capitals in respect of 1981 at the following rates, which are equivalent in value in terms of the Equalisation Agreement:

N.V.	
per Fl. 20 ordinary capital	
Interim	Fl. 4.44
Final	Fl. 7.60
Total	Fl. 12.04
	(1980: Fl. 11.12)

PLC	
per 25p ordinary share	
Interim	9.96p
Final	16.91p
Total	26.87p
	(1980: 22.91p)

The N.V. final dividend of Fl. 7.60 will be payable as from 1st June, 1982 (or in the case of the New York shares on 16th June, 1982).

The PLC final dividend will be paid on 1st June, 1982 to shareholders registered on 4th May, 1982.

For the purpose of equalising dividends under the Equalisation Agreement, Advance Corporation Tax (ACT) in respect of any dividend paid by PLC has to be treated as part of the dividend. PLC's 1981 final dividend has been calculated by reference to the current rate of ACT; if the effective rate applicable to payment of the dividend is different the amount will be adjusted accordingly and a further announcement made to the shareholders of PLC.

Directors and Auditors

Directors
Sir David Orr, Mr. W. B. Blaisse and Mr. A. H. C. Hill whose intention to retire has already been announced will not offer themselves for re-election at the Annual General Meeting.

In accordance with Article 21 of the Articles of Association all the remaining Directors named on page 3 will retire from office at the forthcoming Annual General Meeting and will offer themselves for re-election.

Sir Geoffrey Allen and Mr. J. A. Houtzager have been nominated for election as Directors of both Companies.

As already announced the Boards intend to elect Mr. K. Durham to succeed Sir David Orr as Chairman of PLC and a Vice-Chairman of N.V. and to elect Mr. C. F. Sedcole a Vice-Chairman of PLC.

Sir David Orr has served Unilever for more than 33 years, 15 of them as a Director and 8 of them as Chairman of PLC. He received his knighthood in the Queen's Silver Jubilee and Birthday Honours List in 1977. In 1979 Queen Juliana of the Netherlands made him a Commander of the Order of Orange Nassau. His colleagues record their appreciation of his record of service to Unilever and pay a warm tribute to the special qualities he has brought to a memorable tenure of office as Chairman of PLC.

Mr. Blaisse joined Unilever in 1951 and has served in a number of countries and in different roles on the Continent of Europe, joining the Board in 1971 where he has been Edible Fats and Dairy Co-ordinator and Regional Director for Continental Europe. Mr. Hill has served Unilever for more than 35 years, 8 of them as a Director and since 1978 as Chairman of the UK National Management. Mr. Blaisse and Mr. Hill have served Unilever with distinction and their colleagues record their appreciation of the contribution each has made to the success of the business.

Sir Geoffrey Allen is 53 and joined Unilever in October 1981 from Imperial College, London where he was Professor of Chemical Technology. He has recently completed his term of office as Chairman of the Science and Engineering Research Council in the United Kingdom.

Mr. J. A. Houtzager is 47 and joined Unilever in 1960. After appointments in Denmark, Switzerland and India he was appointed a member of Unilever's Detergents Co-ordination. Since 1979 he has been a member of the Overseas Committee.

Secretaries
Mr. C. Zwagerman will retire in May, 1982 having served Unilever for 25 years, 11 of them as a Secretary. The Directors wish to record their appreciation of his distinguished service. He will be succeeded by Mr. T. Drion.

Auditors
The auditors, Price Waterhouse Nederland, The Hague, and Coopers & Lybrand Nederland, Rotterdam, offer themselves for reappointment.

By Order of the Board

C. Zwagerman
J. D. Keir
Secretaries

30th March, 1982

Reports of the Auditors

N.V. Group[1])
To the Members of Unilever N.V.

We have examined the 1981 accounts of Unilever N.V. Based on this examination, in our opinion these accounts (set out on pages 31 to 47, 54, 55 and 60 to 63) together give a true and fair view of the state of affairs of the Company and the Group at 31st December, 1981 and of the profit and source and use of funds for the year then ended.

Price Waterhouse Nederland
The Hague

Coopers & Lybrand Nederland
Rotterdam

30th March, 1982

[1]) Signed by auditors authorised under Article 102 of Dutch Civil Code, Book 2.

PLC Group
The following is the auditors' report on the accounts of the PLC Group expressed in pounds sterling, with page numbers amended as appropriate.

To the Members of Unilever PLC.

We have audited the accounts set out on pages 31 to 47 and 56 to 63 in accordance with approved Auditing Standards in the United Kingdom.

In our opinion the accounts and the notes relevant thereto together give, under the historical cost convention, a true and fair view of the state of affairs of the Company and the Group at 31st December, 1981 and of the profit and source and use of funds of the Group for the year then ended and comply with the Companies Acts 1948 to 1981.

Coopers & Lybrand
London

Price Waterhouse
London

30th March, 1982

Accounts

Companies legislation
The accounts, set out on pages 31 to 47 and 54 to 63, have been prepared on the historical cost convention and comply with Civil Code, Book 2 in the Netherlands and the United Kingdom Companies Acts 1948 to 1981.

Combined figures are given for the information of shareholders.

Equalisation Agreement
N.V. and PLC are linked by a series of agreements of which the principal is the Equalisation Agreement. Amongst other things, this requires as a general rule the dividends and other rights and benefits (including rights on liquidation) attaching to each Fl. 12 nominal of Ordinary capital of N.V. to be equal in value at the relevant sterling/guilder rate of exchange to those attaching to each £1 nominal of Ordinary share capital of PLC as if each such unit formed part of the Ordinary capital of one and the same company.

Accounting standards
The Equalisation Agreement further provides for both companies to adopt the same principles of accountancy. The accounts comply with Accounting Standards (SSAPs) in the United Kingdom, except for the treatment of deferred taxation as explained below, and with current Dutch accounting principles.

United Kingdom Accounting Standard SSAP 15 requires provision to be made for deferred taxation except in so far as the Directors are able to foresee on reasonable evidence that no liability is likely to arise. In this latter respect, however, it is not in agreement with Dutch law as currently applied and, because of this and the Equalisation Agreement, full provision continues to be made for deferred taxation liabilities. The effects of this departure from SSAP 15 are shown in the notes to the accounts.

Accounting policies

Foreign currencies

Gains and losses arising in each individual company as a result of changes in the relative value of currencies during the year are included in the local currency operating profit of the individual company concerned.

In consolidating subsidiary companies of N.V. into guilders and of PLC into sterling exchange rates current at the year-end are used for translation of sales and profit for the year and assets and liabilities at the year-end. The effect of exchange rate changes during the year, on the assets and liabilities at the beginning of the year, is shown as a movement in profit retained.

In arriving at the combined figures in guilders the sterling figures of PLC are translated at the year-end sterling/guilder exchange rate, except for the ordinary capital of PLC which is translated at the Equalisation Agreement rate of £1 = Fl. 12. The effect of restating the assets and liabilities of PLC at the beginning of the year is described as sterling/guilder realignment and is shown as a movement in profit retained.

Consolidated companies (subsidiaries)

Subsidiaries included in the consolidated accounts of N.V. or PLC are those in which directly or indirectly N.V. or PLC either holds more than 50% of the equity capital or being a shareholder controls the composition of a majority of the Board of Directors.

Further, in accordance with Civil Code, Book 2 in the Netherlands, N.V.'s consolidated accounts include those companies in which N.V. holds directly or indirectly more than 50% of the total issued capital.

A list of principal subsidiaries is given on pages 60 to 63.

Recognising the diversified nature of the operations of their substantial interests in and trade with overseas territories, the majority of the UAC International group of companies close their financial year on 30th September. Their accounts at this date are included in the consolidation.

Associated companies

These are companies, not being consolidated companies, in which N.V. or PLC has significant shareholdings and participates in commercial and financial policy decisions. The sales and operating profits of associated companies are excluded from the consolidated profit and loss accounts, but the concern share of the results of these companies including interest due on loans is shown separately after operating profit.

The results relate to periods ending not earlier than 30th June.

The concern share of retained profits and reserves which has accrued since acquisition, or since the initial investment where a company has changed from a subsidiary to an associate, is included in consolidated profit retained.

The principal associated companies are listed on page 63.

Trade investments

These are minority investments in companies not being consolidated or associated companies with which N.V. or PLC has a long-term trading relationship. There are some 200 such investments throughout the world.

Trade investments are shown at cost less amounts written off and dividends are accounted for when received. A statement summarising the interest in the results and net assets of all trade investments is given on page 45.

The principal trade investments are listed on page 63.

Goodwill

No value is attributed to goodwill in the business.

The difference between the price paid for new interests and the fair value of the group share of the net tangible assets acquired is adjusted against profit retained in the year of acquisition.

The group share of any premium arising on the subscription for additional share capital of subsidiaries by outside shareholders is taken to profit retained in the year of issue.

Fixed assets

Fixed assets are stated at cost, net of capital based grants. Depreciation is provided by the straight line method at percentages of cost related to the expected average lives of the assets.

The major classes of depreciable assets with their estimated useful lives are summarised below; the spread of lives recognises the diversity of the assets within each class:

Freehold buildings (no depreciation on freehold land)	33–40 years
Leasehold land and buildings (or life of lease if less than 33 years)	33–40 years
Plant and equipment	5–20 years
Motor vehicles	3– 6 years
Ships	10–20 years

Current assets

Stocks are stated on the basis of the lower of cost and net realisable value, after provisions for obsolescence. Cost—mainly averaged cost—includes direct expenditure and, where appropriate, a proportion of manufacturing fixed costs.

Debtors are stated after deducting adequate provision for doubtful debts.

Marketable securities represent liquid funds temporarily invested and are shown at their realisable value.

Pensions

Liabilities in respect of retirement and death benefits are provided for by payments to pension and provident funds and by making unfunded provisions. The amounts of the payments/charges are determined on an actuarial basis so that over the long term the funds and provisions will be adequate to meet the liabilities. The unfunded provisions represent the estimated present value of the future liability for retirement and death benefits to past and present employees, other than benefits provided through pension and provident funds, after taking account of future charges.

Loan capital
Loan capital includes that proportion repayable within one year.

Deferred liabilities
Unfunded retirement provisions are as noted under Pensions above.

Deferred taxation, provided at the rates of tax applicable at the year-end, includes deferred tax on the accelerated depreciation of fixed assets for tax purposes, tax reliefs relating to stock values (except as noted below) and short-term timing differences, less the estimated future tax relief on the provisions for unfunded retirement benefits. Provision is also made for deferred taxation on the revaluation of the net tangible assets of new interests acquired.

Provision is not regarded as necessary, and is not made, for deferred taxation in respect of the following items:

(a) United Kingdom stock relief except where clawback is likely on cessation of a business

(b) tax which would become payable if retained profits of subsidiaries and associated companies were distributed to the parent companies, as it is not the intention to distribute more than the dividends, the tax on which is included in the accounts.

The deferred taxation provisions which would be released if SSAP 15 were applied are given for information in the notes to the accounts on pages 38 and 42.

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

Inter-group pricing for goods and services
International trade in own manufactured goods between Unilever companies is relatively unimportant. Such transactions represent under 7% of total turnover.

The preferred method for determining the transfer prices is to take the market price; where there is no market price, the two managements concerned engage in arm's length negotiations. Normally this will lead to a price fixed at ex-works cost plus an appropriate percentage for a profit mark-up. Where required the method employed is discussed and agreed with the government authorities of the countries concerned.

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

Where a central purchasing department buys goods for a Unilever company for use in its production, then that company is either treated as the buyer in the contract or is given the benefit of the central purchasing department's contract price. However, where a specialist buying service is provided directly by one unit for another, an appropriate commission is generally either included in the price or shown on the face of the relevant documents. In most of these cases the method applied is based on agreements with the taxation and other government authorities of the countries concerned.

Consolidated profit and loss accounts

Unilever N.V. and Unilever PLC and their subsidiaries
for the year ended 31st December

Fl. million		1980		1981		Fl. million
PLC	N.V.	**Combined**		**Combined**	N.V.	PLC
22 033	29 435	**51 468**	**Sales to third parties** (1)	**56 115**	32 821	23 294
(20 683)	(27 871)	**(48 554)**	Costs (2)	**(52 790)**	(30 929)	(21 861)
1 350	1 564	**2 914**	**Operating profit** (3)	**3 325**	1 892	1 433
153	47	**200**	Concern share of associated companies' profit before taxation	**261**	57	204
8	3	**11**	Income from trade investments (4)	**11**	2	9
29	(254)	**(225)**	Interest (5)	**(250)**	(277)	27
1 540	1 360	**2 900**	**Profit before taxation**	**3 347**	1 674	1 673
(732)	(652)	**(1 384)**	Taxation on profit of the year (6)	**(1 483)**	(695)	(788)
(3)	16	**13**	Taxation adjustments previous years (7)	**102**	2	100
805	724	**1 529**	**Profit after taxation** (6)	**1 966**	981	985
(40)	(68)	**(108)**	Outside interests and preference dividends (8)	**(118)**	(69)	(49)
765	656	**1 421**	**Profit attributable to ordinary capital**	**1 848**	912	936
			Combined earnings per share (9)			
			25.49 per Fl. 20 of capital (Fl.) 33.16			
			75.41 per 25p of capital (pence) 105.39			
(184)	(356)	**(540)**	Dividends on ordinary and deferred capital	**(586)**	(385)	(201)
581	300	**881**	**Profit of the year retained**	**1 262**	527	735
			Movements in profit retained			
581	300	**881**	Profit of the year retained	**1 262**	527	735
(9)	(6)	**(15)**	Goodwill	**66**	63	3
(95)	145	**50**	Effect of exchange rate changes (10)	**287**	165	122
938	—	**938**	Sterling/guilder realignment	**(419)**	—	(419)
1 415	439	**1 854**	Net additions to profit retained	**1 196**	755	441
4 655	3 471	**8 126**	Balance—1st January	**9 980**	3 910	6 070
6 070	3 910	**9 980**	Balance—31st December	**11 176**	4 665	6 511

The notes on pages 31 to 33 and 37 to 47 form part of these accounts.
References between brackets relate to notes on pages 37 to 39.

Consolidated balance sheets

Unilever N.V. and Unilever PLC and their subsidiaries
as at 31st December

Fl. million		1980		1981		Fl. million
PLC	N.V.	**Combined**		**Combined**	N.V.	PLC
			Capital employed			
26	265	291	**Preferential share capital** (11)	289	265	24
6 347	4 602	10 949	**Ordinary shareholders' equity**	12 125	5 357	6 768
549	640	1 189	Ordinary share capital (12)	1 189	640	549
6 070	3 910	9 980	Profit retained (13)	11 176	4 665	6 511
(272)	52	(220)	Other reserves (14)	(240)	52	(292)
180	375	555	**Outside interests in subsidiaries**	678	470	208
826	2 278	3 104	**Loan capital** (15)	3 235	2 434	801
1 476	1 894	3 370	**Deferred liabilities** (16)	3 717	2 133	1 584
(87)	87	—	Inter group — N.V./PLC	—	84	(84)
8 768	9 501	18 269		20 044	10 743	9 301
			Employment of capital			
3 873	5 070	8 943	**Fixed assets** (17)	9 752	5 545	4 207
565	191	756	**Associated companies** (18)	825	199	626
162	60	222	**Trade investments** (19)	214	63	151
109	550	659	**Other long-term assets** (20)	713	623	90
4 117	3 839	7 956	**Working capital**	8 389	4 291	4 098
3 771	4 359	8 130	Stocks (21)	8 863	4 876	3 987
3 135	3 491	6 626	Debtors (22)	7 302	4 063	3 239
(2 789)	(4 011)	(6 800)	Creditors (23)	(7 776)	(4 648)	(3 128)
(341)	(397)	(738)	**Provision for taxation**	(911)	(538)	(373)
(113)	(229)	(342)	**Dividends**	(372)	(245)	(127)
396	417	813	**Net liquid funds**	1 434	805	629
101	302	403	Marketable securities (24)	895	393	502
1 072	1 283	2 355	Cash and deposits (25)	2 376	1 456	920
(777)	(1 168)	(1 945)	Short-term borrowings	(1 837)	(1 044)	(793)
8 768	9 501	18 269		20 044	10 743	9 301

The notes on pages 31 to 33 and 37 to 47 form part of these accounts.
References between brackets relate to notes on pages 40 to 46.

Consolidated source and use of funds

Unilever N.V. and Unilever PLC and their subsidiaries
for the year ended 31st December

Fl. million		1980		1981		Fl. million
PLC	N.V.	Combined		Combined	N.V.	PLC
			Funds generated from operations			
1 540	1 360	2 900	Profit before taxation	3 347	1 674	1 673
			Elimination of items not involving a flow of funds:			
(77)	(32)	(109)	Concern share of associated companies' profit before taxation, less dividends and interest received	(191)	(23)	(168)
363	652	1 015	Depreciation	1 098	707	391
71	165	236	Unfunded retirement benefits	255	168	87
11	23	34	Others	13	14	(1)
1 908	2 168	4 076		4 522	2 540	1 982
			Funds from other sources			
(19)	225	206	Loan capital issued/repaid	183	178	5
1 889	2 393	4 282	**Total sources**	4 705	2 718	1 987
(557)	(516)	(1 073)	**Taxation payments during the year**	(924)	(511)	(413)
(887)	(1 050)	(1 937)	**Capital expenditure less disposals**	(1 911)	(1 014)	(897)
(89)	(74)	(163)	**Purchase/sale of subsidiaries** (26)	68	67	1
(6)	(9)	(15)	**Purchase/sale of associated companies/trade investments**	(18)	(18)	—
(173)	(32)	(205)	**Additional/reduced working capital*)**	(523)	(366)	(157)
(194)	(350)	(544)	**Dividends paid during the year**	(564)	(384)	(180)
(183)	(52)	(235)	**Other uses**	(72)	(55)	(17)
(2 089)	(2 083)	(4 172)	**Total uses**	(3 944)	(2 281)	(1 663)
(200)	310	110	**Net increase/decrease in net liquid funds**	761	437	324
			*) of which			
(87)	(206)	(293)	Stocks	(835)	(462)	(373)
(234)	(333)	(567)	Debtors	(899)	(638)	(261)
148	507	655	Creditors	1 211	734	477
468	168	636	Net liquid funds 1st January as reported	813	417	396
34	(61)	(27)	Effect of exchange rate changes	(113)	(49)	(64)
94	—	94	Sterling/guilder realignment	(27)	—	(27)
596	107	703	Revised opening funds	673	368	305
(200)	310	110	Net increase/decrease in net liquid funds	761	437	324
396	417	813	**Net liquid funds 31st December**	1 434	805	629

The figures in the above statement are derived from movements between opening and closing balance sheet totals. Adjustments are, however, made to these movements to remove the effect of exchange rate changes (page 34), sterling/guilder realignment (page 34) and the purchase/sale of subsidiaries (note (26) on page 46).

The notes on pages 31 to 33 and 37 to 47 form part of these accounts.
References between brackets relate to notes on page 46.

Notes to the consolidated accounts

PLC 1980	N.V. 1980	Combined 1980	Fl. million	Combined 1981	N.V. 1981	PLC 1981
			(1) Sales to third parties			
3 698	9 683	13 381	Margarine, other fats and oils, dairy products	14 360	10 582	3 778
5 041	8 205	13 246	Other foods	14 070	8 949	5 121
3 528	5 882	9 410	Detergents	10 695	6 799	3 896
608	1 822	2 430	Personal products	2 675	2 000	675
1 052	2 217	3 269	Chemicals	3 737	2 703	1 034
1 104	937	2 041	Paper, plastics, packaging	1 954	977	977
3 106	769	3 875	Animal feeds	3 959	813	3 146
4 487	242	4 729	UAC International	5 433	246	5 187
1 779	2 142	3 921	Plantations, transport, other interests	4 180	2 322	1 858
24 403	31 899	56 302	Total sales	61 063	35 391	25 672
(2 370)	(2 464)	(4 834)	Less: internal sales	(4 948)	(2 570)	(2 378)
22 033	29 435	**51 468**		**56 115**	32 821	23 294
			(2) Costs			
(13 522)	(14 859)	(28 381)	Raw materials, packaging and goods for resale	(30 943)	(16 865)	(14 078)
(132)	(113)	(245)	Hire of plant and machinery	(248)	(124)	(124)
(363)	(652)	(1 015)	Depreciation	(1 098)	(707)	(391)
(10)	(11)	(21)	Auditors' remuneration	(22)	(12)	(10)
13	(84)	(71)	Exceptional items (e.g. disposals and reorganisations)	(123)	(47)	(76)
(3 691)	(6 016)	(9 707)	Remuneration of employees including social security contributions	(10 339)	(6 533)	(3 806)
(5)	(8)	(13)	Emoluments of Directors as managers including contributions to pension funds for superannuation	(12)	(7)	(5)
(2)	(2)	(4)	Superannuation of former Directors	(5)	(3)	(2)
(2 971)	(6 126)	(9 097)	Other costs	(10 000)	(6 631)	(3 369)
(20 683)	(27 871)	**(48 554)**		**(52 790)**	(30 929)	(21 861)
			(3) Operating profit			
262	444	706	Margarine, other fats and oils, dairy products	841	549	292
234	466	700	Other foods	732	501	231
319	312	631	Detergents	777	373	404
61	109	170	Personal products	253	177	76
60	154	214	Chemicals	272	193	79
(24)	47	23	Paper, plastics, packaging	8	40	(32)
86	(32)	54	Animal feeds	62	(9)	71
205	12	217	UAC International	259	10	249
147	52	199	Plantations, transport, other interests	121	58	63
1 350	1 564	**2 914**		**3 325**	1 892	1 433
			(4) Income from trade investments			
2	1	3	From listed shares	3	1	2
6	1	7	From unlisted shares	9	2	7
—	1	1	Interest on loans	—	—	—
—	—	—	Other profits/losses including disposals	(1)	(1)	—
8	3	**11**		**11**	2	9

Notes to the consolidated accounts

Fl. million		1980		1981		Fl. million
PLC	N.V.	**Combined**		**Combined**	N.V.	PLC
			(5) Interest			
(91)	(210)	(301)	Interest on loan capital	(317)	(236)	(81)
(98)	(205)	(303)	Interest paid on short-term borrowings	(349)	(233)	(116)
218	161	379	Interest received including change in market value of marketable securities	416	192	224
29	(254)	**(225)**		**(250)**	(277)	27
			Interest on loan capital includes:			
(9)	(92)	(101)	Interest on loans, the final repayment of which will be made within 5 years	(119)	(95)	(24)
			(6) Taxation on profit of the year			
(659)	(632)	(1 291)	Parent companies and their subsidiaries	(1 355)	(668)	(687)
(73)	(20)	(93)	Associated companies	(128)	(27)	(101)
(732)	(652)	**(1 384)**		**(1 483)**	(695)	(788)

The benefit of United Kingdom stock relief amounting to Fl. 91 million (1980: Fl. 8 million) has been included in the calculation of the taxation on the profit for PLC. The 1980 figure does not include the additional benefit of Fl. 105 million arising from changes concerning stock relief contained in the United Kingdom Finance Act 1981 which is included in Taxation adjustments previous years (note 7).

PLC 1980		PLC 1981
	The charge for PLC Parent and subsidiaries comprises:	
(590)	United Kingdom Corporation Tax (at 52%)	(573)
219	less: double tax relief	247
(288)	plus: non United Kingdom taxes	(361)
(659)		(687)

The close company provisions of the United Kingdom Income and Corporation Taxes Act, 1970 do not apply to PLC.

PLC	N.V.	Combined		Combined	N.V.	PLC
			As explained on page 31 full provision is made for deferred taxation consisting of:			
(252)	(51)	(303)	Accelerated depreciation	(217)	(20)	(197)
(3)	22	19	Stock reliefs	(48)	(44)	(4)
44	14	58	Unfunded retirement benefits and other provisions	114	63	51
(211)	(15)	(226)		(151)	(1)	(150)
			On a SSAP 15 basis the provision would be adjusted by:			
233	35	268	Accelerated depreciation	194	26	168
(29)	34	5	Other	(50)	(13)	(37)
204	69	273		144	13	131
1 009	793	1 802	Profit after taxation on a SSAP 15 basis would amount to	2 110	994	1 116

Fl. million 1980 PLC	N.V.	Combined		1981 Combined	N.V.	PLC Fl. million
			(7) Taxation adjustments previous years			
3	17	20	Parent companies and their subsidiaries	104	4	100
(6)	(1)	(7)	Associated companies	(2)	(2)	—
(3)	16	**13**		**102**	2	100
			The 1981 figures for PLC include the additional stock relief benefit of Fl. 105 million, mainly applicable to 1980, arising from changes contained in the United Kingdom Finance Act 1981.			
			(8) Outside interests and preference dividends			
(39)	(53)	(92)	Outside interests	(102)	(54)	(48)
(1)	(15)	(16)	Preference dividends	(16)	(15)	(1)
(40)	(68)	**(108)**		**(118)**	(69)	(49)

(9) Combined earnings per share

The calculation of earnings per share is based on the combined profit of the year attributable to ordinary capital divided by the combined number of share units representing the combined ordinary capital of N.V. and PLC of Fl. 1 189 million (as set out on page 40) less Fl. 75 million (1980: Fl. 75 million) being 74% (1980: 74%) of the ordinary capital held by the Leverhulme Trust on which the trustees have waived their rights to dividends; these dividends would otherwise flow back to the Company through a wholly-owned subsidiary which has a beneficial interest in the income of the Trust. For the calculation of combined ordinary capital the rate of exchange £1 = Fl. 12 has been used, in accordance with the Equalisation Agreement.

The combined number of share units is therefore 55 719 254 (1980: 55 719 254) of Fl. 20 or alternatively 371 461 691 (1980: 371 461 691) of 25 pence.

1980		1981
	The calculations for 1980 and 1981 are therefore:	
Fl. 1 421 million	Profit attributable to ordinary capital (see page 34)	Fl. 1 848 million
Fl. 25.49	Divided by units of Fl. 20 (see above) =	Fl. 33.16
£280.1 million	Profit attributable to ordinary capital in sterling	£391.5 million
75.41p	Divided by units of 25p (see above) =	105.39p
	On a SSAP 15 basis the figures would be:	
Fl. 1 694 million	Profit attributable to ordinary capital	Fl. 1 992 million
Fl. 30.40	Divided by units of Fl. 20 (see above) =	Fl. 35.75
£334.0 million	Profit attributable to ordinary capital in sterling	£422.1 million
89.93p	Divided by units of 25p (see above) =	113.63p

1980 PLC	N.V.	Combined		1981 Combined	N.V.	PLC
			(10) Effect of exchange rate changes			
(63)	140	77	On fixed assets	251	155	96
(32)	5	(27)	Other	36	10	26
(95)	145	**50**		**287**	165	122

(11) Preferential share capital

1980 Authorised	1980 Issued and fully paid		1981 Issued and fully paid	1981 Authorised
Fl. million	Fl. million	**Unilever N.V.**	Fl. million	Fl. million
75	29	7% Cumulative Preference (Ranking pari passu)	29	75
200	161	6% Cumulative Preference (Ranking pari passu)	161	200
75	75	4% Cumulative Preference (Ranking pari passu)	75	75
350	265		265	350
£million	£million	**Unilever PLC**	£million	£million
0.2	0.2	5% First Cumulative Preference	0.2	0.2
3.5	3.5	7% First Cumulative Preference	3.5	3.5
1.2	1.2	8% Second Cumulative Preference	1.2	1.2
0.2	0.2	20% Third Cumulative Preferred Ordinary	0.2	0.2
5.1	5.1		5.1	5.1
	26	Guilder equivalent (Fl. million)	24	
	291		**289**	

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

The rates shown for the preferential capital of PLC are before the reduction of three tenths which followed the introduction of the imputation system of taxation in the United Kingdom in April, 1973.

(12) Ordinary share capital

1980 Authorised	1980 Issued and fully paid		1981 Issued and fully paid	1981 Authorised
Fl. million	Fl. million	**Unilever N.V.**	Fl. million	Fl. million
1 000	640	Ordinary (in Fl. 20 shares)	640	1 000
2	2	Ordinary (in Fl. 1 000 shares) numbered 1 to 2 400	2	2
	(2)	Internal holdings eliminated in consolidation	(2)	
1 002				1 002
	640		640	
£million	£million	**Unilever PLC**	£million	£million
136.2	45.8	Ordinary (in 25p shares)	45.8	136.2
0.1	0.1	Deferred	0.1	0.1
	(0.1)	Internal holdings eliminated in consolidation	(0.1)	
	45.8		45.8	
	549	Guilder equivalent (Fl. million)	549	
	1 189		**1 189**	

Internal holdings
Ordinary shares numbered 1 to 2 400 (inclusive) in N.V. and the deferred stock of PLC are held as to one half of each class by N.V. Elma—a subsidiary of N.V.—and one half by United Holdings Limited—a subsidiary of PLC. This capital is eliminated in consolidation. It carries the right to nominate persons for election as directors at general meetings of shareholders.

The Directors of N.V. Elma are N.V. and PLC, who with Mr. H. F. van den Hoven and Mr. K. Durham are also Directors of United Holdings Limited. The above-mentioned subsidiaries have waived their rights to dividends on their ordinary shares in N.V. A nominal dividend of 1/4% was paid on the deferred stock of PLC.

Notes to the consolidated accounts

Fl. million PLC	N.V.	1980 Combined		1981 Combined	N.V.	Fl. million PLC
			(13) Profit retained			
2 784	2 459	5 243	Parent companies	5 256	2 556	2 700
2 907	1 390	4 297	Subsidiaries	5 418	2 045	3 373
379	61	440	Associated companies	502	64	438
6 070	3 910	9 980		11 176	4 665	6 511
			(14) Other reserves			
45	52	97	Premiums on capital issued	94	52	42
(317)	—	(317)	Adjustment on conversion of PLC's ordinary capital at £1 = Fl. 12	(334)	—	(334)
(272)	52	(220)		(240)	52	(292)
			(15) Loan capital			
			Unilever N.V.			
—	165	165	6% Bonds 1972/91	150	150	—
—	54	54	9¾% Euro DM Notes 1981 (DM 50 million)	—	—	—
—	125	125	8¾% Bonds 1981/85	100	100	—
—	106	106	8½% Bonds 1981/87 (DM 79 million)	87	87	—
—	107	107	20 1/16% Bridging loans 1981 ($ 50 million)	—	—	—
—	213	213	9¼% Bonds 1987 ($ 100 million)	247	247	—
—	213	213	9¾% Bonds 1986/90 ($ 100 million)	247	247	—
—	120	120	4½% Bonds 1984/91 (Swiss Frs. 100 million)	137	137	—
—	—	—	6¾% Bonds 1991 (Swiss Frs. 100 million)	137	137	—
—	—	—	7½% Bonds 1993 (Swiss Frs. 100 million)	137	137	—
—	1 103	1 103	Total Unilever N.V. (see page 54)	1 242	1 242	—
			Subsidiaries			
—	49	49	Netherlands: 4½% Loans 1968/87	41	41	—
—	90	90	9¾% Loans 1980/89	80	80	—
—	150	150	9¼%–9¾% Loans 1985/87	150	150	—
—	41	41	Germany: 4%–4 7/10% Mortgage loans on ships 1982/89	33	33	—
—	65	65	6%–11% Bank loans 1979/90	66	66	—
—	9	9	U.S.A.: 4⅝% Notes 1973/82	5	5	—
—	64	64	7 9/20% Notes 1982/97	74	74	—
—	53	53	9⅛% Notes 1982/91	62	62	—
—	58	58	8⅖%–9⅞% Loans 1980/93	64	64	—
—	596	596	A series of other loans	617	617	—
—	2 278	2 278		2 434	2 434	—
			Unilever PLC			
56	—	56	6¾% Debenture stock 1985/88	52	—	52
11	—	11	5½% Unsecured loan stock 1991/2006 (Ranking pari passu)	10	—	10
278	—	278	7¾% Unsecured loan stock 1991/2006 (Ranking pari passu)	258	—	258
253	—	253	Bank loans 1982/87	—	—	—
598	—	598	Total Unilever PLC*)	320	—	320
			Subsidiaries			
22	—	22	United Kingdom: 7½% Mortgage loan on ship 1980/86	17	—	17
—	—	—	Bank loans 1982/87	236	—	236
8	—	8	Canada: 6% Debenture Series A 1985	8	—	8
33	—	33	8⅞% Debenture Series B 1993	37	—	37
25	—	25	15% Loan 1990	—	—	—
15	—	15	Australia: 7¾% Debentures 1982/87	17	—	17
25	—	25	10½% Debentures 1985/89	28	—	28
100	—	100	A series of other loans	138	—	138
826	—	826		801	—	801
826	2 278	3 104		3 235	2 434	801
		117.9	*) Sterling equivalent in millions (see page 56)	67.9		

Fl. million		1980		1981	Fl. million	
PLC	N.V.	Combined		Combined	N.V.	PLC
			Loan capital (continued)			
			The repayments fall due as follows:			
23	336	359	Within 1 year	243	195	48
31	204	235	After 1 year but within 2 years	283	257	26
163	542	705	After 2 years but within 5 years	779	611	168
270	1 012	1 282	After 5 years but within 10 years	1 417	1 153	264
50	172	222	After 10 years but within 20 years	232	206	26
289	12	301	After 20 years	281	12	269
826	2 278	3 104		3 235	2 434	801
739	1 623	2 362	Loans on which the final repayment will be made after 5 years amount to:	2 515	1 943	572

The debenture stock of PLC is secured by a floating charge on the assets of the company.

Unless otherwise indicated the loans are fixed in the currency of the country in which they were raised.

PLC	N.V.	Combined		Combined	N.V.	PLC
			(16) Deferred liabilities			
395	1 027	1 422	Unfunded retirement benefits	1 661	1 200	461
115	40	155	Taxation not due before 1st January, 1983	166	49	117
(48)	—	(48)	Advance Corporation Tax—United Kingdom	(54)	—	(54)
973	739	1 712	Deferred taxation	1 798	765	1 033
41	88	129	Other liabilities not due before 1st January, 1983	146	119	27
1 476	1 894	3 370		3 717	2 133	1 584

Advance Corporation Tax is available for offset against future United Kingdom Corporation Tax liabilities.

PLC	N.V.	Combined		Combined	N.V.	PLC
			Deferred taxation consists of:			
1 244	506	1 750	Accelerated depreciation	1 882	544	1 338
4	218	222	Stock reliefs	267	260	7
(218)	(20)	(238)	Unfunded retirement benefits	(300)	(52)	(248)
(57)	35	(22)	Short-term and other timing differences	(51)	13	(64)
973	739	1 712		1 798	765	1 033
			On a SSAP 15 basis deferred taxation would be reduced by:			
(1 164)	(388)	(1 552)	Accelerated depreciation	(1 668)	(437)	(1 231)
—	(135)	(135)	Stock reliefs	(141)	(141)	—
177	(25)	152	Unfunded retirement benefits	190	(7)	197
—	(72)	(72)	Short-term and other timing differences	(63)	(63)	—
(987)	(620)	(1 607)		(1 682)	(648)	(1 034)

Notes to the consolidated accounts

Fl. million		1980		1981		Fl. million
PLC	N.V.	Combined		Combined	N.V.	PLC
			(17) Fixed assets			
157	269	426	Land	424	272	152
1 161	1 692	2 853	Buildings	3 080	1 802	1 278
1 318	1 961	3 279	Total land and buildings*)	3 504	2 074	1 430
2 112	2 892	5 004	Plant and equipment	5 586	3 245	2 341
315	186	501	Motor vehicles	516	203	313
128	31	159	Ships	146	23	123
3 873	5 070	**8 943**		**9 752**	5 545	4 207
			*) Land and buildings			
1 054	1 874	2 928	—freehold	3 164	1 973	1 191
183	9	192	—leasehold—long-term (50 years or over)	166	8	158
81	78	159	—leasehold—short-term	174	93	81
			Cost			
162	291	453	Land	456	297	159
1 623	2 555	4 178	Buildings	4 500	2 733	1 767
3 748	6 600	10 348	Plant and equipment	11 340	7 308	4 032
528	469	997	Motor vehicles	1 054	505	549
165	249	414	Ships	382	228	154
6 226	10 164	16 390		17 732	11 071	6 661
			Depreciation			
5	22	27	Land	32	25	7
462	863	1 325	Buildings	1 420	931	489
1 636	3 708	5 344	Plant and equipment	5 754	4 063	1 691
213	283	496	Motor vehicles	538	302	236
37	218	255	Ships	236	205	31
2 353	5 094	7 447		7 980	5 526	2 454
894	956	1 850	At 31st December, capital expenditure authorised by the Boards and not spent was:	1 848	931	917
342	311	653	Of these amounts commitments had been entered into for:	536	246	290

Interests in land

In view of the fact that all Unilever's land and buildings are effectively used for the productive and distributive activities of the group and are not held for re-sale, the Directors take the view that any difference between their market value and the amount at which they are included in the balance sheet is not of such significance as to require that attention be drawn to it, as required by Section 16 of the United Kingdom Companies Act 1967. However, the estimated market value of land and buildings is included in the current cost balance sheets at 31st December, 1981 on page 51 and these values show a surplus of Fl. 4 216 million (N.V. Fl. 2 159 million, PLC Fl. 2 057 million) over the values for land and buildings shown above.

Fl. million		1980		1981		Fl. million
PLC	N.V.	Combined		Combined	N.V.	PLC
			Fixed assets (continued)			
			Movements during the year			
			Cost			
4 525	9 136	13 661	1st January	16 390	10 164	6 226
911	—	911	Sterling/guilder realignment	(430)	—	(430)
(113)	205	92	Exchange rate changes	400	224	176
1 086	1 114	2 200	Expenditure	2 101	1 102	999
(199)	(64)	(263)	Disposals — proceeds	(190)	(88)	(102)
(194)	(272)	(466)	— depreciation	(599)	(375)	(224)
98	57	155	New subsidiaries	33	31	2
112	(12)	100	Other adjustments	27	13	14
6 226	10 164	16 390	31st December	17 732	11 071	6 661
			Depreciation			
1 829	4 623	6 452	1st January	7 447	5 094	2 353
368	—	368	Sterling/guilder realignment	(162)	—	(162)
(50)	65	15	Exchange rate changes	149	69	80
(194)	(272)	(466)	Disposals	(599)	(375)	(224)
16	9	25	New subsidiaries	13	12	1
21	17	38	Other adjustments	34	19	15
363	652	1 015	Charged to profit and loss accounts	1 098	707	391
2 353	5 094	7 447	31st December	7 980	5 526	2 454
			Expenditure			
17	18	35	Land	19	6	13
211	195	406	Buildings	366	139	227
676	771	1 447	Plant and equipment	1 435	818	617
160	122	282	Motor vehicles	252	122	130
22	8	30	Ships	29	17	12
1 086	1 114	2 200		2 101	1 102	999
			Proceeds of disposals			
(24)	(6)	(30)	Land	(38)	(18)	(20)
(113)	(12)	(125)	Buildings	(42)	(12)	(30)
(28)	(19)	(47)	Plant and equipment	(39)	(19)	(20)
(34)	(24)	(58)	Motor vehicles	(61)	(32)	(29)
—	(3)	(3)	Ships	(10)	(7)	(3)
(199)	(64)	(263)		(190)	(88)	(102)
			Depreciation charged to profit and loss accounts			
—	1	1	Land	1	—	1
35	63	98	Buildings	108	71	37
240	486	726	Plant and equipment	794	534	260
80	81	161	Motor vehicles	169	83	86
8	21	29	Ships	26	19	7
363	652	1 015		1 098	707	391

PLC 1980	N.V. 1980	Combined 1980	Fl. million	Combined 1981	N.V. 1981	PLC 1981
			(18) Associated companies			
116	9	125	Listed shares—at cost with bonus shares at par	119	9	110
70	106	176	Unlisted shares—at cost	185	111	74
—	15	15	Loans	19	15	4
379	61	440	Concern share of retained profits and reserves	502	64	438
565	191	756		825	199	626
649	15	664	Market value of listed shares	717	16	701
89	152	241	Directors' valuation of unlisted shares	256	161	95
566	184	750	Attributable share of net assets	819	193	626
			Movements during the year:			
132	—	132	Sterling/guilder realignment	(39)	—	(39)
(18)	19	1	Exchange rate changes	46	13	33
22	12	34	Additions	30	25	5
74	26	100	Concern share of profit after taxation	131	28	103
(76)	(15)	(91)	Dividends and interest	(70)	(34)	(36)
(182)	—	(182)	Loans reclassified as debtors	—	—	—
(44)	(5)	(49)	Other adjustments	(29)	(24)	(5)
(92)	37	(55)		69	8	61
			(19) Trade investments			
11	34	45	Listed shares	46	36	10
145	23	168	Unlisted shares	160	24	136
6	3	9	Loans	8	3	5
162	60	222		214	63	151
33	16	49	Market value of listed shares	64	18	46
199	35	234	Directors' valuation of unlisted shares	233	37	196
			Attributable share of:			
270	116	386	Net assets	379	111	268
18	5	23	Net profits after taxation	29	6	23
			Movements during the year:			
28	—	28	Sterling/guilder realignment	(11)	—	(11)
(4)	—	(4)	Exchange rate changes	(1)	(1)	—
1	4	5	Additions	7	6	1
(1)	(2)	(3)	Other adjustments	(3)	(2)	(1)
24	2	26		(8)	3	(11)

(20) Other long-term assets

These are amounts not due within one year, less provisions. They include Fl. 249 million (1980: Fl. 216 million) of marketable securities held as security for, and eventual redemption of, the preference shares of National Starch and Chemical Holding Corporation. These shares are included in outside interests in subsidiaries.

Fl. million 1980 PLC	1980 N.V.	1980 Combined		1981 Combined	1981 N.V.	Fl. million 1981 PLC
			(21) Stocks			
1 535	2 175	3 710	Raw materials and stocks in process	3 981	2 367	1 614
1 107	1 821	2 928	Finished products	3 395	2 113	1 282
1 129	363	1 492	Merchandise and other stocks	1 487	396	1 091
3 771	4 359	**8 130**		**8 863**	4 876	3 987
			(22) Debtors			
2 500	2 664	5 164	Trade	5 926	3 097	2 829
635	827	1 462	Other	1 376	966	410
3 135	3 491	**6 626**		**7 302**	4 063	3 239
			(23) Creditors			
(1 826)	(2 012)	(3 838)	Debts to suppliers	(4 295)	(2 273)	(2 022)
(59)	(90)	(149)	Short-term portion of unfunded retirement benefits	(182)	(117)	(65)
(904)	(1 909)	(2 813)	Other	(3 299)	(2 258)	(1 041)
(2 789)	(4 011)	**(6 800)**		**(7 776)**	(4 648)	(3 128)
			(24) Marketable securities			
95	42	137	Listed—at market value	303	81	222
6	260	266	Unlisted	592	312	280
101	302	**403**		**895**	393	502
			(25) Cash and deposits			
330	523	853	On call	882	599	283
742	760	1 502	Repayment notice required	1 494	857	637
1 072	1 283	**2 355**		**2 376**	1 456	920
			(26) Purchase/sale of subsidiaries			
			Effect on the consolidated balance sheets:			
81	50	131	Fixed assets	18	21	(3)
(11)	—	(11)	Associated companies	(13)	(13)	—
2	—	2	Other long-term assets	—	—	—
41	(7)	34	Working capital	31	33	(2)
(33)	—	(33)	Net liquid funds	15	8	7
(3)	14	11	Outside interests	(50)	(46)	(4)
(3)	(6)	(9)	Loan capital	—	—	—
—	3	3	Deferred liabilities	(12)	(13)	1
11	(11)	—	Inter-group N.V./PLC	—	(1)	1
—	2	2	Provision for taxation	1	1	—
85	45	130	Net assets acquired/sold	(10)	(10)	—
			Profit retained:			
(5)	23	18	Profit/loss on sale	8	6	2
9	6	15	Goodwill	(66)	(63)	(3)
89	74	163		(68)	(67)	(1)
(89)	(74)	**(163)**	Involving an inflow/outflow of funds amounting to:	**68**	67	1

Notes to the consolidated accounts

1980 PLC (Fl. million)	1980 N.V.	1980 Combined		1981 Combined	1981 N.V.	1981 PLC (Fl. million)
			Contingent liabilities of the Group are not expected to give rise to any material loss. They include:			
572	156	728	Guarantees	708	162	546
26	106	132	Bills discounted	122	84	38
			Guarantees given by the parent companies or by group subsidiaries relating to liabilities included in the consolidated accounts are not included above.			
			Secured liabilities			
			Liabilities included in the consolidated accounts are:			
148	201	349	Loan capital (mainly secured on fixed assets)	352	200	152
82	119	201	Bank advances (mainly secured on other assets)	142	67	75
2	15	17	Creditors	84	82	2
232	335	567		578	349	229
			Commitments			
			Long-term commitments in respect of leaseholds, rental agreements, hire purchase and other contracts are mainly in respect of buildings and computers. They amount to:			
1 067	1 296	2 363	Total	2 694	1 445	1 249
100	203	303	of which: payable within one year	307	196	111
			Exposure on third party fixed price contracts outstanding at 31st December for commodities, to which the bulk of contracts refer, is:			
507	479	986	Purchase contracts (net)	868	444	424
160	61	221	Selling contracts (net)	237	89	148
			The consolidated accounts do not anticipate the results of such contracts except that provision is made where a loss would be incurred if market prices ruling at 31st December remained unchanged.			
			Pensions			
3 309	3 789	7 098	At 31st December the book value of the assets of the funds amounted to	7 911	4 278	3 633
454	1 117	1 571	At 31st December provisions in the consolidated accounts to meet obligations under unfunded schemes amounted to	1 843	1 317	526
			These provisions, together with the assets of the funds, are sufficient in total to cover all pensions in course of payment at their existing levels and all contractual entitlements to deferred benefits in respect of service to date.			
			During the year contributions amounted to:			
225	209	434	Group pension and provident funds	476	241	235
121	366	487	State and other schemes	519	409	110
346	575	921		995	650	345
136	277	413	In addition provisions were made for unfunded schemes amounting to	476	318	158

Report of the Auditors on the current cost accounts and information

To the Members of Unilever N.V. and Unilever PLC.

We have examined the supplementary current cost accounts and information on pages 48 to 53.

In our opinion the current cost accounts on pages 48 to 52 have been properly prepared in accordance with the policies and methods set out in the notes to give the information required by the United Kingdom Statement of Standard Accounting Practice Number 16, and the information on page 53 has been properly prepared to summarise the effect on the current cost accounts of full provision for deferred taxation.

Price Waterhouse Nederland
The Hague

Coopers & Lybrand Nederland
Rotterdam

Coopers & Lybrand
London

Price Waterhouse
London

30th March, 1982

Comment
The current cost accounts are given as supplementary information and include amounts relating to PLC translated into guilders at the year-end exchange rates. They have been examined by the Auditors whose report is given on this page.

The current cost accounts have been prepared in accordance with United Kingdom Accounting Standard SSAP 16.

To maintain consistency in the presentation, taxation is based, as in last year's current cost accounts, on United Kingdom Accounting Standard SSAP 15. This practice will be reviewed after finalisation of the text of the Dutch legislation implementing the European Community 4th Directive, which is expected to deal with the treatment of deferred taxation in current cost accounts. In the meantime provision for deferred taxation is made except in so far as the Directors are able to foresee on reasonable evidence that no liability is likely to arise.

Current cost information presented with full provision for deferred taxation is given on page 53.

Current cost accounts—Accounting policies

Accounting policies
The accounting policies set out on pages 32 and 33 have been followed in preparing the current cost accounts except where they are inconsistent with current cost principles as explained below.

Fixed assets, depreciation and disposals
In general, the current replacement cost of fixed assets is determined by applying specific price indices in the country of location to the original cost of the assets, net of capital based grants received.

Land is stated at estimated market value based on current use.

The depreciation adjustment is the difference between depreciation on the historical cost of assets and on the current replacement cost of assets.

Amounts necessary to restate profits and losses on the disposal of assets by reference to the current rather than historical cost of the assets concerned are shown under 'other adjustments'. The disposals dealt with in this way are those treated as exceptional items in the historical cost accounts.

Stocks and the cost of sales adjustment
Stocks are stated as in the historical cost accounts. The difference between current replacement cost and historical cost at the balance sheet date is not material.

The cost of sales adjustment identifies the extent to which the charge in the historical cost accounts for stocks consumed differs from the value to the business of those stocks. In general it is computed by identifying the effect of the price change during the year on the value of normal stock required for the operation of the business. The price change is established using specific prices or indices applicable to stocks in the country of location.

Monetary working capital adjustment
The monetary working capital adjustment reflects the impact of price changes on the amounts needed for monetary working capital.

The adjustment is calculated by reference to the net balances of debtors and creditors associated with the day to day activities of the business, using indices appropriate to the country in which they are held.

Associated companies
The concern share of the retained profit and reserves, and results for the year, of significant associated companies have been restated on a current cost basis consistent with that used for the consolidated companies.

Trade investments
Trade investments are included at directors' valuation.

Gearing adjustment
This takes credit for the proportion of the current cost adjustments to the profit and loss account which can be regarded as being financed by third parties. The gearing proportion is the average for the year determined separately for N.V. and PLC on a group basis. It is calculated as the ratio of net borrowing to net operating assets as shown on page 52.

Taxation
The accounting treatment of taxation is explained in the comment on page 48.

Outside interests in subsidiaries
The historical cost figures have been adjusted for the portion of the current cost adjustments attributable to outside interests.

Reserves
The capital maintenance reserve includes the concern share of the revaluation surpluses on assets, the current cost adjustments and foreign exchange differences arising from translation of the opening assets and liabilities of N.V. into guilders and of PLC into sterling at the closing rates of exchange.

Last year the total sterling/guilder realignment was included in the capital maintenance reserve. In 1981 it has been apportioned between capital maintenance reserve and current cost profit retained and the 1980 figures have been restated on this basis.

Consolidated current cost profit and loss accounts

Unilever N.V. and Unilever PLC and their subsidiaries
for the year ended 31st December

Fl. million		1980		1981		Fl. million
PLC	N.V.	Combined		Combined	N.V.	PLC
22 033	29 435	**51 468**	**Sales to third parties**	**56 115**	32 821	23 294
1 350	1 564	**2 914**	Historical cost operating profit	**3 325**	1 892	1 433
			Adjustments required to obtain current cost operating profit:			
(276)	(245)	**(521)**	Depreciation	**(591)**	(289)	(302)
(172)	(125)	**(297)**	Cost of sales	**(496)**	(316)	(180)
(58)	(17)	**(75)**	Monetary working capital	**(51)**	20	(71)
(70)	(40)	**(110)**	Other	**(83)**	(22)	(61)
774	1 137	**1 911**	**Current cost operating profit**	**2 104**	1 285	819
116	41	**157**	Concern share of associated companies' current cost profit before taxation	**227**	55	172
8	3	**11**	Income from trade investments	**11**	2	9
55	136	**191**	Gearing adjustment	**245**	185	60
29	(254)	**(225)**	Interest	**(250)**	(277)	27
982	1 063	**2 045**	**Current cost profit before taxation**	**2 337**	1 250	1 087
(531)	(567)	**(1 098)**	Taxation (1)	**(1 237)**	(680)	(557)
451	496	**947**	**Current cost profit after taxation**	**1 100**	570	530
(19)	(58)	**(77)**	Outside interests and preference dividends	**(102)**	(54)	(48)
432	438	**870**	**Current cost profit attributable to ordinary capital**	**998**	516	482
			Combined current cost earnings per share			
			15.60 per Fl. 20 of capital (Fl.) 17.90			
			46.14 per 25p of capital (pence) 56.90			
(184)	(356)	**(540)**	Dividends on ordinary and deferred capital	**(586)**	(385)	(201)
248	82	**330**	**Current cost profit of the year retained**	**412**	131	281
			Movements in current cost profit retained			
248	82	**330**	Current cost profit of the year retained	**412**	131	281
(9)	(6)	**(15)**	Goodwill	**66**	63	3
969	—	**969**	Sterling/guilder realignment	**(415)**	—	(415)
1 208	76	**1 284**	Net additions to current cost profit retained	**63**	194	(131)
4 812	3 718	**8 530**	Balance—1st January	**9 814**	3 794	6 020
6 020	3 794	**9 814**	Balance—31st December	**9 877**	3 988	5 889

The notes on pages 48, 49 and 52 form part of these accounts.

Consolidated current cost balance sheets

Unilever N.V. and Unilever PLC and their subsidiaries
as at 31st December

Fl. million 1980 PLC	N.V.	Combined		1981 Combined	N.V.	Fl. million PLC
			Capital employed			
26	265	291	**Preferential share capital**	289	265	24
10 849	8 858	19 707	**Ordinary shareholders' equity**	22 260	10 355	11 905
549	640	1 189	Ordinary share capital	1 189	640	549
4 552	4 372	8 924	Capital maintenance reserve	11 434	5 675	5 759
6 020	3 794	9 814	Current cost profit retained	9 877	3 988	5 889
(272)	52	(220)	Other reserves	(240)	52	(292)
267	610	877	**Outside interests in subsidiaries**	1 030	706	324
826	2 278	3 104	**Loan capital**	3 235	2 434	801
489	1 274	1 763	**Deferred liabilities**	2 035	1 485	550
(87)	87	—	Inter-group—N.V./PLC	—	84	(84)
12 370	13 372	25 742		28 849	15 329	13 520
			Employment of capital			
7 039	8 890	15 929	**Fixed assets** (2)	18 012	10 072	7 940
925	228	1 153	**Associated companies**	1 260	245	1 015
238	74	312	**Trade investments**	324	76	248
109	550	659	**Other long-term assets**	713	623	90
4 117	3 839	7 956	**Working capital**	8 389	4 291	4 098
(341)	(397)	(738)	**Provision for taxation**	(911)	(538)	(373)
(113)	(229)	(342)	**Dividends**	(372)	(245)	(127)
396	417	813	**Net liquid funds**	1 434	805	629
12 370	13 372	25 742		28 849	15 329	13 520
			Movements in capital maintenance reserve			
175	6	181	Cost of sales, monetary working capital and gearing adjustments	302	111	191
(8)	(1)	(9)	Outside interests in the above adjustments	(1)	(6)	5
727	572	1 299	Revaluation surpluses (3)	2 125	1 006	1 119
(155)	162	7	Effect of exchange rate changes	398	192	206
640	—	640	Sterling/guilder realignment	(314)	—	(314)
1 379	739	2 118	Net additions during year	2 510	1 303	1 207
3 173	3 633	6 806	Balance—1st January	8 924	4 372	4 552
4 552	4 372	8 924	Balance—31st December	11 434	5 675	5 759

The notes on pages 48, 49 and 52 form part of these accounts.
References between brackets relate to notes on page 52.

Fl. million		1980		1981		Fl. million
PLC	N.V.	Combined		Combined	N.V.	PLC
			(1) Taxation			
			The 1981 figures for PLC include the additional stock relief benefit of Fl. 105 million, mainly applicable to 1980, arising from changes contained in the United Kingdom Finance Act 1981.			
			(2) Fixed assets			
2 896	3 824	6 720	Land and buildings	7 720	4 233	3 487
4 143	5 066	9 209	Plant, equipment, motor vehicles and ships	10 292	5 839	4 453
7 039	8 890	**15 929**		**18 012**	10 072	7 940
			Current replacement cost			
4 881	6 380	11 261	Land and buildings	13 047	7 155	5 892
7 936	11 415	19 351	Plant, equipment, motor vehicles and ships	21 408	12 811	8 597
12 817	17 795	30 612		34 455	19 966	14 489
			Depreciation			
1 985	2 556	4 541	Land and buildings	5 327	2 922	2 405
3 793	6 349	10 142	Plant, equipment, motor vehicles and ships	11 116	6 972	4 144
5 778	8 905	14 683		16 443	9 894	6 549
			(3) Revaluation surpluses			
578	561	1 139	Fixed assets	2 022	994	1 028
140	8	148	Associated companies	78	11	67
9	3	12	Trade investments	25	1	24
727	572	**1 299**		**2 125**	1 006	1 119
			Financing of net operating assets			
			The net current replacement cost of the net operating assets at 31st December amounted to:			
7 039	8 890	15 929	Fixed assets	18 012	10 072	7 940
925	228	1 153	Associated companies	1 260	245	1 015
238	74	312	Trade investments	324	76	248
4 264	4 343	8 607	Working capital excluding financial items	9 034	4 742	4 292
12 466	13 535	26 001		28 630	15 135	13 495
			These were financed by:			
			Shareholders' interest			
10 875	9 123	19 998	Capital and reserves	22 549	10 620	11 929
267	610	877	Outside interests in subsidiaries	1 030	706	324
—	(216)	(216)	Less preference shares of National Starch and Chemical Holding Corporation	(249)	(249)	—
113	229	342	Proposed dividends	372	245	127
11 255	9 746	21 001		23 702	11 322	12 380
			Net borrowing			
826	2 278	3 104	Loan capital	3 235	2 434	801
489	1 274	1 763	Deferred liabilities	2 035	1 485	550
(104)	237	133	Other	(342)	(106)	(236)
1 211	3 789	5 000		4 928	3 813	1 115
12 466	13 535	26 001		28 630	15 135	13 495

Consolidated current cost information

1980 PLC (Fl. million)	1980 N.V.	1980 Combined		1981 Combined	1981 N.V.	1981 PLC (Fl. million)
			Summary of effect of adopting full provision for deferred taxation.			
			Profit and loss account			
774	1 137	1 911	Current cost operating profit	2 104	1 285	819
1 115	1 150	2 265	Current cost profit before taxation	2 596	1 375	1 221
(735)	(636)	(1 371)	Taxation	(1 381)	(693)	(688)
380	514	894	Current cost profit after taxation	1 215	682	533
(24)	(58)	(82)	Outside interests and preference dividends	(105)	(57)	(48)
356	456	812	Current cost profit attributable to ordinary capital	1 110	625	485
(184)	(356)	(540)	Dividends on ordinary and deferred capital	(586)	(385)	(201)
172	100	272	Current cost profit of the year retained	524	240	284
			Balance sheet			
			Capital employed			
26	265	291	Preferential share capital	289	265	24
8 394	6 473	14 867	Ordinary shareholders' equity	17 072	7 798	9 274
221	480	701	Outside interests in subsidiaries	841	575	266
826	2 278	3 104	Loan capital	3 235	2 434	801
2 828	3 773	6 601	Deferred liabilities	7 217	4 153	3 064
(87)	87	—	Inter-group—N.V./PLC	—	84	(84)
12 208	13 356	25 564		28 654	15 309	13 345
			Employment of capital			
12 370	13 372	25 742	Total as on page 51	28 849	15 329	13 520
(162)	(16)	(178)	Adjustment to value of associated companies	(195)	(20)	(175)
12 208	13 356	25 564		28 654	15 309	13 345

The above figures differ from those on pages 50 and 51 where the United Kingdom method of accounting for deferred taxation has been adopted, in that:

a) The taxation charge in the profit and loss account is that used in the historical cost accounts (see notes (6) and (7) on pages 38 and 39).

b) Deferred taxation included in Deferred liabilities is that shown in the historical accounts (see note (16) on page 42) with the addition of tax provisions on revaluation surpluses arising on the uplift of assets to a current cost basis.

The gearing adjustments, outside interests in subsidiaries and figures for associated companies have been adjusted accordingly.

Unilever N.V. balance sheet

as at 31st December

Fl. thousand	1980		1981	Fl. thousand
		Capital employed		
265 060		**Preferential share capital** (11)		**265 060**
		Ordinary share capital and reserves		
	642 565	Ordinary share capital (12)	642 565	
	52 166	Premiums on capital issued	52 166	
	2 458 561	Profit retained	2 555 639	
3 153 292				**3 250 370**
1 103 202		**Loan capital** (15)		**1 241 843**
25 777		**Deferred liabilities**		**41 608**
(13 118)		Inter-group—PLC		**(19 446)**
4 534 213				**4 779 435**
		Employment of capital		
		Interests in subsidiaries		
	2 060 319	Shares	2 060 319	
	2 364 407	Advances	2 816 019	
	(86 593)	Deposits	(68 453)	
4 338 133				**4 807 885**
6 486		**Other long-term assets**		**449**
		Working capital		
	32 790	Debtors and prepaid expenses	29 068	
	(82 589)	Creditors	(90 718)	
(49 799)				**(61 650)**
(15 368)		**Taxation**		**(36 311)**
(229 000)		**Dividends due or proposed**		**(245 015)**
		Net liquid funds		
	497 196	Cash and deposits	326 487	
	(13 435)	Short-term borrowings	(12 410)	
483 761				**314 077**
4 534 213				**4 779 435**

The Board of Directors

The notes on pages 31 to 33, 40, 41, 55 and 60 to 63 form part of these accounts.
References between brackets relate to notes on pages 40 and 41.

Fl. thousand 1980		1981 Fl. thousand
	Premiums on capital issued For the application of Article 44 of the Income Tax Act, 1964, only a small part, if any, of the premium shown in the balance sheet is available for issue of tax free bonus shares.	
	Profit retained	
2 377 057	1st January	2 458 561
81 504	Profit of the year retained	97 078
2 458 561	31st December	**2 555 639**
	Loan capital includes an amount of Fl. 40 000 repayable within one year (1980: Fl. 216 087).	
	Deferred liabilities	
16 756	Unfunded retirement benefits	33 860
9 021	Deferred taxation	7 748
25 777		**41 608**
	Interests in subsidiaries Shares in subsidiaries are stated at cost. Profit retained and profit of the year shown in this balance sheet and the notes thereto are less than the amounts shown under those headings in the consolidated balance sheet and profit and loss account, mainly because only part of the profits of the subsidiaries is distributed in the form of dividend.	
	Debtors include:	
279	Prepaid expenses	—

Profit and loss account

1980		1981
452 129	**Profit of the year**	497 152
	Proposed profit appropriation in accordance with Article 41 of the Articles of Association	
452 129	Profit of the year	497 152
(14 694)	Preference dividends	(14 694)
437 435	Profit at disposal of the annual general meeting of shareholders	482 458
(355 931)	Ordinary dividends	(385 380)
81 504	Profit of the year retained	97 078

Unilever PLC balance sheet

as at 31st December

£million	1980		1981	£million
		Capital employed		
5.1		**Preferential share capital** (11)		**5.1**
		Ordinary and deferred capital and reserves		
	45.8	Ordinary share capital (12)	45.8	
	0.1	Deferred capital (12)	0.1	
	8.8	Premiums on capital issued	8.8	
	549.1	Profit retained and other reserves	572.0	
603.8				**626.7**
117.9		**Loan capital** (15)		**67.9**
(3.6)		**Deferred liabilities**		**(16.1)**
(5.2)		Inter-group—N.V.		**(3.7)**
718.0				**679.9**
		Employment of capital		
0.3		**Fixed assets**		**0.5**
1.5		**Associated companies**		**1.6**
26.7		**Trade investments**		**26.5**
		Interests in subsidiaries		
	88.8	Shares	90.2	
	636.3	Advances	629.2	
	(134.3)	Deposits	(148.7)	
590.8				**570.7**
		Working capital		
	4.5	Stocks	5.3	
	26.2	Debtors	23.0	
	(21.5)	Creditors	(17.9)	
9.2				**10.4**
(4.3)		**Provision for taxation**		**(28.7)**
(22.2)		**Dividends due or proposed**		**(26.8)**
		Net liquid funds		
	3.0	Marketable securities	90.1	
	161.2	Cash and deposits	78.1	
	(48.2)	Short-term borrowings	(42.5)	
116.0				**125.7**
718.0				**679.9**

David Orr, Chairman
H. F. van den Hoven, Vice-Chairman
30th March, 1982

The notes on pages 31 to 33, 40, 41 and 57 to 63 form part of these accounts.
References between brackets relate to notes on pages 40 to 42.

£million	1980		1981	£million
		Profit retained and other reserves		
	155.4	Profit of the year	65.7	
	(0.3)	Preferential dividends	(0.3)	
	(36.2)	Dividends on ordinary and deferred capital	(42.5)	
	118.9	Profit of the year retained	22.9	
	430.2	1st January	549.1	
	549.1	31st December	**572.0**	
		Deferred liabilities		
	6.7	Unfunded retirement benefits	9.6	
	5.0	United Kingdom Corporation Tax	3.2	
	(17.3)	Advance Corporation Tax	(31.6)	
	2.0	Deferred taxation	2.7	
	(3.6)		**(16.1)**	

The Advance Corporation Tax borne by the parent company will be surrendered and set off against liabilities of the subsidiary companies where appropriate. The total of £31.6 includes £20.1 recoverable against 1981 liabilities and £11.5 against those for later years.

	1980		1981
		Fixed assets	
	0.3	Land and buildings—freehold	0.3
	—	Plant and equipment	0.2
	0.3		**0.5**

Movements during the year	Cost	Depreciation	Net book value
1st January, 1981	1.3	(1.0)	0.3
Expenditure	0.3	—	0.3
Charged to profit and loss account	—	(0.1)	(0.1)
31st December, 1981	1.6	(1.1)	0.5

At 31st December, capital expenditure authorised by the Board and not spent was	1.0
Of this amounts commitments had been entered into for	0.5

1980		1981
	Associated companies at cost:	
0.8	Listed shares	0.8
—	Unlisted shares	—
0.7	Loans	0.8
1.5		**1.6**
1.0	Market value of listed shares	0.9
0.5	Directors' valuation of unlisted shares	0.7

£million	1980		1981	£million
		Trade investments at net book value at 31st December, 1947 with additions at cost or valuation, less £0.6 written off:		
	0.1	Listed shares	—	
	26.5	Unlisted shares	26.5	
	0.1	Loans	—	
	26.7		**26.5**	
	0.1	Market value of listed shares	—	
	27.8	Directors' valuation of unlisted shares	27.9	

Interests in subsidiaries
Shares in subsidiaries are stated at Directors' valuation made on the rearrangement of the Unilever Groups in 1937, with bonus shares at par and other additions at cost or valuation, less amounts written off.

Profit retained and profit of the year shown in this balance sheet and the notes thereto are less than the amounts shown under these headings in the consolidated balance sheet and profit and loss account, mainly because only part of the profits of the subsidiaries is distributed in the form of dividend.

£million	1980		1981	£million
		Marketable securities at market value		
	3.0	Listed	31.3	
	—	Unlisted	58.8	
	3.0		**90.1**	

Emoluments of Directors and senior employees
The table below shows the numbers of Directors of the Company (excluding the Chairman), whose emoluments fell within the ranges shown.

	1980	1981
£ 5 001–£10 000	1	—
£10 001–£15 000	—	—
£15 001–£20 000	3	—
£20 001–£25 000	2	1
£25 001–£30 000	1	3
£30 001–£35 000	1	3
£35 001–£40 000	1	1
£40 001–£45 000	4	—
£45 001–£50 000	6	—
£50 001–£55 000	1	5
£55 001–£60 000	2	5
£60 001–£65 000	—	1
£65 001–£70 000	—	1

During 1980 there was one Director who served for only part of the year.

The Chairman received remuneration of £78 367 (1980: £67 333).

All contracts of service of Directors of the Company with the Company or any of its subsidiaries are determinable by the employing company without payment of compensation at less than one year's notice.

The number of employees of the Company and its subsidiaries employed wholly or mainly in the United Kingdom and receiving emoluments in excess of £20 000 were:

	1980	1981
£20 001–£25 000	341	473
£25 001–£30 000	142	170
£30 001–£35 000	82	116
£35 001–£40 000	46	58
£40 001–£45 000	29	40
£45 001–£50 000	14	25
£50 001–£55 000	14	14
£55 001–£60 000	7	15
£60 001–£65 000	—	6
£65 001–£70 000	—	3
£70 001–£75 000	1	—
£75 001–£80 000	—	1
£80 001–£85 000	1	—
£85 001–£90 000	—	1

Principal subsidiaries

Key

Holding companies	H
Margarine, other fats and oils, dairy products	M
Other foods	F
Detergents	D
Personal products	P
Chemicals	C
Paper, plastics, packaging	PP
Animal feeds	A
UAC International	U
Plantations	PL
Transport	T
Others	O

Those of N.V.'s principal subsidiaries included in the consolidated accounts which are held directly and for its own account are Nederlandse Unilever Bedrijven B.V., Lipoma B.V., Marga B.V., Mavibel (Maatschappij voor Internationale Beleggingen) B.V., Handelmaatschappij Noorda B.V., Saponia B.V. and Wemado B.V. in the Netherlands and Unilever United States, Inc. in the United States. With a few exceptions the other subsidiaries of N.V. are not held directly for its own account but through one or more of the above-mentioned subsidiaries.

PLC's principal subsidiaries are held through subsidiaries with the exception of Lipton Ltd., Unilever U.K. Holdings Ltd., Unilever (Commonwealth Holdings) Ltd. and UAC International Ltd. in the United Kingdom, Lever Brothers Ltd. in Canada, the interests in Bangladesh, India, Malawi, Pakistan, Trinidad and Sedec s.a.r.l. in Zaïre.

The subsidiaries' registered offices are in the places mentioned.

The list of consolidated companies takes account of Article 320 (3) of the Dutch Civil Code, Book 2.

The percentage of equity held is 100% except where otherwise stated. Where the percentage of total issued capital held differs from the percentage of equity held, this is stated separately.

%	European Community countries	
	Belgium—N.V.	
	Hartog's Levensmiddelen N.V., Brussels	F
	Iglo-Ola N.V., Brussels	F
	N.V. Jacky, Antwerp	M
	Lever N.V., Brussels	D
	S.B.T. N.V., Vorst	T
	Union N.V., Merksem-Antwerp	M
	N.V. Zwanenberg's Levensmiddelenbedrijf 'Zwan', Schoten	F
	Denmark—N.V.	
	Uni-Dan A/S, Copenhagen	MFDP
	Germany—N.V.	
	Deutsche Unilever G.m.b.H., Hamburg	H
	'Elbe' Transport G.m.b.H., Hamburg	T
	Elida-Gibbs G.m.b.H., Hamburg	P
	4P Folie Forchheim G.m.b.H., Forchheim	PP
	Hartog Lebensmittelwerk G.m.b.H., Hamburg	F
75	Langnese-Iglo G.m.b.H., Hamburg	F
	Lever Sunlicht G.m.b.H., Hamburg	D
	Meistermarken-Werke G.m.b.H., Spezialfabrik für Back- und Grossküchenbedarf, Bremen	MF
	4P Nicolaus Kempten G.m.b.H., Kempten	PP
	4P Nicolaus Ronsberg G.m.b.H., Ronsberg	PP
68	'Nordsee' Deutsche Hochseefischerei G.m.b.H., Bremerhaven (total issued capital held 68%)	F
	4P Rube Göttingen G.m.b.H., Göttingen	PP
	Scado G.m.b.H., Emslage	C
	Schafft Fleischwerke G.m.b.H., Ansbach	F
	'Unichema' Chemie G.m.b.H., Emmerich	C
	Union Deutsche Lebensmittelwerke G.m.b.H., Hamburg	MF
	France—N.V.	
99	Astra-Calvé S.A., Courbevoie	MF
99	Compagnie Française de Nutrition Animale S.A., Tours	A
99	Elida Gibbs S.A., Paris	P
99	4P Emballages France S.A., Allonne	PP
99	Etablissements Fayard & Ravel S.A., Sainte-Sigolène	PP
99	Etablissements Rousset S.A., Vénissieux	M
99	Française d'Alimentation et de Boissons S.A., La Garenne-Colombes	F
99	La Roche aux Fées S.A., Vallet	M
99	Lever S.A., Paris	D
99	Motta-France S.A., Nanterre	F
99	Sheby S.A., Bezons	C
99	Unilever Export France S.A., Courbevoie	O
	—PLC	
81	CNF S.A., Paris	U
99	Niger France S.A., Paris	U
	Greece—N.V.	
89	Industrie Hellénique de Détergents S.A. (E.V.A.), Athens	D
	Ireland—PLC	
	Lever Brothers (Ireland) Ltd., Dublin	D
	W. & C. McDonnell Ltd., Dublin	MF
	Paul and Vincent Ltd., Dublin	A
	H B Ice Cream Ltd., Dublin	F
	Italy—N.V.	
75	Algel S.p.A., Cisterna	F
75	Also S.p.A., Naples	F
75	Gelsi S.p.A., Turin	F
75	Sages S.p.A., Milan	F
	Unil-It S.p.A., Milan	MFDP
	The Netherlands—N.V.	
	Algemeen Vrachtkantoor B.V., Rotterdam	T
	Bensdorp B.V., Bussum	F
	Van den Bergh en Jurgens B.V., Rotterdam	MF
	Koninklijke Maatschappij De Betuwe B.V., Tiel	F
	Calvé-De Betuwe B.V., Delft	F
	Croklaan B.V., Wormerveer	M
	4P Drukkerij Reclame B.V., Rotterdam	PP
	N.V. Koninklijke Stearine Kaarsenfabrieken 'Gouda-Apollo', Gouda	C

	Iglo-Ola B.V., Utrecht	F
	Lever Industrial B.V., Maarssen	D
	Lever Sunlight B.V., Vlaardingen	D
	Lipoma B.V., Rotterdam	H
	Lucas Aardenburg B.V., Hoogeveen	F
	Marga B.V., Rotterdam	H
	Mavibel (Maatschappij voor Internationale Beleggingen) B.V., Rotterdam	H
	Mengvoeder UT-Delfia B.V., Maarssen	A
	Nederlandse Unilever Bedrijven B.V., Rotterdam	H
	Handelmaatschappij Noorda B.V., Rotterdam	H
	Norfolk Line B.V., The Hague	T
75	Safial B.V., Rotterdam	H
	Saponia B.V., Rotterdam	H
	Scado B.V., Zwolle	C
	Exportslachterij Udema B.V., Gieten	F
	Unichema Chemie B.V., Gouda	C
	Unilever Export B.V., Rotterdam	O
	Unilever Financieringsmaatschappij B.V., Rotterdam	O
	Unimills B.V., Zwijndrecht	M
	UVG Nederland B.V., Oss	F
	Wemado B.V., Rotterdam	H
	Zeepfabriek de Fenix B.V., Zwolle	D

United Kingdom—PLC

	Austin Packaging Group Ltd., Bromborough	PP
	Batchelors Foods Ltd., Sheffield	F
	Birds Eye Wall's Ltd., Walton-on-Thames	F
	BOCM Silcock Ltd., Basingstoke	A
	BOCM Silcock (N.I.) Ltd., Belfast	A
	C.W.A. Holdings Ltd., London	U
	Joseph Crosfield & Sons Ltd., Warrington	C
	Elida Gibbs Ltd., London	P
	Food Industries Ltd., Bromborough	C
	Ford & Slater Group Ltd., Leicester	U
	Kennedy's (Builders' Merchants) Ltd., Bournemouth	U
	Lawson of Dyce Ltd., Aberdeen	F
	Lever Brothers Ltd., Kingston-upon-Thames	D
	Leverton Group Ltd., Windsor	U
	Lipton Ltd., London	F
	Loders & Nucoline Ltd., London	M
	MacFisheries Ltd., Camberley	F
	Robert B. Massey & Co. Ltd., York	U
	Mattessons Meats Ltd., London	F
	Midland Poultry Holdings Ltd., Craven Arms	A
	Nairn International Ltd., London	PP
	Palm Line Ltd., London	U
	Proprietary Perfumes (International) Ltd., Ashford	C
	S.P.D. Ltd., Watford	T
	Synthetic Resins Ltd., Liverpool	C
	Thames Board Ltd., Purfleet	PP
	Thames Case Ltd., Purfleet	PP
	UAC Ltd., London	U
	U.A.C. Holdings Ltd., London	U
	UAC International Ltd., London	U
	UAC UK Holdings Ltd., London	U
	UML Ltd., Port Sunlight	O
	Unichema Chemicals Ltd., Bromborough	C
	Unilever (Commonwealth Holdings) Ltd., London	H
	Unilever Export Ltd., Bristol	O
	Unilever U.K. Central Resources Ltd., London	O
	Unilever U.K. Holdings Ltd., London	H
	United Agricultural Merchants Ltd., Basingstoke	A
	Van den Berghs and Jurgens Ltd., Burgess Hill	M
	Vinyl Products Ltd., Carshalton	C
	T. Wall & Sons Ltd., London	F
	John West Foods Ltd., Liverpool	F

Other European countries

Finland—N.V.

	Oy Leverindus AB, Turku	D
	S.W. Paasivaara-Yhtymä Oy, Helsinki	M
	Turun Saippua Oy, Turku	DP

Austria—N.V.

	Bensdorp Ges.m.b.H., Vienna	F
	Nordsee Ges.m.b.H., Vienna	F
	Österreichische Unilever Ges.m.b.H., Vienna	MFDPPP
75	Unifrost Nahrungsmittel Ges.m.b.H., Vienna	F

Portugal—N.V.

74	Iglo Indústrias de Gelados, Lda., Lisbon	F
60	Indústrias Lever Portuguesa, Lda., Lisbon	DP

Spain—N.V.

	Agra S.A., Lamiacó	M
99	Frigo S.A., Barcelona	F
	Lever Ibérica S.A., Madrid	DP
	Unilever España S.A., Madrid	H

Sweden—N.V.

	Gibbs AB, Stockholm	P
	Leverindus AB, Nyköping	D
	Novia Livsmedelsindustrier AB, Kristianstad	F
	Pierre Robert AB, Malmö	P
	Scado AB, Landskrona	C
	AB Sunlight, Nyköping	DP
	Svenska Unilever Förvaltnings AB, Stockholm	H

Switzerland—N.V.

95	'Astra', Fett- und Oelwerke A.G., Steffisburg	M
	Elida Cosmetic A.G., Zürich	P
	Meina Holding A.G., Zürich	H
	Sais, Zürich	M
	Sunlight A.G., Olten	DP
	A. Sutter A.G., Münchwilen	D
	Unilever (Schweiz) A.G., Zürich	O

North America

Canada—N.V.

	Thomas J. Lipton Inc., Toronto	F

—PLC

	Hygrade Foods Ltd., Toronto	F
	Lever Brothers Ltd., Toronto	MDP
	Monarch Fine Foods Company Ltd., Toronto	F
	A & W Food Services of Canada Ltd., Vancouver	F

United States of America—N.V.

	Lawry's Foods, Inc., Los Angeles, California	F
	Lever Brothers Company, Portland, Maine	MFDP
	Thomas J. Lipton, Inc., Dover, Delaware	F
	National Starch and Chemical Corporation, Bridgewater, New Jersey	C
	Unilever United States, Inc., Wilmington, Delaware	H

Central and South America

Argentina—N.V.

99	Lever y Asociados s.a.c.i.f., Buenos Aires	MFDPC

Principal subsidiaries

	Brazil—N.V.	
99	Indústrias Gessy Lever Ltda., São Paulo	MFDPC
	Colombia—N.V.	
	Compañia Colombiana de Grasas 'Cogra-Lever' S.A., Bogotá	MDP
	Mexico—N.V.	
	Zwanenberg de Mexico S.A., Mexico-City	F
	Netherlands Antilles—N.V.	
	Mavibel International N.V., Willemstad	O
	Unilever Becumij N.V., Willemstad	O
	Trinidad—PLC	
50	Lever Brothers West Indies Ltd., Port of Spain	MFDPC
	Venezuela—N.V.	
	Lever S.A., Caracas	FDP
	Africa	
	Gabon—PLC	
99	Hatton et Cookson S.A., Libreville	U
	Ghana—PLC	
60	UAC of Ghana Ltd., Accra	U
	Ivory Coast—PLC	
99	CFCI S.A., Abidjan	U
68	Uniwax S.A., Abidjan	U
	United Republic of Cameroun—PLC	
	Plantations Pamol du Cameroun Ltd., Lobe	PL
	Kenya—PLC	
54	East Africa Industries Ltd., Nairobi	MFDPC
	Gailey & Roberts Ltd., Nairobi	U
	People's Republic of the Congo (Brazzaville)—PLC	
92	Société Commerciale du Kouilou Niari-Congo S.A., Brazzaville	U
	Malawi—PLC	
80	Lever Brothers (Malawi) Ltd., Limbe	MDPC
	Niger—PLC	
92	Niger-Afrique S.A., Niamey	U
	Nigeria—PLC	
60	Pamol (Nigeria) Ltd., Lagos	PL
	Uganda—PLC	
	Gailey & Roberts (Uganda) Ltd., Kampala	U
	Sierra Leone—PLC	
87	UAC of Sierra Leone Ltd., Freetown	U
	Tanzania—PLC	
	UAC of Tanzania Ltd., Dar es Salaam	U
	Republic of Tchad—PLC	
79	Brasseries du Logone S.A., Moundou	U
	Republic of Zaïre—N.V.	
58	Plantations Lever au Zaïre s.a.r.l., Kinshasa	PL
	Compagnie des Margarines, Savons et Cosmétiques au Zaïre s.a.r.l., Kinshasa	MDPC
	—PLC	
99	Sedec s.a.r.l., Kinshasa	U
	Zambia—PLC	
	K. B. Davies & Co. (Zambia) Ltd., Chingola	U
	Zimbabwe—PLC	
	Lever Brothers (Private) Ltd., Salisbury	MFDPC
	South Africa—PLC	
	Elida-Gibbs (Pty.) Ltd., Durban	P
	Lever Brothers (Pty.) Ltd., Durban	D
	Lipton (SA) (Pty.) Ltd., Durban	F
	Unilever South Africa (Pty.) Ltd., Durban	H
	Van den Bergh and Jurgens (Pty.) Ltd., Durban	M
	Asia, Australia, New Zealand	
	Australia—PLC	
	Rosella Foods Pty. Ltd., Richmond	F
	Streets Ice Cream Pty. Ltd., Sydney	F
	Unilever Australia Pty. Ltd., Sydney	MDPCPP
	Bangladesh—PLC	
61	Lever Brothers Bangladesh Ltd., Chittagong	FDPC
	Philippines—N.V.	
	Philippine Refining Company Inc., Manila	MFDPC
	India—PLC	
51	Hindustan Lever Ltd., Bombay	MDPCA
	Indonesia—N.V.	
85	P.T. Unilever Indonesia, Jakarta	MFDPC
	Japan—N.V.	
79	Nippon Lever KK, Tokyo	MFDP
	Malaysia—PLC	
85	Lever Brothers (Malaysia) Sdn. Bhd., Kuala Lumpur	MFDPC
	Pamol (Sabah) Ltd., London	PL
	Unipamol Malaysia Sdn. Bhd., Kluang	PL
	New Zealand—PLC	
	Lever Brothers (New Zealand) Ltd., Petone	H
	Unilever New Zealand Ltd., Petone	FDPC
	Pakistan—PLC	
66	Lever Brothers Pakistan Ltd., Karachi	MDPC
	Republic of Singapore—PLC	
	Lever Brothers Singapore Sdn. Bhd., Singapore	MDP
	Solomon Islands—PLC	
60	Lever Solomons Ltd., Yandina	PL
	Lever's Pacific Timbers Ltd., Kolombangara	U
	Sri Lanka—PLC	
	Lever Brothers (Ceylon) Ltd., Colombo	MDPC

Principal subsidiaries

	Thailand—N.V.	
	Lever Brothers (Thailand) Ltd., Bangkok	MFDPC
	Turkey—N.V.	
80	Unilever-Iş Ticaret ve Sanayi Türk Limited Şirketi, Istanbul	M

Principal investments

%	**Associated companies**	
	European Community countries	
	Germany—N.V.	
50	Fritz Homann Lebensmittelwerke G.m.b.H. & Co. K.G., Dissen	MF
	Greece—N.V.	
49	'Elais' Oleaginous Products S.A., Athens	M
	Other European countries	
	Portugal—N.V.	
40	FIMA—Fábrica Imperial de Margarina Lda., Lisbon	M
	Central and South America	
	Chile—N.V.	
50	Indus Lever S.A.C.I., Santiago	MFDP
	El Salvador—N.V.	
50	Industrias Unisola S.A., San Salvador	MFDP
	Africa	
	Ghana—PLC	
45	Lever Brothers Ghana Ltd., Accra	MDPC
	Nigeria—PLC	
14	Guinness (Nigeria) Ltd., Ikeja	U
40	Lever Brothers Nigeria Ltd., Apapa	MFDPC
14	Nigerian Breweries Ltd., Apapa	U
40	UAC of Nigeria Ltd., Lagos	U

%	**Trade investments**	
	European Community countries	
	The Netherlands—N.V.	
37	Gamma Holding N.V., Helmond (total issued capital held 34%)	O
	United Kingdom—PLC	
25	International Stores Ltd., London	O

The above list of principal investments represents those which in the opinion of the Directors principally affect the amounts of profit and assets shown in these accounts in relation to associated companies and trade investments. The Directors consider that those associated companies and trade investments not listed are not significant in relation to the group as a whole.

Financial review 1976–1981

Fl. million	1976	1977	1978	1979	1980	1981
Results						
Sales to third parties	36 493	39 879	39 271	43 251	51 468	56 115
Costs	(33 891)	(37 563)	(36 924)	(40 682)	(48 554)	(52 790)
Operating profit	2 602	2 316	2 347	2 569	2 914	3 325
Concern share of associated companies' profit before taxation	57	257	256	179	200	261
Financial items	(106)	(176)	(172)	(192)	(214)	(239)
Profit before taxation	2 553	2 397	2 431	2 556	2 900	3 347
Taxation	(1 200)	(1 184)	(1 259)	(1 133)	(1 371)	(1 381)
Profit after taxation	1 353	1 213	1 172	1 423	1 529	1 966
Outside interests and preference dividends	(154)	(88)	(84)	(95)	(108)	(118)
Profit attributable to ordinary capital	1 199	1 125	1 088	1 328	1 421	1 848
Extraordinary items, less taxation and outside interests	—	—	—	486[4]	—	—
Profit after extraordinary items	1 199	1 125	1 088	1 814	1 421	1 848
Dividends on ordinary and deferred capital[2])	(395)	(413)	(423)	(489)[5]	(540)	(586)
Profit of the year retained	804	712	665	1 325	881	1 262
Assets and liabilities						
Preferential share capital	286	287	286	287	291	289
Ordinary shareholders' equity	7 542	8 142	7 735	9 049	10 949	12 125
Outside interests in subsidiaries	425	307	502	532	555	678
Loan capital	2 314	2 303	2 845	2 754	3 104	3 235
Deferred liabilities	1 877	2 267	2 696	2 629	3 370	3 717
Capital employed	12 444	13 306	14 064	15 251	18 269	20 044
Fixed assets	5 644	6 110	6 630	7 209	8 943	9 752
Associated companies	168	737	862	811	756	825
Trade investments	98	90	84	196	222	214
Other long-term assets	162	230	455	545	659	713
Working capital	5 813	5 707	6 022	6 902	7 956	8 389
Provision for taxation	(806)	(691)	(697)	(739)	(738)	(911)
Dividends	(332)	(396)	(443)	(309)	(342)	(372)
Net liquid funds	1 697	1 519	1 151	636	813	1 434
Employment of capital	12 444	13 306	14 064	15 251	18 269	20 044
Source and use of funds						
Funds generated from operations	3 354	2 996	3 139	3 344	4 076	4 522
Funds from other sources	263	(9)	601	(88)	206	183
Total sources	3 617	2 987	3 740	3 256	4 282	4 705
Taxation payments during the year	(784)	(608)	(729)	(746)	(1 073)	(924)
Capital expenditure less disposals	(995)	(1 235)	(1 211)	(1 413)	(1 937)	(1 911)
Purchase/sale of subsidiaries	(57)	(90)	(1 054)	(77)	(163)	68
Purchase/sale of associated companies/trade investments	(9)	(171)	(64)	33	(15)	(18)
Additional/reduced working capital	(1 069)	(496)	(574)	(881)	(205)	(523)
Dividends paid during the year	(373)	(371)	(372)	(654)	(544)	(564)
Other sources/uses	(63)	(178)	(75)	(139)	(235)	(72)
Total uses	(3 350)	(3 149)	(4 079)	(3 877)	(4 172)	(3 944)
Net increase/decrease in funds	267	(162)	(339)	(621)	110	761

	1976	1977	1978	1979	1980	1981
Shareholders' equity per share						
per Fl. 20 of capital (Fl.)	135	146	139	162	197	218
per 25p of capital (pence)	486	503	522	577	581	692
Earnings per share[1]						
per Fl. 20 of capital (Fl.)	21.51	20.19	19.53	23.83	25.49	33.16
per 25p of capital (pence)	77.20	69.47	73.44	84.71	75.41	105.39
Earnings plus depreciation per share						
per Fl. 20 of capital (Fl.)	33.98	33.63	33.47	39.21	43.71	52.87
per 25p of capital (pence)	121.93	115.70	125.85	139.38	129.31	168.03
Ordinary dividends						
N.V. per Fl. 20 of capital (Fl.)	8.36	8.56	8.80	9.88	11.12	12.04
PLC per 25p of capital (pence)[2]	19.98	20.39	22.67	24.05	22.91	26.87
Capital expenditure (Fl. million)	1 097	1 368	1 358	1 574	2 200	2 101
Depreciation (Fl. million)	694	749	777	857	1 015	1 098
Employees (subsidiaries)						
Remuneration (Fl. million)	6 632	7 146	7 324	8 136	9 707	10 339
Number (000's)	315	327	316	309	300	292
Ratios						
Sales : capital employed	2.9	3.0	2.8	2.8	2.8	2.8
Sales per employee (Fl.)	115 850	121 954	124 275	139 971	171 560	192 175
Sales : working capital	6.3	7.0	6.5	6.3	6.5	6.7
Dividends : earnings	0.33	0.37	0.39	0.36	0.38	0.32
Gearing[3]	0.29	0.29	0.33	0.30	0.30	0.28
Current assets : current liabilities	1.9	1.8	1.8	1.8	1.8	1.8
Share prices						
N.V. per Fl. 20 ordinary share						
in Amsterdam High	131	137	130	132	129	164
Low	100	118	111	112	102	123
PLC per 25p ordinary share						
in London High	500	596	602	680	512	652
Low	346	410	476	450	388	438

[1]) See notes on page 39.
[2]) Dividends are included at the amounts paid or to be paid to the shareholders. The PLC dividends shown are the amounts declared. From 1976 to 1978 the amounts paid were lower because of statutory dividend controls. The balance (together with deferred amounts from earlier years) was paid in August, 1979 on cessation of such controls.
[3]) Gearing is loan capital plus short-term borrowings divided by the sum of loan capital, short-term borrowings, preferential share capital, ordinary shareholders' equity and outside interests in subsidiaries.

[4]) Deferred taxation released in 1979 in respect of United Kingdom stock relief is attributable to:

1973 / 1974	Fl. 160 million	1976	Fl. 115 million
		1977	Fl. 115 million
1975	Fl. 35 million	1978	Fl. 61 million

[5]) Includes additional dividends declared in respect of earlier years, due to change in rate of Advance Corporation Tax, amounting to Fl. 13 million.

Sales, profit and capital employed by geographical areas

Fl. million	1976	1977	1978	1979	1980	1981
Sales to third parties						
European Community countries*)	21 814	26 095	26 353	28 638	32 953	34 239
Other European countries	2 426	2 532	2 598	2 894	3 327	3 704
North America	3 648	3 582	3 613	4 431	5 464	7 020
Central and South America	948	936	1 004	972	1 466	1 629
Africa	4 733	3 635	2 858	3 105	3 852	4 198
Asia, Australia, New Zealand	2 924	3 099	2 845	3 211	4 406	5 325
	36 493	39 879	39 271	43 251	51 468	56 115
Operating profit before taxation and outside interests						
European Community countries*)	1 278	1 300	1 464	1 489	1 471	1 472
Other European countries	159	198	151	192	252	311
North America	216	182	151	249	260	360
Central and South America	71	111	112	92	153	229
Africa	621	257	216	240	339	373
Asia, Australia, New Zealand	257	268	253	307	439	580
	2 602	2 316	2 347	2 569	2 914	3 325
Profit attributable to ordinary capital						
European Community countries*)	633	537	635	787	708	867
Other European countries	76	101	51	107	138	197
North America	108	108	70	92	98	155
Central and South America	52	78	70	38	69	97
Africa	218	185	168	170	242	278
Asia, Australia, New Zealand	112	116	94	134	166	254
	1 199	1 125	1 088	1 328	1 421	1 848
Capital employed						
European Community countries*)	7 920	8 545	8 867	9 692	11 547	12 036
Other European countries	932	1 107	1 075	1 194	1 366	1 536
North America	1 279	1 360	1 891	2 055	2 446	2 906
Central and South America	350	258	322	317	519	682
Africa	1 297	1 318	1 224	1 231	1 353	1 448
Asia, Australia, New Zealand	666	718	685	762	1 038	1 436
	12 444	13 306	14 064	15 251	18 269	20 044

In considering the figures on pages 66 and 67 the treatment of associated companies should be noted.
Sales include sales by subsidiaries to associated companies (sales by associated companies are excluded).

Operating profit does not include any contribution by associated companies but profit attributable includes the concern share of associated companies' profit after taxation. Capital employed includes the investment in associated companies on the basis shown in note (18) on page 45.
*) 1981: including Greece.

Sales and profit by operations

Fl. million	1976	1977	1978	1979	1980	1981
Sales						
Margarine, other fats and oils, dairy products	9 805	11 502	11 248	12 092	13 381	14 360
Other foods	10 224	11 345	11 332	12 038	13 246	14 070
Detergents	6 596	6 897	6 412	7 265	9 410	10 695
Personal products	1 533	1 657	1 706	1 907	2 430	2 675
Chemicals	1 331	1 514	1 806	2 727	3 269	3 737
Paper, plastics, packaging	1 459	1 645	1 615	1 774	2 041	1 954
Animal feeds	2 310	2 524	2 444	2 934	3 875	3 959
UAC International	4 656	4 261	4 017	3 784	4 729	5 433
Plantations, transport, other interests	1 992	2 369	2 558	3 023	3 921	4 180
Total sales[1]	39 906	43 714	43 138	47 544	56 302	61 063
of which internal sales[2]	(3 413)	(3 835)	(3 867)	(4 293)	(4 834)	(4 948)
Sales to third parties	36 493	39 879	39 271	43 251	51 468	56 115
Operating profit before taxation and outside interests						
Margarine, other fats and oils, dairy products	504	477	600	538	706	841
Other foods	518	484	577	713	700	732
Detergents	517	473	469	500	631	777
Personal products	127	136	60	105	170	253
Chemicals	95	112	132	228	214	272
Paper, plastics, packaging	92	82	42	32	23	8
Animal feeds	60	61	65	68	54	62
UAC International	588	283	268	210	217	259
Plantations, transport, other interests	101	208	134	175	199	121
	2 602	2 316	2 347	2 569	2 914	3 325
Concern share of associated companies' profit before taxation[3]						
UAC International	44	228	185	115	133	177
Other operations	13	29	71	64	67	84
	57	257	256	179	200	261

The movements in exchange rates have had a significant influence on the figures from 1976 to 1981. When expressed in sterling as in the accounts of PLC the yearly percentage changes are different from those in guilders.

[1]) The sales figures reported for product groups are total sales, comprising sales to third parties and internal sales. Internal sales represent supplies of marketable products and services between one product group and another within the organisation.
[2]) The inclusion of internal sales in the total sales of the product groups properly reflects the sales to which the operating profit of these groups should be related. For the business as a whole only sales to third parties are used.

[3]) This heading was introduced into the profit and loss accounts in 1977 when UAC of Nigeria became an associated company and its results had to be excluded from operating profit. This change in the status of UAC of Nigeria explains the sharp fall in UAC International's operating profit in 1977. Since then some further companies have become associated companies, the largest being Lever Brothers Nigeria (mainly detergents, but also margarine, other foods and toilet preparations). The contribution shown above as 'Other operations' consists of several commodity groups with margarine and detergents the most significant.

Capital expenditure

Fl. million	1976	1977	1978	1979	1980	1981
Analysis by geographical areas						
European Community countries[1])	708	901	857	1 052	1 485	1 221
Other European countries	68	90	102	103	112	117
North America	92	97	125	179	189	208
Central and South America	23	48	55	55	145	110
Africa	127	119	81	79	124	163
Asia, Australia, New Zealand	79	113	138	106	145	282
	1 097	1 368	1 358	1 574	2 200	2 101
Analysis by operations						
Margarine, other fats and oils, dairy products	208	267	225	252	310	321
Other foods	320	361	364	378	529	561
Detergents	131	205	211	230	346	384
Personal products	35	71	50	49	70	84
Chemicals	71	57	101	133	171	146
Paper, plastics, packaging	73	92	112	177	177	152
Animal feeds	26	48	42	58	108	49
UAC International	101	98	95	90	94	92
Plantations, transport, other interests	132	169	158	207	395	312
	1 097	1 368	1 358	1 574	2 200	2 101

Value added statement

Fl. million	1976	1977	1978	1979	1980	1981
Sources						
Sales to third parties	36 493	39 879	39 271	43 251	51 468	56 115
Other income	240	443	464	426	590	688
	36 733	40 322	39 735	43 677	52 058	56 803
Less cost of materials and services purchased	(26 551)	(29 654)	(28 809)	(31 674)	(37 815)	(41 337)
Value added[2])	10 182	10 668	10 926	12 003	14 243	15 466
	%	%	%	%	%	%
Value added as a proportion of sales	28	27	28	28	28	28
Disposal[3])	%	%	%	%	%	%
To employees in wages, salaries, pension contributions	65	67	67	68	68	67
To governments in taxation	12	11	12	9	10	9
To providers of capital						
—loans (interest)	3	3	3	4	4	4
—shareholders (dividends)	4	4	4	4	4	4
—outside shareholders and preference dividends	1	1	1	1	1	1
Reinvested in business						
—depreciation	7	7	7	7	7	7
—profit retained	8	7	6	7[4])	6	8
	100	100	100	100	100	100

[1]) 1981: including Greece.
[2]) Figures of sales to third parties show in part the result of other people's work, namely the raw materials, products and services which the concern has purchased from outside, and in part the results of the efforts of the concern's workforce and the use of its physical and financial assets. This latter part is the value added by the concern and is expressed as turnover less goods and services purchased from outside.

[3]) This statement shows how the value added has been distributed by way of payment to employees, to governments, and to those who have provided capital, and indicates the proportion retained in the business.
[4]) Excludes the release of Fl. 486 million deferred taxation provision, relating to United Kingdom stock relief which was treated as an extraordinary item.

Quarterly results

	1st quarter	2nd quarter	3rd quarter	4th quarter	Total year
Sales to third parties					
1981					
Fl. million	**13 617**	**14 118**	**13 966**	**14 414**	**56 115**
%	**24**	**25**	**25**	**26**	**100**
1980					
Fl. million	12 112	12 898	12 797	13 661	51 468
%	24	25	25	26	100
Operating profit					
1981					
Fl. million	**797**	**1 002**	**895**	**631**	**3 325**
%	**24**	**30**	**27**	**19**	**100**
1980					
Fl. million	653	826	789	646	2 914
%	23	28	27	22	100
Profit before taxation					
1981					
Fl. million	**807**	**992**	**884**	**664**	**3 347**
%	**24**	**30**	**26**	**20**	**100**
1980					
Fl. million	633	823	763	681	2 900
%	22	28	26	24	100
Profit attributable to ordinary capital					
1981					
Fl. million	**367**	**644*)**	**494**	**343**	**1 848**
%	**20**	**35**	**27**	**18**	**100**
1980					
Fl. million	290	395	370	366	1 421
%	20	28	26	26	100
Earnings per share					
1981					
per Fl. 20 of capital (Fl.)	**6.59**	**11.56**	**8.86**	**6.15**	**33.16**
per 25p of capital (pence)	**20.94**	**36.77**	**28.16**	**19.52**	**105.39**
1980					
per Fl. 20 of capital (Fl.)	5.20	7.09	6.64	6.56	25.49
per 25p of capital (pence)	15.40	20.94	19.63	19.44	75.41

The published results for each of the quarters of both years have been recalculated at the year-end rates of exchange which have been used for the results of the respective years. The figures in the table therefore differ from the figures originally published for each quarter.

*) The profit attributable to ordinary capital in the second quarter of 1981 includes the additional stock relief benefit of Fl. 105 million, mainly applicable to 1980, arising from changes contained in the United Kingdom Finance Act 1981.

Salient figures in guilders and other currencies

1981 above 1980	Dutch Guilders	Sterling Pounds	Belgian Francs	German Marks	French Francs	Austrian Schillings	U.S. Dollars	Swiss Francs
Rates of exchange		**4.72**	**0.0643**	**1.0970**	**0.4321**	**0.1569**	**2.4700**	**1.3700**
one unit = Fl.		5.07	0.0674	1.0873	0.4694	0.1536	2.1300	1.2040
	In millions of currency							
Sales to third parties	**56 115**	**11 889**	**872 754**	**51 122**	**129 825**	**357 614**	**22 708**	**41 016**
	51 468	10 152	763 294	47 306	109 637	335 102	24 161	42 738
Operating profit	**3 325**	**705**	**51 715**	**3 029**	**7 693**	**21 190**	**1 346**	**2 430**
	2 914	575	43 220	2 679	6 208	18 974	1 368	2 420
Profit before taxation	**3 347**	**709**	**52 064**	**3 050**	**7 745**	**21 334**	**1 355**	**2 447**
	2 900	572	43 005	2 665	6 177	18 880	1 361	2 408
Profit after taxation	**1 966**	**416**	**30 585**	**1 792**	**4 550**	**12 532**	**796**	**1 437**
	1 529	301	22 667	1 405	3 256	9 951	717	1 269
Profit attributable	**1 848**	**391**	**28 739**	**1 683**	**4 275**	**11 776**	**748**	**1 351**
to ordinary capital	1 421	280	21 063	1 306	3 025	9 247	667	1 179
Ordinary dividends	**586**	**124**	**9 110**	**533**	**1 355**	**3 733**	**237**	**429**
	540	106	8 001	496	1 149	3 513	253	448
Profit of the year retained	**1 262**	**267**	**19 629**	**1 150**	**2 920**	**8 043**	**511**	**922**
	881	174	13 062	810	1 876	5 734	414	731
	In units of currency							
Earnings per share[1])								
per Fl. 20 of capital	**33.16**	**702.61p**	**515.78**	**30.21**	**76.72**	**211.34**	**13.42**	**24.24**
	25.49	502.75p	378.02	23.43	54.30	165.96	11.97	21.17
per 25p of capital	**4.97**	**105.39p**	**77.37**	**4.53**	**11.51**	**31.70**	**2.01**	**3.64**
	3.82	75.41p	56.70	3.51	8.14	24.89	1.79	3.17
Ordinary dividends[2])								
N.V.—per Fl. 20 of capital	**12.04**	**255.08p**	**187.25**	**10.98**	**27.86**	**76.74**	**4.87**	**8.79**
	11.12	219.33p	164.99	10.23	23.69	72.40	5.22	9.24
PLC—per 25p of capital	**1.27**	**26.87p**	**19.73**	**1.16**	**2.93**	**8.08**	**0.51**	**0.93**
	1.16	22.91p	17.23	1.07	2.47	7.56	0.55	0.96
Shareholders' equity per share								
per Fl. 20 of capital	**217.62**	**4 610.67p**	**3 384.69**	**198.26**	**503.49**	**1 386.89**	**88.06**	**159.07**
	196.50	3 875.70p	2 914.14	180.61	418.58	1 279.37	92.24	163.17
per 25p of capital	**32.64**	**691.60p**	**507.70**	**29.74**	**75.52**	**208.03**	**13.21**	**23.86**
	29.47	581.35p	437.12	27.09	62.79	191.91	13.84	24.48

Rates of exchange quoted above have been used in the preparation of the accounts and to convert figures in this table. The change in rates between 1980 and 1981 results in the percentage growth being different according to the currency in which it is expressed. The value of dividends received by shareholders in currencies other than sterling or guilders will be affected by fluctuations in the rates of exchange after the year-end.

[1]) See note on page 39.
[2]) See notes on pages 29 and 65.

Capital and membership

During 1981 there was no change in the share capital of N.V. or PLC.

Changes in loan capital are shown in the Notes to the consolidated accounts on pages 41 and 42.

As most of N.V.'s share capital and all of its loan capital is held by the public in the form of bearer scrip, it is impossible to ascertain the number of holders. At the year-end PLC had 72 906 ordinary and 799 preferential shareholdings and 62 170 debenture and unsecured loan stockholdings.

The geographical spread of N.V.'s ordinary shareholdings based on the country of payment of the final dividend paid in 1980 and 1981 was:

	1980	1981
	%	%
The Netherlands	51	46
Switzerland	22	20
United Kingdom	7	15
United States	5	6
Germany	6	5
France	4	3
Belgium	3	3
Other countries	2	2
	100	100

In 1981, as in 1980, the holders of over 99% of PLC's ordinary shares had registered addresses in the United Kingdom.

The shares of Unilever N.V. are listed on the stock exchanges in Amsterdam, London, Antwerp, Brussels, Berlin, Dusseldorf, Frankfurt, Hamburg, Munich, Paris, Dublin, Vienna, New York, Basle, Geneva, Lausanne and Zürich.

The shares of Unilever PLC are listed on The Stock Exchange in the United Kingdom and Ireland.

Both N.V. and PLC make filings with the United States Securities and Exchange Commission in the form required by United States legislation. Any shareholder who wishes to see a copy of the filings made with the SEC should apply in the case of N.V. to Public Relations Department, Unilever N.V., P.O. Box 760, 3000 DK Rotterdam, the Netherlands, or in the case of PLC to Unilever PLC, London.

Dates for dividend and interest payments

Ordinary dividends	Interim	Announced mid-November. Payable second half of December.
	Final	Proposed early March. Payable end of May/early June.
7% and 6% Cumulative Preference dividends		Payable 1st October.
4% Cumulative Preference dividends		Payable 1st January.
6% Bonds 1972/91		Payable 15th January.
8¾% Bonds 1981/85		Payable 1st December.
8½% Bonds 1981/87		Payable 1st May.
9¼% Bonds 1987		Payable 15th July.
4½% Bonds 1984/91		Payable 7th June.
9¾% Bonds 1986/90		Payable 15th July.
6¾% Bonds 1991		Payable 26th August.
7½% Bonds 1993		Payable 12th November.

If the above dates fall on a Sunday or a public holiday, the dividends and interest will be payable on the next working day.

Interim announcements of results

First quarter results	Mid-May.
First half-year results	Mid-August.
Nine months results	Mid-November.
Provisional results for the year	Early March.

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