

# UNILEVER

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TRANSLATION  
OF  
ANNUAL REPORT  
AND  
STATEMENT OF ACCOUNTS  
1954

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

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

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

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# UNILEVER N.V.

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## DIRECTORS

PAUL RIJKENS *Chairman*

SIDNEY J. VAN DEN BERGH }  
SIR GEOFFREY HEYWORTH } *Vice-Chairmen*

M. G. DE BAAT

JAMES P. VAN DEN BERGH

A. D. BONHAM-CARTER

GEORGE JAMES COLE

J. A. CONNEL

SIR HERBERT DAVIS

W. A. FAURE

JOHN HENRY HANSARD

HAROLD HARTOG

JAMES LAURENCE HEYWORTH

RALPH ESTILL HUFFAM

RUDOLF G. JURGENS

ANDREW M. KNOX

J. F. VAN MOORSEL

FRANCIS DAVID MORRELL

A. E. J. SIMON THOMAS

ARTHUR HENRY SMITH

F. J. TEMPEL

## ADVISORY DIRECTORS

H. M. HIRSCHFELD

J. M. HONIG

K. P. VAN DER MANDELE

JHR. J. A. G. SANDBERG

T. J. TWIJNSTRAS

H. L. WOLTERSOM

## SECRETARY

E. A. HOFMAN

## AUDITORS

PRICE WATERHOUSE & Co.

COOPER & BROTHERS & Co.

## SALIENT POINTS

*All figures relate to the N.V. and LIMITED Groups combined; details are set out in the accompanying Statements and should be considered in conjunction with the Notes thereon.*

1953		1954
Fl.		Fl.
1,804,000,000	FIXED ASSETS .....	1,914,000,000
1,968,000,000	NET CURRENT ASSETS .....	2,144,000,000
3,772,000,000	CAPITAL EMPLOYED .....	4,058,000,000
228,000,000	CAPITAL EXPENDITURE .....	260,000,000
161,000,000	DEPRECIATION .....	175,000,000
13,900,000,000	TURNOVER .....	15,294,000,000
655,000,000	TRADING PROFIT .....	746,000,000
360,000,000	TAXATION FOR THE YEAR .....	407,000,000
6,000,000	EXCEPTIONAL PROFITS .....	28,000,000
275,000,000	CONSOLIDATED NET PROFIT .....	339,000,000
237,489,000	PROFIT ACCRUING TO THE ORDINARY SHAREHOLDERS ..	301,912,000
	Fl. 191,575,000 PROFITS RETAINED Fl. 239,397,000	
	Fl. 45,914,000 ORDINARY DIVIDENDS Fl. 62,515,000	
	14 <sup>0</sup> / <sub>0</sub> N.V. * 14 <sup>0</sup> / <sub>0</sub>	
	15 <sup>3</sup> / <sub>4</sub> <sup>0</sup> / <sub>0</sub> LIMITED * 15 <sup>3</sup> / <sub>4</sub> <sup>0</sup> / <sub>0</sub>	

\* On increased capitals.

# REPORT OF THE DIRECTORS FOR THE YEAR 1954

TO BE SUBMITTED AT THE GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD AT ROTTERDAM  
ON 26TH MAY, 1955.

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The Directors submit their Report and Accounts for the year 1954. UNILEVER N.V. and UNILEVER LIMITED, referred to as "N.V." and "LIMITED" respectively, are linked by a series of agreements of which the principal is the Equalisation Agreement. This, in effect, equalises the rights of the ordinary capitals of the two companies as to dividends and, on liquidation, as to capital value, on the basis of £ 1 nominal of LIMITED's ordinary capital being equivalent to Fl. 12 nominal of N.V.'s ordinary capital. For this reason the Report and Accounts combine, as hitherto, the results and operations of the two Groups.

The guilder equivalents of all LIMITED figures are calculated at the official parity, i.e., £ 1 = Fl. 10.64, in order to avoid small differences in exchange arising from conversion at the year-end rates. The comparative figures for 1953 are also expressed at this rate.

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

## CHANGES IN CAPITAL

During the year holders of Fl. 74,620,000 of the 3½% Convertible Notes issued by N.V. in 1949 converted their holdings into Fl. 29,848,000 nominal ordinary shares, in accordance with the terms of issue. The premium on capital arising from this conversion was Fl. 56,247,000. Because of the very small number of Notes unconverted, it was decided at the beginning of December to repay any Notes still outstanding on the 15th February, 1955.

At Extraordinary General Meetings of N.V. and LIMITED held in November it was decided to issue new ordinary shares to the holders of existing ordinary capital on the basis of one new share for every four units held by capitalising part of the "Premiums on capital issued". This distribution amounted to Fl. 60,553,000 in the case of N.V. and to £ 4,279,377 (Fl. 45,533,000) in the case of LIMITED.

## **ECONOMIC BACKGROUND**

The slight recession in the United States which continued during the first half of 1954 had little effect on the rest of the world. The world as a whole, and Europe in particular, was prosperous, and expenditure on consumer goods continued to rise. Although pressure of demand, both for consumption and investment, began to affect the balance of payments of several countries, 1954 was remarkably free from foreign exchange difficulties.

Notwithstanding reduced demand in the United States, world demand for raw materials expanded further and commodity markets were generally firm. Prices tended to rise.

Taxation on profits remained broadly the same. In the United Kingdom the excess profits levy came to an end as from the beginning of the year. Investment allowances, which had been granted in the Netherlands in 1953, were also introduced in the United Kingdom and Belgium during 1954.

## **RESULTS**

The favourable world economic conditions last year were reflected in the results of the Group, details of which are given in the consolidated profit and loss account (Statement A).

Both turnover and profits in 1954 showed satisfactory increases. Turnover at Fl. 15,294,245,000 was again a record and exceeded the 1953 figure by Fl. 1,393,861,000. The trading profit was Fl. 745,813,000 compared with Fl. 655,251,000 in 1953; this, too, was the highest yet achieved.

The consolidated net profit for the year amounted to Fl. 338,931,000 compared with Fl. 274,508,000 for the previous year. This is arrived at after charging taxation on profits for the year of Fl. 406,631,000 (1953: Fl. 359,851,000). In 1954 the profit after taxation but before deducting loan interest was equivalent to a yield of 8.5% on capital employed compared with 7.8% in 1953. The application of our usual principle of eliminating from the net results fortuitous profits or losses due to price variations in oils and fats does not lead to any changes in the stock reserves at 31st December, 1954.

The proposed appropriations of the profit of the Parent Companies are also shown in Statement A. Interim dividends in respect of 1954, equivalent to 5 $\frac{1}{4}$ % for N.V. and 6% less income tax for LIMITED were paid on 10th December last on the ordinary capitals as increased by the conversion of notes and the scrip issues. The Directors now recommend the payment of final dividends of 8 $\frac{3}{4}$ % on the ordinary capital of N.V. and 9 $\frac{3}{4}$ % less income tax on the ordinary stock of LIMITED, both payable on 9th June, 1955. The dividends recommended on the respective ordinary capitals are equivalent in value under the terms of the Equalisation Agreement. After payment of the above dividends, an amount of Fl. 239,397,000 remains to be added to the profits retained in the business.

The improvement in trading conditions during 1954 has continued into 1955, though at a slower pace. Our volume of sales and profits earned so far this year have also been satisfactory.

## **REVIEW OF OPERATIONS**

### **RAW MATERIALS**

The outstanding feature of the oils and fats market in 1954 was the return to private trading in both the Netherlands and the United Kingdom.

In the Netherlands, the move to freedom was taken in two steps. The first was on 9th May when the trade was permitted once more to import its own oilseeds, oils and fats for consumption after 22nd August. But it still had to buy its supplies for current consumption from the Government or elsewhere at fixed prices. The second and final step was taken on 23rd August, from which date all prices were freed and the trade was allowed to buy from the Government or from private sources as it pleased; the Government's selling prices were brought into line with those ruling on the world market.

Freedom to the trade in the United Kingdom came on 8th May. At that time, the British Government's stocks amounted to some 3-4 months' consumption, which was equivalent to a normal commercial stock, while the edible oil industry had no stocks. By the end of the year, however, it had taken over or used these Government stocks of oilseeds, oils and fats. The existence of long-term contracts between the Ministry of Food and certain Commonwealth producers of oils and oilseeds, giving them the security of a guaranteed market, could have made the changeover from Government to private trading difficult. In fact the transition was very orderly because the United Kingdom processors took over the Ministry's contract with the West African Produce Marketing Companies, and they also entered into an agreement with the Ministry of Food to take over deliveries of South Sea copra and coconut oil under the Ministry's long-term contract.

World consumption of oils and fats increased in 1954, and this helped the United States Government to dispose of the greater part of its stock of cottonseed oil, which declined from 466,000 tons at the beginning of the year to 136,000 tons at the end. Substantial tonnages were sold to Europe and other countries at prices 25% below the United States domestic market. In the event, American net exports of all oils and fats in 1954 totalled 1,290,000 tons or nearly 530,000 tons more than in 1953. But the United States Government was not successful in liquidating its stock of butter, for this increased by 18,000 tons and at the end of the year amounted to 133,000 tons—or nearly three months' supply.

The oils and fats market remained firm on the whole, though prices sagged in the summer months. Prices of many of the oilseeds and oils such as copra and groundnut oil were lower at the end of the year than at the beginning. Prices of palm oil and whale oil, on the other hand, were higher in December than in January. The course of prices during the past year of four principal raw materials is illustrated in the following table:

	PRICES PER TON				
	1954 Jan.	1954 Mar.	1954 Sept.	1954 Dec.	1955 Mar.
	£	£	£	£	£
Straits Copra .....	93	77	67	74	67
Groundnut Oil .....	156	150	117	111	93
Palm Oil .....	79	78	73	84	83
Whale Oil .....	81	79	74	83	78

In 1955 for the first time since the beginning of the war, the world oils and fats market will no longer be dominated by large Government-held stocks (with the exception of the United States Government holdings of butter). But the United States has now become the world's largest single source of supply, providing over one-fifth of the oils and fats entering world trade, so that its domestic and export price policies will continue to exert a great influence on the world market.

## FINANCE AND CAPITAL EXPENDITURE

The return to private trade in oils and fats in the Netherlands and in the United Kingdom together with the general expansion in turnover increased our investment in stocks during the past year. By the end of 1954 stocks had in fact risen by Fl. 300 million. Our expenditure on fixed assets during the year absorbed some Fl. 260 million compared with Fl. 228 million in 1953. Our liquid resources, however, were reduced by only Fl. 31 million.

A feature in 1954 has been the greater ease with which we have been able to transfer funds between countries.

Most of the capital expenditure projects mentioned in our previous reports are either completed or nearing completion, and all should be in operation by the end of the current year. During 1954 new projects involving expenditure of Fl. 350 million were approved; this represented an increase of Fl. 140 million on 1953. A large number of these projects represents normal replacement or development of relatively minor importance individually but amounting to considerable sums in total. These include:

	Fl.
Motor vehicles (purchases less sales of old vehicles) . . . . .	30,388,000
Housing for European, African and other overseas staff . . . . .	11,332,000
Palletisation (for ease and speed of handling goods) . . . . .	1,936,000
Improvement and purchase of retail shops for Mac Fisheries in United Kingdom . . . . .	2,543,000
Ice cream depots, cold stores and customers' refrigerators in United Kingdom . . . . .	4,224,000

Projects of greater individual importance approved during the year include:

Oil mill at Harburg, Germany . . . . .	27,004,000
Extension of animal feeding stuffs mills at Avonmouth and London, England . . . . .	14,502,000
Extension of oil mill and edible fats factory at Istanbul, Turkey . . . . .	2,713,000
Extension of the margarine plants at Bromborough and Purfleet, England . . . . .	4,118,000
Synthetic detergents plant at Port Sunlight, England; Vorst, Belgium; Haubourdin, France; Glostrup, Denmark and Abo, Finland . . . . .	14,311,000
Extension of soap plant at Manila, Philippines . . . . .	1,819,000
Extension of processing and distribution equipment for frozen foods, England . . . . .	2,192,000
Extension of ice cream plant at Hamburg, Germany . . . . .	1,266,000
Extension of ice cream factory at London, England . . . . .	4,011,000
Tea-bagging machines for United States of America . . . . .	6,650,000
Tea-packing plant at Suffolk, Virginia, United States of America . . . . .	8,778,000
Deep-sea trawlers for Germany . . . . .	10,672,000
Extension of oleine and stearine plant at Bromborough, England . . . . .	3,884,000
Storage and distribution depots in the United Kingdom . . . . .	7,012,000
New plant for silicate manufacture at London, England . . . . .	2,202,000
Thermal-electric station (combined steam and power) at Port Sunlight, England . . . . .	20,216,000
Cargo vessel for Palm Line Limited . . . . .	8,267,000

The second chart on page 29 shows for 1954 and earlier years the excess of expenditure on fixed assets over depreciation and the additions to working capital. The percentage of



profit retained in the business and that paid out in dividends and taxation are shown in the first chart on the same page.

Our expenditure on fixed assets in 1955 is unlikely to be less than last year, and as we expect our turnover to increase, our investment in stocks should do so, too. Our liquid position, however, is satisfactory: at the end of 1954 our cash balances and investments amounted to Fl. 591 million; stocks were Fl. 2,280 million, while short-term borrowings totalled Fl. 318 million.

### TURNOVER

The increased consumer spending in the world last year was reflected in our turnover, which increased by 10<sup>0</sup>/<sub>0</sub> to a new record figure of Fl. 15,294,245,000. Details of turnover by commodity groups are given in the table on page 20.

The breakdown of turnover by geographical areas in the past three years is given below. For this purpose the United Africa Group is considered as a separate geographical entity.

	1952	1953	1954
	Fl.	Fl.	Fl.
Europe .....	7,773,115,000	8,525,241,000	9,393,609,000
North and South America .....	1,577,616,000	1,619,755,000	1,760,665,000
Africa, Middle East and Australasia..	403,722,000	465,959,000	562,664,000
Orient .....	612,571,000	661,894,000	698,974,000
United Africa Group .....	2,616,234,000	2,627,535,000	2,878,333,000
	<u>12,983,258,000</u>	<u>13,900,384,000</u>	<u>15,294,245,000</u>

The first chart on page 21 shows the capital employed and turnover in each of the four main geographical areas and in the United Africa Group, as well as their proportionate shares of the total.

### MARGARINE AND OTHER EDIBLE FATS

The continued high level of world prosperity in 1954 increased consumption of edible fats and more particularly of margarine. Our sales of margarine also expanded and although part of the increase went to fill up trade pipelines, the larger part undoubtedly represented an increase in consumption. Virtually the whole of this increase was accounted for by the superior quality brands which sold in four countries: the Netherlands, United Kingdom, Belgium and Germany.

Our sales of edible fats achieved the new record total of 1,417,000 tons; for the past three years they were as follows:

1952	1953	1954
1,259,000 tons	1,301,000 tons	1,417,000 tons

In the Netherlands, total margarine consumption continued to grow in 1954 but the sale of our brands, particularly of Blue Band, the superior quality margarine, rose more sharply, thus increasing our share of the market.

In the United Kingdom rationing was abolished and branded margarine and compound cooking fats returned in May after an absence of nearly 14 years. Echo, the standard quality

margarine, was introduced at a price lower than that for national margarine, and Stork, the superior quality brand, was introduced at a premium. Later, Summer County was launched to compete in a growing market for a higher priced margarine of extra quality. Sales since decontrol were substantially higher than in the corresponding period of 1953 when rationing was still in force. Our three main brands of domestic cooking fats were also re-introduced in May and within a short space of time gained a larger share of the market than they had before the war.

In Germany, too, we introduced a superior quality brand of margarine, and its sales exceeded our expectations. Our sales also increased in Belgium, France, Austria, Denmark and Sweden. Margarine was derationed in Finland at the beginning of 1954 and we not only re-established our brands but also increased our share of the market. In Italy in conjunction with Italian interests we started to produce margarine and edible fats for the Italian market.

In the United States consumption of margarine per head of population continued to rise, despite the substantial reduction in the price of butter last spring, and our margarine improved its share of the market. Sales of our vegetable shortening on the other hand failed to increase although total consumption of vegetable shortenings increased. In Canada we improved our share of the margarine market.

Our sales of edible fats in Turkey were more than double their 1953 tonnage and were unable to match demand. In India, too, despite competition because of the more ample supplies of groundnut oil, our sales increased, and larger sales were reported in most other Asiatic countries, particularly Indonesia.

To meet the increased demand for margarine, extensions to manufacturing capacity had to be made in many countries. A new margarine factory was opened in Berlin towards the end of the year and another in Nigeria.

In the Netherlands, where in 1953 there had been no reasonable relationship between the volume of margarine sold and the profits earned, trading profits increased. In Europe as a whole margins tended to improve. In the United Kingdom the return to private trading enabled us to earn more reasonable profits compared with the inadequate margins we received from the Ministry of Food. In Germany, despite larger sales, trading profits were only slightly up on 1953. In the United States, our loss on edible fats was reduced. Most other countries outside Europe, however, reported better results; an important exception was India, where the severe and continuous fall in the price of groundnuts and groundnut oil involved the whole of the edible fat processing industry in losses.

#### **SOAP AND OTHER DETERGENTS**

Our sales of detergents (soap and synthetic) also increased in 1954. Not only was the volume the largest yet achieved but the rate of increase during the year was also one of the highest recorded since the war. Our sales of synthetic detergents increased more rapidly than ever before, and they have more than doubled themselves during the past two years. Sales of soap also increased in volume; the increase in the less developed markets more than offset any decline in the sophisticated ones caused by the increased use of synthetic detergents.

Our sales of all detergents for the past three years were as follows:

1952	1953	1954
1,217,000 tons	1,311,000 tons	1,438,000 tons

In considering these figures, it should be remembered that a ton of synthetic detergent as sold gives greater detergency than a ton of soap powder.

Additional brands of synthetic detergents were introduced into eleven countries last year (the Netherlands, United Kingdom, Belgium, Switzerland, Italy, Denmark, Sweden, United States, Canada, South Africa and Rhodesias) and into more than forty export markets. But despite all the various developments that have taken place in soap and synthetic detergents during recent years, our sales of Sunlight soap, which was first sold in 1884, achieved a new all-time record in 1954. The main increase occurred in overseas countries, particularly Indonesia.

The consumption of synthetic detergents in the Netherlands increased rapidly in 1954. A new synthetic powder, Sunil, was introduced during the year, and with Omo it established our position in that market. The consumption of soap powders suffered, but we have been able to maintain our turnover.

Sales in the United Kingdom expanded substantially; the increase was one of the largest we have experienced for many years. A large part of it came from our synthetic detergents which, helped by the successful launch of Omo, improved their share of the market. Our soaps, particularly packaged and toilet soaps, also shared in the increase, and Persil – one of our brands for soap powder in the British Commonwealth and in France – and Lux Flakes established new records. In November we made a substantial reduction in the price of synthetic detergents and soap powders.

In France, our sales rose sharply; those of synthetic powders almost doubled, while soap powders achieved a new record. In Germany, our synthetic powder made further progress despite competition from soap powders, while our sales of toilet soaps also increased considerably. In Belgium our sales of synthetic detergents expanded, particularly after the introduction of Sunil. In Denmark sales of our new synthetic detergent developed satisfactorily, while in Sweden, where progress was also made, another brand of synthetic detergent was added to our range.

Our sales in the United States expanded, although total consumption showed little change. Most of the increase came from synthetic detergents: Rinso Blue was launched, and Lux Liquid, which was introduced in 1953, had a very satisfactory year. In Canada the increase in sales of synthetic powders was not quite sufficient to offset the decline in our other sales. During the year Lux Liquid was launched and achieved national distribution early in 1955.

Sales increased substantially in South Africa, where a synthetic powder was introduced, and in Australia and Indonesia. Larger sales were also achieved in India, despite the imposition of an excise duty on wrapped laundry soaps and toilet soaps. In Israel, however, various difficulties arose, and as it was clear that we would not be able to develop the soap business as we had expected, we agreed with our partners to terminate our operations.

Production facilities in many countries had to be increased in order to meet the growing demand for both synthetic detergents and soap, while the process of equipping our factories with more automatic machinery, even in less developed countries, was continued.

The introduction of new products during 1954 in the United Kingdom and United States involved heavy advertising so that trading results were less favourable. In Europe, on the other hand, they showed some improvement on 1953, while in most countries elsewhere any fall in margins was offset by a larger volume of sales.

## TOILET PREPARATIONS

Our sales of toilet preparations declined for the second consecutive year, but this was due entirely to reduced sales in the United States. Our turnover in the rest of the world increased, and so did profits, despite the more intense competition in almost every country. Our sales of toilet preparations for the past three years were as follows:

1952	1953	1954
Fl. 301,371,000	Fl. 260,932,000	Fl. 228,824,000

Our total sales of dentrifices outside the United States showed an increase on 1953 because of the recovery in sales of white toothpaste. Sales of shampoos also expanded and our business in home permanent waving preparations, which is as yet limited to only a few countries, had a successful year. Our perfumery trade also continued to grow in spite of restrictions on essential imported materials in some overseas countries.

In the United Kingdom both sales and profits increased satisfactorily, and Gibbs SR toothpaste is now the leading brand. New products successfully introduced during the year included a new toothbrush, a new shampoo and a new home permanent waving preparation.

On the Continent of Europe sales of chlorophyll toothpaste declined but in most countries they were offset by increases in sales of white toothpaste. An improved toothpaste was launched in Denmark and sales developed satisfactorily. In Germany a new liquid shampoo was introduced and proved a success, while in Italy Atkinson's products again showed an increase in both sales and profits.

The decline in turnover in the United States reflected in part both the sale of the Harriet Hubbard Ayer business in that country (its disposal was referred to in our previous Report) and the discontinuation of our business in home permanent waving preparations, and in part the continued decline in sales of chlorophyll toothpaste. Sales of Pepsodent toothpaste, on the other hand, increased. In Canada our sales of toothpaste improved, and so did our sales of colognes and lotions in Argentina and our sales of dentifrices in Brazil. In Indonesia, total sales of toilet preparations were much larger than ever before.

## FOODS

Our sales of foods increased significantly in 1954 and established a new record. The figures for the past three years were as follows:

1952	1953	1954
Fl. 1,141,847,000	Fl. 1,180,172,000	Fl. 1,342,800,000

The main products of this group are reviewed separately.

### TEA

In the United States our tea business continued to make progress and both sales and profits increased. In Canada, although sales expanded, results were disappointing, while in Australia, where Government control still prevents us from obtaining a remunerative margin, our business continued to be unsatisfactory. In New Zealand our tea selling agency has again had a successful year and sales have increased.

## SOUPS

Our dried soups are now sold in many European countries as well as in the United States (where we first manufactured them), Canada, Australia, New Zealand, South Africa, Rhodesia, Israel, and many export markets. The number of varieties has increased and their quality and convenience have ensured progress almost everywhere. Sales expanded in almost every country, including the United States and Canada where our share of the total market is already considerable. Sales in the Netherlands and Belgium, where Royco soups are so well established, increased very substantially, while in South Africa a satisfactory trade continued to be built up. In the United Kingdom, where Batchelors sell canned soup as well as dried soup mixes, sales of both types increased and profits were satisfactory.

## ICE-CREAM

The very bad summer in the United Kingdom reduced the sales of T. Wall & Sons, our principal ice-cream business. Profits, however, did not decline materially, as with the return to private trade in raw materials manufacturing costs were reduced. In Germany our ice-cream business made good progress and increased its profits. In North America our Frostee ice-dessert business has been disappointing.

## CANNED PRODUCTS

In the United Kingdom, the only country where we have large-scale canning factories, Batchelors increased the sale of all their main varieties and continued to show satisfactory results. The increased supplies of John West's tuna and Angus Watson's Skippers have enabled our business in the United Kingdom, which imports canned goods and dried fruit, to improve its trade. It has also been able to resume, though on a very small scale, its traditional business of importing canned salmon.

## FISH

We are engaged in the processing and distribution of fish in the United Kingdom and Germany and in both countries results last year were satisfactory. In the United Kingdom Mac Fisheries now operate more than 400 retail shops and despite the greater availability of other foods, they increased their turnover and profits. In Germany, where we have a proportionately greater interest in trawling, we had a prosperous year.

## MEAT PRODUCTS

Our meat processing businesses are in the Netherlands and the United Kingdom. A feature of the Dutch business is its export trade especially to the United States and to the United Kingdom; turnover increased and profits, although lower than in 1953, remained satisfactory. In the United Kingdom T. Wall & Sons have made great progress in developing their business to cover a much wider area of the country. The sale of sausages, in particular, increased significantly and a new factory is being completed in the North of England. The larger turnover in meat products generally has been reflected in better profits.

## QUICK FREEZING

In the United Kingdom sales increased sharply with the third Birds Eye factory operating for its first full year. Profits showed an equally satisfactory improvement. In New Zealand, too, output of the two Birds Eye plants increased and business was profitable, though in Australia losses continued to be made. In Canada, the quick freezing business remained unsatisfactory and it was sold at the beginning of 1955.

## SUNDRIES

Our sales of processed cheese in Germany and of artificial cream in Finland again improved. Other food businesses, which we carry on in various countries, include the manufacture of baby foods, mayonnaise, coffee substitute, puddings and peanut butter. Although these are of minor importance, they contribute to the general profits.

## OIL, CAKE AND MEAL

In the Netherlands we had a profitable year with our factories fully employed. Owing to last summer's bad weather, sales of cake increased sharply.

In the United Kingdom seed processing, oil refining and hydrogenation operations were de-controlled in May, 1954. These operations have since shown reasonable margins of profit, bearing in mind the considerable capital required to finance our trade at current prices. Consumption of compound animal feedingstuffs increased substantially in 1954 and we were able to maintain our share of the market; our sales and profits rose accordingly.

In Germany the oil and cake business continued to show satisfactory results. In Norway, the price of whale oil in the domestic market was kept artificially low by Government controls, but the export trade benefited from the firmer world market for whale oil later in the year. Our operations in France, however, were disappointing, while those in Finland, although satisfactory, were not fully up to expectations.

## OTHER INTERESTS

### UNITED KINGDOM

The high level of industrial activity provided a favourable background for the chemical business of Joseph Crosfield & Sons Limited, and also for the business of Price's (Bromborough) Limited in oleine and stearine; both had a successful year. John Knight's tallow business and its glue trade also provided higher profits. Sales of synthetic vitamins, which we process, increased and profits were satisfactory. Glycerine output also rose, but results were affected by a fall in prices.

### GENERAL

Our businesses in the printing, paper and packaging materials industry in the Netherlands, Germany and Denmark experienced a considerable rise in profits last year. Our transport, shipping and haulage business on the Continent also produced satisfactory results. Our French factory producing chemicals for synthetic detergents increased both output and profits.

## EXPORTS

Our export sales from the Netherlands and the United Kingdom, including exports of merchandise by the United Africa Group, were as follows:

	1952	1953	1954
Netherlands .....	Fl. 236,156,000	Fl. 240,126,000	Fl. 327,406,000
United Kingdom .....	Fl. 422,195,000	Fl. 433,121,000	Fl. 443,326,000

Our exports from the Netherlands increased by 36% and included large quantities of margarine sent to the United Kingdom to meet the heavy demand immediately after the

abolition of rationing; our Magic margarine in particular has established itself in the British market. The total tonnage of our edible fat exports from the Netherlands in 1954 was 84% larger than in 1953. Exports of our meat products from the Netherlands also continued to increase, especially those to the United States which consisted mainly of canned hams. Exports of bacon to the United Kingdom declined, but this was more than offset by larger exports of other meat products. Exports of merchandise increased by 9%.

Exports from the United Kingdom increased slightly. Shipments of merchandise fell but those of detergents, all types, rose by 15%: shipments of synthetic detergents, though relatively still small, more than doubled. Exports of toilet preparations met with strong competition in most countries and declined by 3%. Export sales of foods increased by 14% in 1954, and our trade in the products of Batchelors, T. Wall & Sons and Birds Eye continued to expand. Facilities for the shipment and distribution of deep frozen products are slowly improving, and last year we were able to supply 20 markets compared with 16 in 1953.

### THE UNITED AFRICA GROUP

World prices of West African produce in 1954 were, on average, higher than in 1953, and in French West Africa, the effects of a full season of high prices for cocoa and coffee were clearly apparent. But in British West Africa the buying policy of the Marketing Boards and the fiscal measures of the Government continued to mask the fluctuations in prices.

The total tonnage of groundnuts, palm oil, palm kernels and cocoa marketed in West and Equatorial Africa was about the same as in 1953, but its value, at producer prices, was 11% higher.

Expenditure both by the Government and by private enterprise on capital developments continued at a high rate: considerable improvements have been made in communications, particularly to roads, bridges and railways.

Trading conditions throughout West Africa, with the exception of Gambia, were good. The volume of currency in circulation in British West Africa in June, 1954 was 5% higher than a year earlier, in the Belgian Congo 10% and in French West and Equatorial Africa 16% higher.

The total value of merchandise and produce handled and services supplied by the United Africa Group in all territories increased by 9% to Fl. 2,878 million. Merchandise sales were 8% higher at Fl. 1,617 million, while the sales value of all produce handled was 12% higher at Fl. 1,173 million.

#### BRITISH WEST AFRICA

Supplies of merchandise in 1954 continued to be more plentiful and import licenses were more freely granted. Purchasing power continued at a high level, and the Group's total sales increased by 4%. But margins were difficult to maintain, and operating costs increased. The textile market in the Gold Coast remained buoyant. In Nigeria, however, it weakened as the relaxation of import licensing permitted a larger inflow of cheaper Japanese textiles.

Most of the export crops of British West Africa continued to be controlled by the various West African Marketing Boards. None of this produce is bought by the Group as principals.

The Governments of the British territories adopted different pricing policies for their export produce. In Nigeria the producer's price of cocoa was raised by £ 30 a ton, and the export duty was lowered. In the Gold Coast the producer's price remained unchanged, and the export duty was raised.

As in 1953, the quality of peasant produced palm oil improved in Nigeria, and the highest quality constituted 60% of the exportable oil compared with 50% in 1953. The African producers thus responded to the price incentive given them by the Palm Produce Marketing Board.

In view of the rapid political and economic development of West Africa, it was decided in 1954 that the United Africa Group's trading businesses in Nigeria and the Gold Coast should conform to our general policy of operating through companies incorporated in the countries where the business is done. Two companies had already been incorporated under the laws of Nigeria and the Gold Coast respectively, bearing names similar to that of the parent company; the intention to transfer the Group's main trading businesses in Nigeria and the Gold Coast to them has received official sanction.

#### FRENCH TERRITORIES

In the Group's merchandise business, sales rose by 17%, the stock position was healthier and results improved considerably. The Group continued its policy of extending its Technical Departments wherever a demand was likely to make itself felt, particularly in the Ivory Coast where the economy, based on expanding crops of cocoa and coffee, was remarkably buoyant.

The tonnage of produce purchased by the Group was 3% smaller than in 1953, but the profit earned was higher. It is here that the Group's businesses in the British and French territories differ most widely. In the French territories the Group undertakes the marketing risks, which for most products in the British territories are shouldered by the Marketing Boards.

#### BELGIAN CONGO

The general economy of the Belgian Congo remained sound, although towards the end of the year there were signs of renewed inflation. As in other African territories, competition in the merchandise trade became more severe, and this was particularly noticeable in the motor business. Nevertheless, the Group's turnover and net profits were almost the same as in 1953.

#### RIVER FLEET AND LIGHTERAGE

The Transport Departments in British West Africa—including the Niger River Fleet and various Lighterage and Transport branches—handled 3,240,000 tons of cargo in 1954, or 75,000 tons more than in 1953.

After an unusually early start, the River Fleet on the Benue was held up for three weeks by a fall in the river level. Higher levels then returned, and were maintained well beyond the normal end of the river season. Total ton-miles were 51½ million against 39½ million in 1953.

At Burutu, the housing programme for African employees was almost completed. A hospital for African employees was opened in March, 1954 and is functioning successfully. A technical training school was also opened.

#### TIMBER OPERATIONS

The market for forward deliveries of hardwood logs and sawn timber improved during 1954, but the benefit of this will not be reflected in our results until 1955. In the plywood market our operations continued to be profitable.



Log production in Nigeria rose by 3% to 151,000 tons, and the output of the sawmill – including logs squared in the sawmill – increased by 17% to 46,834 cubic metres. Plywood production at 18,490 cubic metres was 9% larger than last year. These satisfactory increases in output helped to reduce unit costs.

The reorganisation in the Gold Coast, foreshadowed in last year's Report, was carried out during 1954; establishment costs were reduced and efficiency increased. Log production at 83,000 tons was 4% less than last year, but the unit cost also declined. The output of the sawmill, at 29,250 cubic metres, was 2% higher, but there was still a loss on operations.

#### PLANTATIONS

The total area of the Group's plantations in the Belgian Congo, Nigeria, the British Cameroons, the Gold Coast and Malaya in 1954 was 60,313 hectares, or 2,100 hectares more than in 1953. In addition, some 4,000 hectares of coconut palms are planted in the British Solomon Islands.

Our production of palm oil in the Belgian Congo totalled 53,400 tons, or 6% lower than the record figure of the previous year; in Nigeria and the British Cameroons, a similar proportional decline was recorded, in both cases because of climatic conditions.

In Malaya conditions became more stable during 1954 and the Group's output of palm oil at 3,000 tons was 15% more than in 1953. In the Solomon Islands 4,770 tons of copra were produced representing an increase of 25% on 1953.

The Belgian Congo and Malayan output is sold on world markets, and the comparative steadiness of palm oil prices enabled our plantation businesses to operate satisfactorily.

Rubber production from the Group's estates in Nigeria continued to rise, and results were good. The young rubber plantation in the Belgian Congo also made good progress.

The banana harvest on the Group's estates in the British Cameroons increased by 4% to 397,000 stems. There were losses from tornadoes, and the older estate at Bwinga suffered from Panama disease. The new estate at Lobe, in spite of labour difficulties, is making good progress.

The Group's cocoa plantations in the Belgian Congo, which now occupy 3,238 hectares, continue to do well. A cocoa bean drying plant set up at Mokaria has proved satisfactory, and a similar plant is being installed at Gwaka.

Our two ranches in the Belgian Congo, to provide meat for our African workers, have continued to make good progress, and the number of cattle increased by 30% during the year.

We have continued our various research projects and it is now possible to give satisfactory treatment to oil palms suffering from deficiency diseases. Further progress in milling methods has also been made in conjunction with official research organisations.

Two new palm oil mills are in course of completion in the Belgian Congo and will start operating in 1955. They are replacements of old mills and are the first in the area to be fully electrically powered. The construction of a third mill has been started.

Medical services are being extended, and additional training facilities are being provided—at Leverage for book-keepers, and at Elisabetha for artisans. As in other parts of Africa, African employees are being offered, and are accepting, increased responsibility. The new pension scheme for Africans in the Belgian Congo was well appreciated by the staff.

## EAST AFRICA

Although trading conditions were difficult in East Africa, our trading subsidiary Gailey and Roberts, which deals in engineering equipment, tractors and agricultural implements, increased its sales by 6% over the 1953 level, and the rise in expenses was arrested. The business was founded in 1904 and thus celebrated its Golden Jubilee last year. This coincided with the opening of new premises at Dar-es-Salaam, Kisumu and Kampala. More clerical posts are being offered to suitably qualified Africans.

## MIDDLE EAST

Purchasing power in Iraq was maintained and the Group's merchandise profits showed a marked improvement on 1953. The export barley crop increased by 10% to 500,000 tons, of which the Group handled 21% against 17% in the previous year. The Group's share of the date trade also improved.

The Group's business in the Persian Gulf maintained its profits.

Legislation in Syria made it impossible for the Group to keep its European managers, and our small business was consequently closed down.

## PALM LINE LIMITED

Two of the Palm Line's older vessels were disposed of, and one new vessel of improved design was ordered for delivery in 1956. The fleet was kept fully employed, and the total tonnage, including charters, was 1½ million tons, or 10% higher than in 1953. The results, though satisfactory, did not equal the exceptional figures for 1953.

## RESEARCH

Research during the past year has again concentrated mainly on improving the flavour and texture of margarine and on the development of detergent products.

The building of the new research laboratory at Vlaardingen has now progressed so far as to permit the transfer of our research staff from Zwijndrecht. In the meantime, a new wing is being added to it, which will not be completed until 1956.

In the United Kingdom, our research centre at Colworth House in Bedfordshire has been extended, and this has enabled the scope of food investigations to be progressively widened. At the same time a wide range of investigations into animal nutrition covering pigs, poultry, cows and calves, has been established. The new research laboratory for toilet preparations in London, mentioned in our previous Report, was opened early in 1954.

As in the past, basic research is still confined to the Netherlands, the United Kingdom and the United States. But a great deal of development and experimental work is necessarily carried out in Unilever factory laboratories throughout the world.

## PERSONNEL

Recruitment under the Unilever Companies' Management Development Scheme continued satisfactorily. An important development during the year was the introduction in the United Kingdom of a Junior Training Scheme for young men who do not go to a University after National Service.

Residential courses continue to be held for managers and supervisors and also for specialist staff, including advertising executives. The results of these have been very encouraging. A new venture last year was the acquisition of a property at Kingston-on-Thames in England, to be used as a centre for residential training. Employees from the Netherlands and other countries were given refresher and training courses in the United Kingdom, and British and other foreign personnel received training in the Netherlands. We assisted in the foundation of the Netherlands Study Centre for Higher Management at Amsterdam; its first course was attended by a member of our staff. A number of managers from different countries attended the Administrative Staff College at Henley.

The medical services have continued to expand both in the Netherlands and in the United Kingdom. Facilities have also been introduced or extended in other countries particularly overseas.

The value of the assets of the Unilever Pension and Provident Funds rose to over Fl. 680 million during the year. The total number of employees covered by the Funds has risen from 89,900 to 97,200, apart from 3,900 employees covered under schemes with insurance companies. The total of companies' payments for employees' retirement provision amounted to Fl. 69,200,000 compared with Fl. 66,800,000 in 1953.

### **MEMBERSHIP**

It is not possible to give the number of N.V. shareholders as nearly all the share capital of the Company is represented by bearer scrip. At 31st December, 1954, the number of stockholders in LIMITED was 191,461.

### **DIRECTORS**

In October, 1954, the death occurred, at the age of 79, of Mr. Rudolf Jurgens, who was a member of the Board of our Company from its formation until he retired in 1945. After his retirement he acted as an advisory member of the Board. He first joined the firm of Jurgens in 1894. His sixty years of valuable service to our companies are recorded with thanks.

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

### **AUDITORS**

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

ROTTERDAM, 13th April, 1955.

ON BEHALF OF THE BOARD,

PAUL RIJKENS, *Chairman.*

GEOFFREY HEYWORTH, *Vice-Chairman.*

### TURNOVER BY COMMODITIES

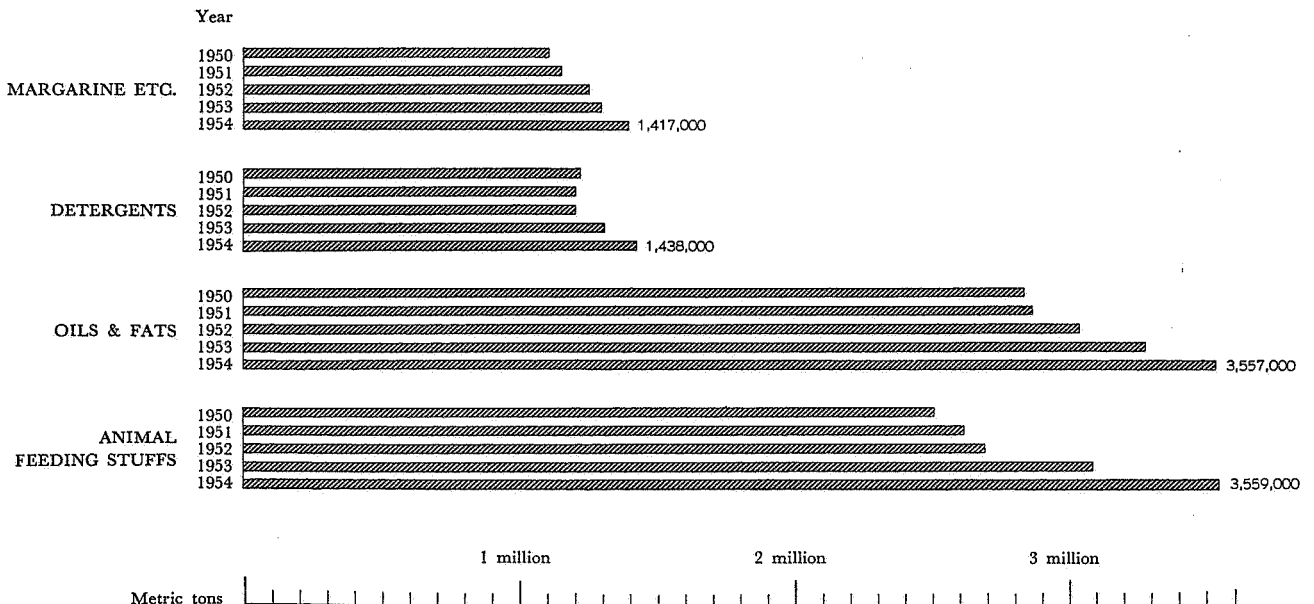
1953			1954	
%	Fl.		Fl.	%
16	2,187,718,000	Margarine, edible fats and salad oils .....	2,462,671,000	16
14	1,932,622,000	Soap and other detergents .....	2,193,670,000	14
2	260,932,000	Toilet preparations, including perfumes .....	228,824,000	1
8	1,180,172,000	Foods .....	1,342,800,000	9
28	3,898,570,000	Vegetable and animal oils and fats .....	4,224,569,000	28
8	1,104,331,000	Animal feeding stuffs .....	1,189,275,000	8
5	608,611,000	Miscellaneous manufactures, including glycerine .....	671,150,000	4
7	1,045,753,000	Produce (mainly tropical produce handled by the United Africa Group) including timber products .....	1,176,135,000	8
11	1,518,843,000	Merchandise (mainly handled by the United Africa Group) ..	1,641,912,000	11
1	162,832,000	Services (including ocean, river and road transport) .....	163,239,000	1
<u>100</u>	<u>13,900,384,000</u>	<b>TOTAL VALUE .....</b>	<u>15,294,245,000</u>	<u>100</u>

Fl.	Represented by:—	Fl.
8,999,307,000	(a) Sales to third parties .....	10,362,903,000
1,713,674,000	(b) Value of produce purchased for the West African Marketing Boards, and production in the United Kingdom for the Ministry of Food and for other manufacturers .....	947,332,000
3,187,403,000	(c) Supplies of marketable products and services within the organisation .....	3,984,010,000
<u>13,900,384,000</u>		<u>15,294,245,000</u>

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

Produce purchased for the West African Marketing Boards, and production in the United Kingdom for the Ministry of Food until decontrol of oils and fats in 1954, are included on the basis of Government controlled prices.

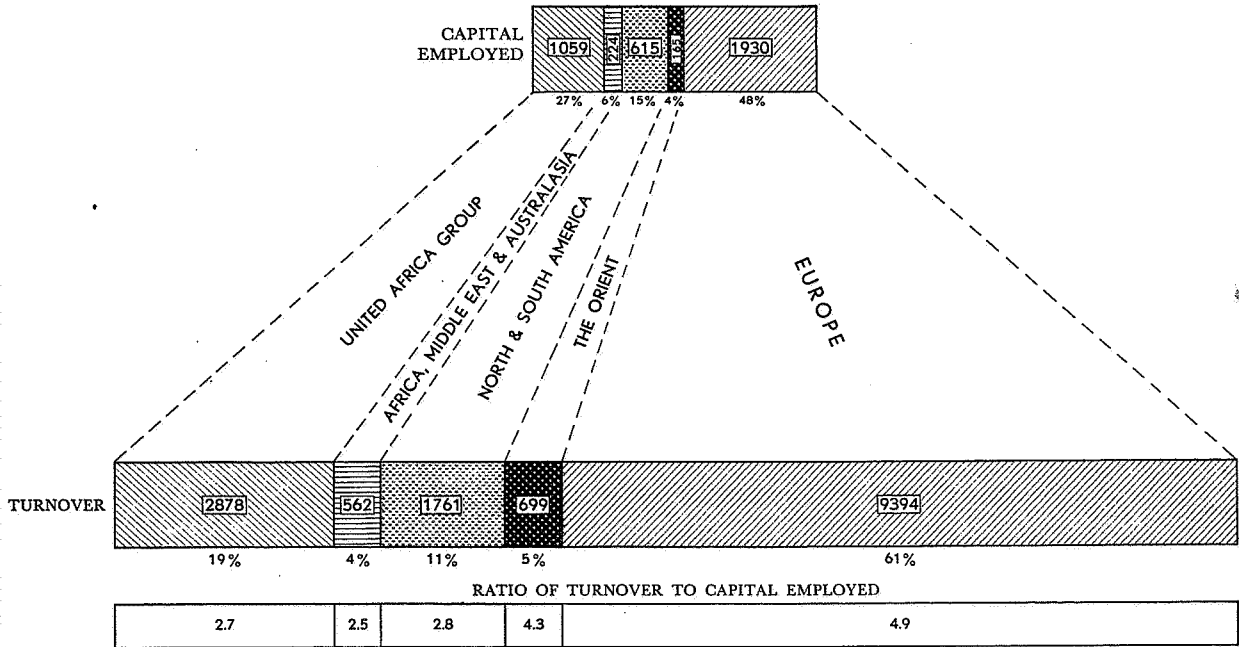
### TONNAGES OF PRINCIPAL PRODUCTS



### CAPITAL EMPLOYED AND TURNOVER BY GEOGRAPHICAL AREAS - 1954

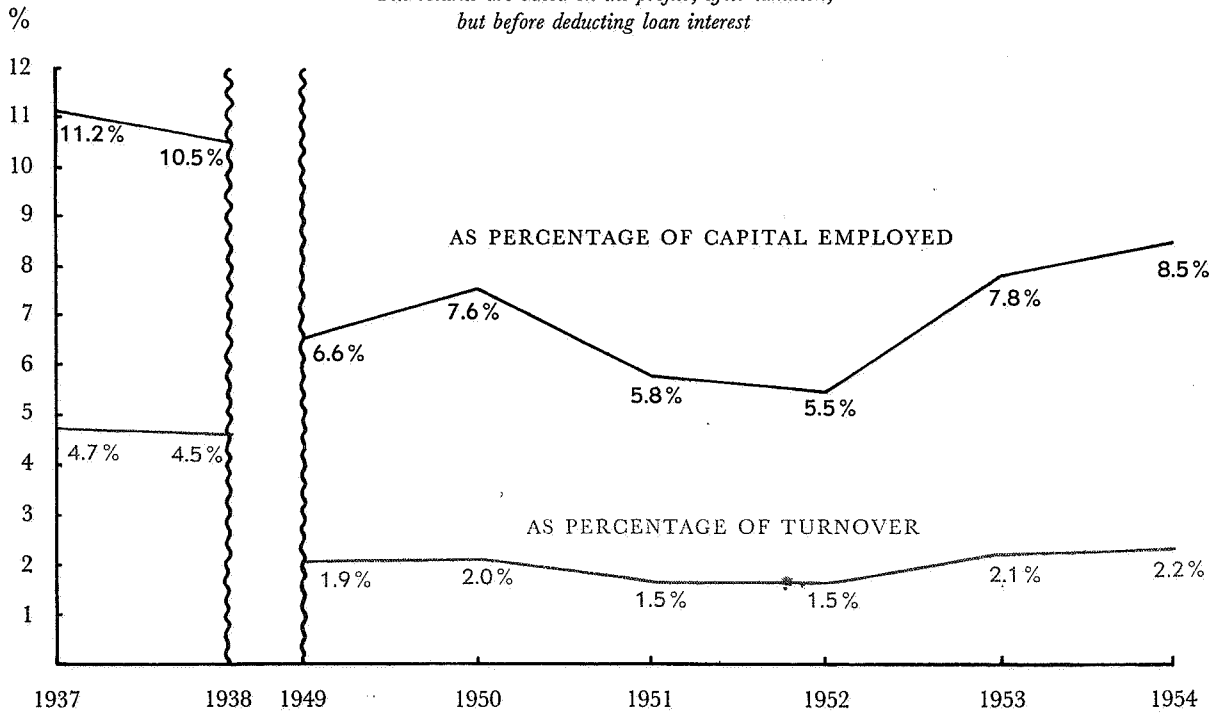
*Fl. million*

*Capital Employed does not include Interests Not Consolidated*



### RETURN ON CAPITAL EMPLOYED AND TURNOVER

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



## STATEMENT A

## CONSOLIDATED PRO

## UNILEVER N.V. AND UNILEVER

Figures in red

1953				1954		
N.V.	LIMITED	Combined		N.V.	LIMITED	Combined
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
255,991,000	399,260,000	655,251,000	(I) TRADING PROFIT.....	328,325,000	417,488,000	745,813,000
2,074,000	8,565,000	10,639,000	(II) INCOME FROM TRADE INVESTMENTS .....	2,377,000	9,670,000	12,047,000
10,971,000	10,806,000	21,777,000	(III) INTEREST ON LOAN CAPITAL .....	10,249,000	10,675,000	20,924,000
247,094,000	397,019,000	644,113,000	(IV) PROFIT BEFORE TAXATION .....	320,453,000	416,483,000	736,936,000
146,214,000	213,637,000	359,851,000	(V) TAXATION ON PROFIT OF THE YEAR INCLUDING FOREIGN TAXES .....	181,949,000	224,682,000	406,631,000
100,880,000	183,382,000	284,262,000	(VI) PROFIT FOR THE YEAR AFTER TAXATION .....	138,504,000	191,801,000	330,305,000
8,243,000	1,202,000	9,445,000	(VII) EXCEPTIONAL ITEMS			
6,181,000	2,854,000	3,327,000	(a) Taxation adjustments—previous years ..	9,883,000	8,982,000	18,865,000
			(b) Other .....	1,957,000	11,466,000	9,509,000
8,154,000	7,718,000	15,872,000	(VIII) AMOUNTS ATTRIBUTABLE TO OUTSIDE SHAREHOLDERS' INTERESTS IN SUBSIDIARIES .....	10,908,000	8,840,000	19,748,000
94,788,000	179,720,000	274,508,000	(IX) CONSOLIDATED NET PROFIT.....	135,522,000	203,409,000	338,931,000
11,578,000	46,255,000	57,833,000	(X) PREFERENTIAL DIVIDENDS OF PARENT COMPANIES .....	11,578,000	46,255,000	57,833,000
—	20,814,000	20,814,000	Less: United Kingdom income tax.....	—	20,814,000	20,814,000
11,578,000	25,441,000	37,019,000		11,578,000	25,441,000	37,019,000
83,210,000	154,279,000	237,489,000	(XI) PROFIT ACCRUING TO ORDINARY AND DEFERRED CAPITAL.....	123,944,000	177,968,000	301,912,000
30,102,000	28,685,000	58,787,000	(XII) ORDINARY AND DEFERRED DIVIDENDS OF PARENT COMPANIES			
—	64,000	64,000	Ordinary (N.V. 14 <sup>0</sup> / <sub>100</sub> ; LIMITED 15 <sup>3</sup> / <sub>4</sub> <sup>0</sup> / <sub>100</sub> )	42,759,000	35,856,000	78,615,000
—	12,937,000	12,937,000	Deferred .....	—	64,000	64,000
30,102,000	15,812,000	45,914,000	Less: United Kingdom income tax.....	—	16,164,000	16,164,000
53,108,000	138,467,000	191,575,000	(XIII) PROFIT RETAINED IN THE BUSINESS	81,185,000	158,212,000	239,397,000

represent deductions.

NOTES

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

1953			1954		
N.V.	LIMITED	Combined	N.V.	LIMITED	Combined
Fl.	Fl.	Fl.	Fl.	Fl.	Fl.
78,073,000	82,949,000	161,022,000	86,904,000	88,553,000	175,457,000
					Depreciation .....
1,046,000	1,954,000	3,000,000	1,132,000	1,750,000	2,882,000
					Emoluments of Directors as managers .....
114,000	352,000	466,000	109,000	502,000	611,000
					Pensions to former Directors
<u>79,233,000</u>	<u>85,255,000</u>	<u>164,488,000</u>	<u>88,145,000</u>	<u>90,805,000</u>	<u>178,950,000</u>

Trading profit includes income from quoted investments N.V. Fl. 1,428,000 (Fl. 1,545,000), LIMITED Fl. 2,016,000 (Fl. 1,122,000).

(v) In LIMITED, taxation comprises United Kingdom income and profits tax Fl. 212,615,000 less foreign tax relief of Fl. 53,068,000, and foreign taxes of Fl. 65,135,000.

(vii) Exceptional Items, Other, are shown after deduction of taxation. In N.V. the principal item is the funding of pensions Fl. 2,042,000 and in LIMITED profit on disposal of fixed assets and investments Fl. 7,749,000.

(xii) The Equalisation Agreement provides that the relationship between the ordinary capitals of LIMITED and N.V., for dividend purposes and on liquidation, shall be based on a rate of £ 1 = Fl. 12.

The deduction of United Kingdom income tax from the proposed ordinary dividend of LIMITED is at the standard rate of 45%.

(xiii) Profit retained in the business is represented by additions to the balances in:

1953			1954		
N.V.	LIMITED	Combined	N.V.	LIMITED	Combined
Fl.	Fl.	Fl.	Fl.	Fl.	Fl.
8,403,000	36,687,000	45,090,000	11,006,000	51,272,000	62,278,000
					Parent Companies .....
44,705,000	101,780,000	146,485,000	70,179,000	106,940,000	177,119,000
					Subsidiaries .....
<u>53,108,000</u>	<u>138,467,000</u>	<u>191,575,000</u>	<u>81,185,000</u>	<u>158,212,000</u>	<u>239,397,000</u>

GENERAL

The net profits of the Parent Companies, N.V. Fl. 65,343,000, LIMITED £ 9,067,000 (Fl. 96,469,000), include revenue from subsidiaries to the extent to which profits of direct subsidiaries have been declared as dividends. A number of direct subsidiaries are themselves holding companies. The results of some of these companies incorporate those of their subsidiaries as if they had distributed all their profits to their holding companies. Dividends declared by direct subsidiaries may therefore be represented partly by dividends, including bonus shares, from their subsidiaries and partly by profits retained by those subsidiaries.

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

## STATEMENT B

**CONSOLIDATED**  
UNILEVER N.V. AND UNILEVER

*Figures in red*

31st December 1953			31st December 1954		
N.V.	LIMITED	Combined	<b>CAPITAL EMPLOYED</b>		
Fl.	Fl.	Fl.	N.V.	LIMITED	Combined
<b>213,136,000</b>	<b>598,966,000</b>	<b>812,102,000</b>	<b>Fl.</b>	<b>Fl.</b>	<b>Fl.</b>
<b>212,620,000</b>	<b>182,130,000</b>	<b>394,750,000</b>	<b>213,136,000</b>	<b>598,966,000</b>	<b>812,102,000</b>
83,795,000	87,148,000	170,943,000	303,021,000	227,663,000	530,684,000
433,585,000	947,228,000	1,380,813,000	76,048,000	41,615,000	117,663,000
730,000,000	1,216,506,000	1,946,506,000	514,770,000	1,112,464,000	1,627,234,000
<b>80,031,000</b>	<b>153,891,000</b>	<b>233,922,000</b>	<b>893,839,000</b>	<b>1,381,742,000</b>	<b>2,275,581,000</b>
<b>321,157,000</b>	<b>275,342,000</b>	<b>596,499,000</b>	<b>84,464,000</b>	<b>153,910,000</b>	<b>238,374,000</b>
<b>129,648,000</b>	<i>129,648,000</i>	—	<b>248,443,000</b>	<b>270,426,000</b>	<b>518,869,000</b>
—	<b>183,540,000</b>	<b>183,540,000</b>	<b>183,620,000</b>	<i>183,620,000</i>	—
<b>1,473,972,000</b>	<b>2,298,597,000</b>	<b>3,772,569,000</b>	<b>—</b>	<b>212,800,000</b>	<b>212,800,000</b>
<b>818,481,000</b>	<b>851,141,000</b>	<b>1,669,622,000</b>	<b>1,623,502,000</b>	<b>2,434,224,000</b>	<b>4,057,726,000</b>
<b>64,297,000</b>	—	<b>64,297,000</b>	<b>EMPLOYMENT OF CAPITAL</b>		
<b>17,220,000</b>	<b>53,090,000</b>	<b>70,310,000</b>	<b>869,854,000</b>	<b>903,854,000</b>	<b>1,773,708,000</b>
<b>899,998,000</b>	<b>904,231,000</b>	<b>1,804,229,000</b>	<b>63,599,000</b>	—	<b>63,599,000</b>
896,182,000	1,084,119,000	1,980,301,000	<b>23,049,000</b>	<b>53,712,000</b>	<b>76,761,000</b>
340,045,000	696,674,000	1,036,719,000	<b>FIXED ASSETS</b>		
50,501,000	114,627,000	165,128,000	<b>956,502,000</b>	<b>957,566,000</b>	<b>1,914,068,000</b>
171,574,000	313,701,000	485,275,000	951,761,000	1,328,090,000	2,279,851,000
<b>1,458,302,000</b>	<b>2,209,121,000</b>	<b>3,667,423,000</b>	359,387,000	695,442,000	1,054,829,000
401,258,000	402,767,000	804,025,000	30,552,000	83,289,000	113,841,000
196,883,000	148,455,000	345,338,000	194,694,000	282,761,000	477,455,000
258,560,000	237,937,000	496,497,000	<b>1,536,394,000</b>	<b>2,389,582,000</b>	<b>3,925,976,000</b>
27,627,000	25,596,000	53,223,000	951,761,000	1,328,090,000	2,279,851,000
<b>884,328,000</b>	<b>814,755,000</b>	<b>1,699,083,000</b>	359,387,000	695,442,000	1,054,829,000
<b>573,974,000</b>	<b>1,394,366,000</b>	<b>1,968,340,000</b>	30,552,000	83,289,000	113,841,000
196,883,000	148,455,000	345,338,000	194,694,000	282,761,000	477,455,000
258,560,000	237,937,000	496,497,000	<b>1,536,394,000</b>	<b>2,389,582,000</b>	<b>3,925,976,000</b>
27,627,000	25,596,000	53,223,000	<b>(x) CURRENT ASSETS</b>		
<b>884,328,000</b>	<b>814,755,000</b>	<b>1,699,083,000</b>	(a) Stocks .....	951,761,000	1,328,090,000
<b>573,974,000</b>	<b>1,394,366,000</b>	<b>1,968,340,000</b>	(b) Debtors .....	359,387,000	695,442,000
<b>1,473,972,000</b>	<b>2,298,597,000</b>	<b>3,772,569,000</b>	(c) Investments .....	30,552,000	83,289,000
			(d) Cash and bank balances .....	194,694,000	282,761,000
			<b>(xi) CURRENT LIABILITIES</b>		
			(a) Creditors .....	421,049,000	435,540,000
			(b) Short term borrowings .....	136,280,000	181,237,000
			(c) Taxation and contingencies .....	275,320,000	267,659,000
			(d) Dividends .....	36,745,000	28,488,000
			<b>869,394,000</b>	<b>912,924,000</b>	<b>1,782,318,000</b>
			<b>NET CURRENT ASSETS</b>		
			<b>667,000,000</b>	<b>1,476,658,000</b>	<b>2,143,658,000</b>
			<b>1,623,502,000</b>	<b>2,434,224,000</b>	<b>4,057,726,000</b>



*represent deductions.*

NOTES

Foreign currencies have been converted into guilders or sterling at current rates of exchange.

- (ii) The Equalisation Agreement provides that the relationship between the ordinary capitals of LIMITED and N.V., for dividend purposes and on liquidation, shall be based on a rate of £ 1 = Fl. 12.

The ordinary capitals were increased - N.V. Fl. 60,553,000, LIMITED £ 4,279,000 (Fl. 45,533,000) - by applying equivalent amounts of Premiums on capital issued in paying up unissued ordinary capital and in N.V. by the issue of Fl. 29,848,000 to holders of 3 ½% Convertible Notes on conversion of their holdings.

Details of the movements in the reserves are set out in the Notes in Statement C which also shows the composition of Profits retained in the business at 31st December, 1954.

The reserves of N.V. are subject to any losses that may arise on interests not consolidated Fl. 63,599,000 referred to under (viii) below.

- (iv) The reduction in Loan Capital of N.V. arises mainly from the conversion of 3 ½% Convertible Notes. Secured loans amount to - N.V. Fl. 40,484,000, LIMITED Fl. 259,022,000.

- (v) This is the net balance of several accounts and incorporates loans of £ 11,500,000 by the LIMITED Group to the N.V. Group which are secured on shares of subsidiaries of N.V.

- (vii) Details of the movements in 1954 and the composition of the net values at 31st December, 1954, are given in Statement D.

- (viii) This comprises interests in Czechoslovakia, Yugoslavia, Roumania, Poland, Hungary and China.

- (ix) This includes interests in companies in which 50% of the ordinary capital is owned, and other investments not held for sale.

In LIMITED, trade investments are shown at net book value at 31st December, 1947, with additions at cost or valuation, less Fl. 1,087,000 written off.

- (x) Investments comprise - quoted, N.V. Fl. 30,006,000, LIMITED Fl. 54,731,000 - market value, N.V. Fl. 49,507,000, LIMITED Fl. 54,182,000 - and unquoted, N.V. Fl. 546,000, LIMITED Fl. 28,558,000.

- (xi) Short term borrowings in N.V. are secured to the extent of Fl. 24,023,000.

GENERAL

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

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

The estimated commitments for capital expenditure at 31st December, 1954, were approximately - N.V. Fl. 40,000,000, LIMITED Fl. 64,000,000.

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

# STATEMENT C

## RESERVES

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

31st December 1953				31st December 1954		
N.V.	LIMITED	Combined		N.V.	LIMITED	Combined
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
83,795,000	87,148,000	170,943,000	Premiums on Capital issued by the Parent Companies .....	76,048,000	41,615,000	117,663,000
			Profits Retained in the Business:			
87,010,000	406,909,000	493,919,000	Parent Companies .....	98,016,000	479,305,000	577,321,000
324,975,000	436,047,000	761,022,000	Subsidiaries .....	395,154,000	528,887,000	924,041,000
21,600,000	104,272,000	125,872,000	Stock Reserves .....	21,600,000	104,272,000	125,872,000
433,585,000	947,228,000	1,380,813,000		514,770,000	1,112,464,000	1,627,234,000

### NOTES

Premiums on capital issued by the Parent Companies were reduced by applying — N.V. Fl. 60,553,000 and LIMITED £ 4,279,000 (Fl. 45,533,000) — in paying up unissued ordinary capital. In N.V., premiums have been increased by Fl. 56,247,000 arising on exchange of 3½% Convertible Notes into ordinary capital and reduced by Fl. 3,441,000 representing the cost of the increases in capital.

The Profits of 1954 retained in the business — N.V. Fl. 81,185,000, LIMITED Fl. 158,212,000 — are shown in Statement A. In LIMITED there is an addition of £ 660,000 (Fl. 7,024,000) in the Parent Company being the surplus arising on the sale to a subsidiary at current value of a property acquired in 1954 under an option obtained in 1935; there is also an adjustment of Fl. 14,100,000 between the profits retained by the Parent Company and Subsidiaries by reason of £ 1,325,000 bonus shares received from subsidiaries.

**STATEMENT D**

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

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

*Figures in red represent deductions.*

1953				1954		
N.V.	LIMITED	Combined		N.V.	LIMITED	Combined
Fl.	Fl.	Fl.		Fl.	Fl.	Fl.
<b>COST OR VALUATION</b>						
1,176,429,000	1,007,884,000	2,184,313,000	At 1st January .....	1,265,331,000	1,115,510,000	2,380,841,000
124,734,000	127,847,000	252,581,000	Expenditure .....	147,256,000	139,299,000	286,555,000
13,610,000	11,212,000	24,822,000	Proceeds of sales .....	11,422,000	14,882,000	26,304,000
22,222,000	9,009,000	31,231,000	Adjustments on disposals and conversion differences .....	25,205,000	79,000	25,284,000
1,265,331,000	1,115,510,000	2,380,841,000	At 31st December .....	1,375,960,000	1,239,848,000	2,615,808,000
<b>DEPRECIATION</b>						
392,445,000	193,903,000	586,348,000	At 1st January .....	446,850,000	264,369,000	711,219,000
78,073,000	82,949,000	161,022,000	Charged to revenue .....	86,904,000	88,553,000	175,457,000
23,668,000	12,483,000	36,151,000	Adjustments on disposals and conversion differences .....	27,648,000	16,928,000	44,576,000
446,850,000	264,369,000	711,219,000	At 31st December .....	506,106,000	335,994,000	842,100,000
818,481,000	851,141,000	1,669,622,000	<b>NET BALANCE SHEET VALUES</b>	869,854,000	903,854,000	1,773,708,000
<b>DETAILS OF NET BALANCE SHEET VALUES</b>						
364,013,000	398,208,000	762,221,000	Land, Buildings and Plantations .....	389,018,000	429,283,000	818,301,000
454,468,000	452,933,000	907,401,000	Ships, Plant and Equipment .....	480,836,000	474,571,000	955,407,000
818,481,000	851,141,000	1,669,622,000		869,854,000	903,854,000	1,773,708,000

**NOTE**

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

## SUMMARY OF CONSOLIDATED FIGURES 1945—1954

*N.V. and LIMITED Groups*

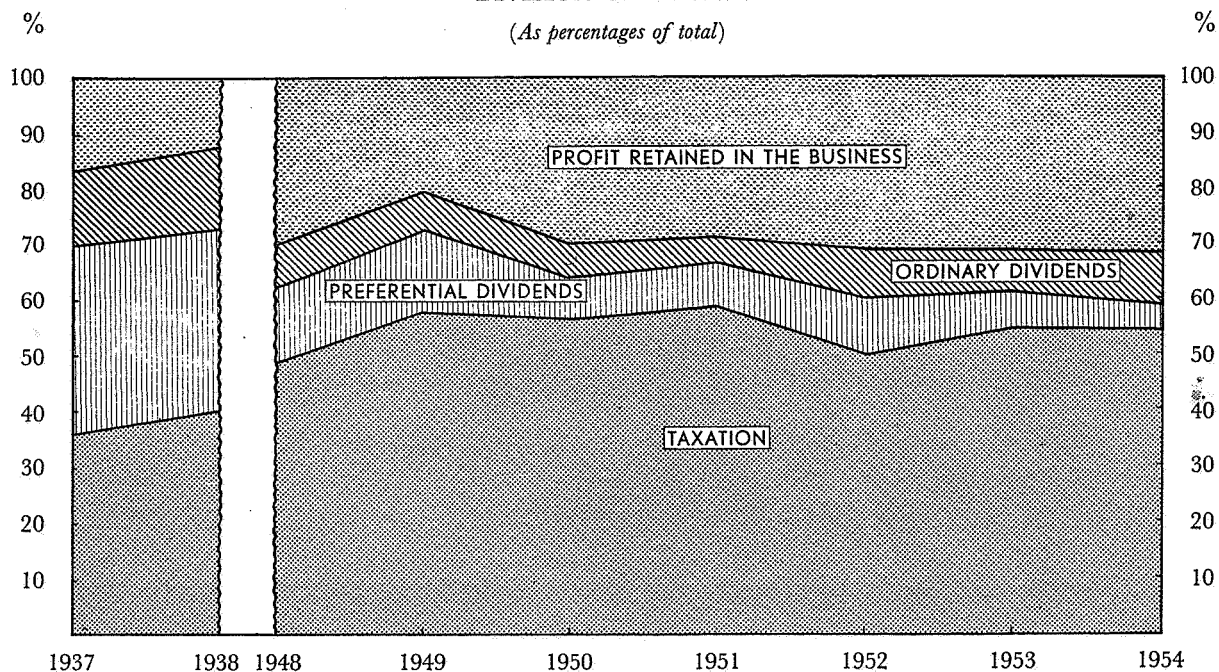
(000's omitted)

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.
Preferential Capital .....	773,772	773,772	814,662	814,972	812,102	812,102	812,102	808,724	812,102	812,102
Ordinary Shareholders' Funds:										
Capital .....	314,855	315,753	316,003	316,003	315,320	315,320	394,750	393,723	394,750	530,684
Reserves .....	547,274	614,082	736,963	884,644	1,112,589	1,363,699	1,611,103	*1,355,129	1,551,756	1,744,897
Outside Shareholders' Interests .....	181,312	182,922	183,550	185,072	192,616	194,665	218,002	* 226,851	233,922	238,374
Loan Capital .....	131,615	109,796	111,205	194,925	360,183	473,107	622,877	621,987	596,499	518,869
Future United Kingdom Taxation .....	53,455	69,492	105,027	89,804	117,040	127,680	151,620	142,830	183,540	212,800
<b>Total Capital Employed ...</b>	<b>2,002,283</b>	<b>2,065,817</b>	<b>2,267,410</b>	<b>2,485,420</b>	<b>2,909,850</b>	<b>3,286,573</b>	<b>3,810,454</b>	<b>*3,549,244</b>	<b>3,772,569</b>	<b>4,057,726</b>
Turnover .....	3,285,857	3,618,882	5,124,324	6,601,778	8,521,544	10,521,576	12,825,956	12,983,258	13,900,384	15,294,245
Trading Profit .....	222,907	267,049	346,963	321,743	339,921	555,209	573,849	411,788	655,251	745,813
Taxation for the year .....	144,429	144,928	202,161	186,244	194,714	313,101	350,952	234,666	359,851	406,631
Consolidated Net Profit ....	83,930	88,391	91,003	111,814	208,333	204,573	200,433	222,769	274,508	338,931
Dividends:										
Preferential .....	30,102	33,800	36,327	37,141	37,019	37,019	35,863	35,726	37,019	37,019
Ordinary and Deferred ..	11,645	23,373	23,395	23,395	23,358	31,002	31,003	39,058	45,914	62,515
Profit Retained .....	42,183	31,218	31,281	51,278	147,956	136,552	133,567	147,985	191,575	239,397
Profit in relation to Ordinary Shareholders' Funds:	%	%	%	%	%	%	%	%	%	%
Distributed .....	1.4	2.5	2.2	1.9	1.6	1.8	1.5	* 2.2	2.4	2.7
Retained .....	4.9	3.4	3.0	4.3	10.4	8.1	6.7	* 8.5	9.8	10.5

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

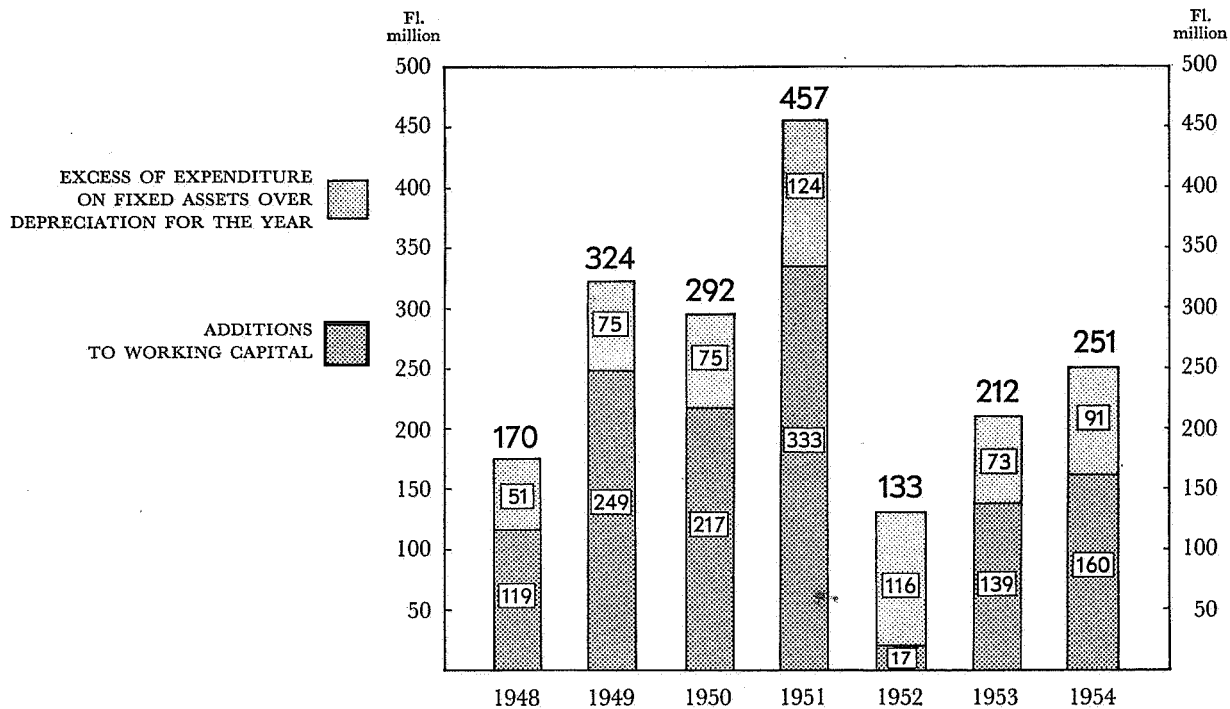
### DIVISION OF PROFITS

(As percentages of total)



For this chart Stock Reserves are treated as Profit Retained

### CAPITAL EMPLOYED — NET ADDITIONS MADE EACH YEAR



1953		CAPITAL EMPLOYED		Fl.	Fl.	Fl.	
Fl.	Fl.			Authorised	Issued and fully paid		
	29,000,000	(I) PREFERENTIAL CAPITAL					
	109,136,000	7% Cumulative Preference .....	Ranking....	30,000,000	29,000,000		
	75,000,000	6% Cumulative Preference .....	pari .....	125,000,000	109,136,000		
		4% Redeemable Cumulative Preference } passu .....		75,000,000	75,000,000		
<b>213,136,000</b>				<u>230,000,000</u>		<b>*213,136,000</b>	
		(II) ORDINARY CAPITAL AND RESERVES					
	215,020,000	ORDINARY CAPITAL .....		<u>500,000,000</u>	305,421,000		
	83,795,000	PREMIUMS ON CAPITAL ISSUED .....			76,048,000		
	87,010,000	PROFITS RETAINED IN THE BUSINESS .....			<u>98,016,000</u>		
<b>385,825,000</b>						<b>479,485,000</b>	
		(III) LOAN CAPITAL					
<b>74,960,000</b>		3½% Convertible Notes .....				<b>340,000</b>	
		(IV) INDEBTEDNESS TO LIMITED GROUP .....				<b>23,749,000</b>	
<b>23,695,000</b>						<b>716,710,000</b>	
<b>697,616,000</b>							
		<b>EMPLOYMENT OF CAPITAL</b>					
		(V) INTERESTS IN SUBSIDIARIES					
	256,621,000	Shares at cost .....			256,667,000		
	498,534,000	Advances .....			<u>511,384,000</u>		
	755,155,000				768,051,000		
	16,457,000	Less: Deposits .....			<u>17,264,000</u>		
<b>738,698,000</b>						<b>750,787,000</b>	
		(VI) CURRENT ASSETS					
	2,672,000	Debtors and payments in advance (Fl. 575,000) .....		2,521,000			
	5,300,000	Investments .....		1,097,000			
	16,923,000	Cash and bank balances .....		<u>36,268,000</u>			
	24,895,000				39,886,000		
		(VII) CURRENT LIABILITIES AND PROVISIONS					
	13,311,000	Creditors and accrued liabilities .....		11,398,000			
	28,063,000	Taxation and contingencies .....		30,051,000			
	24,603,000	Dividends, due or proposed .....		<u>32,514,000</u>			
	65,977,000				<u>73,963,000</u>		
41,082,000						<u>34,077,000</u>	
<b>697,616,000</b>						<b>716,710,000</b>	
		ON BEHALF OF THE BOARD,					
		PAUL RIJKENS, <i>Chairman</i>					
		GEOFFREY HEYWORTH, <i>Vice-Chairman</i>					

31st DECEMBER 1954

*represent deductions.*

## NOTES

- (I) The 4% Redeemable Cumulative Preference Capital is redeemable at par at the Company's option either wholly or in part after 31st December, 1955.
- (II) Fl. 29,848,000 of ordinary capital was issued to holders of 3½% Convertible Notes on conversion of their holdings.
- Fl. 60,553,000 of Premiums on capital issued was applied in paying up an equivalent amount of ordinary capital which was distributed in the ratio of one ordinary share credited as fully paid for every four ordinary shares existing at 2nd December, 1954. Fl. 29,592,000 of ordinary capital issued on conversion of 3½% Convertible Notes participated in this distribution. A subsidiary of N.V. and a subsidiary of LIMITED each holding Fl. 1,200,000 of ordinary capital renounced their right to receive the additional shares applicable to their holdings.
- The shares issued during the year are all entitled to the dividends payable for 1954 and otherwise rank *pari passu* in all respects with the ordinary capital existing at the time of issue.
- Premiums on capital issued have been increased by Fl. 56,247,000 arising on exchange of 3½% Convertible Notes into ordinary capital and reduced by the conversion of Fl. 60,553,000 into fully paid ordinary capital and by Fl. 3,441,000, the cost of the increases in capital.
- The increase in Profits retained in the business of Fl. 11,006,000 represents the sum retained out of the profits of the year as shown in note (XIII) in Statement A.
- The Company's reserves are subject to any provisions which may be required against interests in Czechoslovakia, Yugoslavia, Roumania, Poland, Hungary and China held by subsidiaries at a book value of Fl. 63,599,000.
- (III) During the year, holders of Fl. 74,620,000 of 3½% Convertible Notes exercised their option to surrender those notes in exchange for ordinary capital.
- (VI) Debtors and payments in advance have been shown after provision for doubtful debts.

## GENERAL

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

Foreign currency balances have been converted at current rates of exchange.

Figures in red

1953		CAPITAL EMPLOYED		
£	£	£	£	£
		(I) PREFERENTIAL CAPITAL	<i>Authorised</i>	<i>Issued and fully paid</i>
	35,984,690	7% Cumulative Preference } <i>Ranking</i> .....	35,984,690	35,984,690
	2,360,000	5% Cumulative Preference } <i>pari passu</i> .....	4,015,310	2,360,000
	15,661,749	8% Cumulative A Preference .....	40,000,000	15,661,749
	2,287,312	20% Cumulative Preferred Ordinary .....	2,287,312	2,287,312
<b>56,294,000</b>	<b>56,293,751</b>		<b>82,287,312</b>	<b>56,293,751</b>
		(II) ORDINARY AND DEFERRED CAPITAL AND RESERVES		
		CAPITAL		
	17,117,510	Ordinary .....	59,031,438	21,396,887
	100,000	Deferred .....	100,000	100,000
	<b>17,218,000</b>		<b>59,131,438</b>	<b>21,497,000</b>
	8,191,000	Premiums on Capital issued .....		3,912,000
	42,243,000	Profits Retained in the Business .....		49,047,000
<b>67,652,000</b>				<b>74,456,000</b>
	10,000,000	(III) LOAN CAPITAL		
	14,000,000	3 <sup>3</sup> / <sub>4</sub> % Debenture Stock, 1955/75 } <i>Ranking</i> .....		10,000,000
		4 <sup>0</sup> / <sub>10</sub> Debenture Stock, 1960/80 } <i>pari passu</i> .....		14,000,000
<b>24,000,000</b>				<b>24,000,000</b>
<b>2,200,000</b>		(IV) FUTURE UNITED KINGDOM TAXATION .....		<b>3,100,000</b>
<b>150,146,000</b>				<b>157,850,000</b>
<i>13,016,000</i>		(V) <i>Less: INDEBTEDNESS OF N.V. GROUP</i> .....		<i>13,093,000</i>
<b>137,130,000</b>				<b>144,757,000</b>
		EMPLOYMENT OF CAPITAL		
		(VI) FIXED ASSETS	<i>£</i> <i>Cost or Valuation</i>	<i>£</i> <i>Depreciation</i>
	2,993,000	Land and buildings .....	3,116,000	128,000
	821,000	Plant and office equipment .....	1,010,000	146,000
	<b>3,814,000</b>		<b>4,126,000</b>	<b>274,000</b>
	3,065,000	Trade investments .....		3,196,000
<b>6,879,000</b>				<b>7,048,000</b>
		(VII) INTERESTS IN SUBSIDIARIES		
	95,104,000	Shares .....		110,881,000
	45,410,000	Advances .....		53,044,000
	<b>140,514,000</b>			<b>163,925,000</b>
	<i>30,105,000</i>	<i>Less: Deposits</i> .....		<i>36,131,000</i>
<b>110,409,000</b>				<b>127,794,000</b>
		(VIII) CURRENT ASSETS	<i>£</i>	
	379,000	Debtors and payments in advance .....	356,000	
	9,595,000	Investments .....	6,552,000	
	15,439,000	Cash and bank balances .....	10,416,000	
	<b>25,413,000</b>			<b>17,324,000</b>
		(IX) CURRENT LIABILITIES		
	1,507,000	Creditors and accrued liabilities .....	1,910,000	
	1,947,000	Taxation .....	3,153,000	
	2,117,000	Dividends (net) due or proposed .....	2,346,000	
	<i>5,571,000</i>			<i>7,409,000</i>
<b>19,842,000</b>				<b>9,915,000</b>
<b>137,130,000</b>				<b>144,757,000</b>
		GEOFFREY HEYWORTH, <i>Chairman</i>		
		PAUL RIJKENS, <i>Director</i>		



31st DECEMBER 1954

*represent deductions.*

## NOTES

(II) £ 4,279,377 of Premiums on capital issued was applied in paying up an equivalent amount of ordinary capital which was distributed in the ratio of one share of £ 1 credited as fully paid for every £ 4 of existing ordinary stock. This capital ranks *pari passu* in all respects with the ordinary capital previously in issue.

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

The increase in Profits retained in the business is made up of £ 4,819,000 retained out of the profits of the year (Fl. 51,272,000 as shown in Note (xiii) in Statement A), £ 1,325,000 in respect of bonus shares received during the year, and a surplus of £ 660,000 arising on the sale to a subsidiary at current value of a property acquired in 1954 under an option obtained in 1935.

(III) The two issues of debenture stock are secured by a floating charge on the assets of the Company.

(V) This includes a loan of £ 11,000,000 which is secured on the shares of subsidiaries of N.V.

(VI) Land, buildings, plant, etc., were revalued at 1st January, 1953, and additions since that date are at cost.

Trade investments are shown at net book value at 31st December, 1947, with additions at cost or valuation.

(VII) Shares in subsidiaries are stated at Directors' valuation at 31st December, 1937, with bonus shares at par and other additions at cost, less amounts written off £ 2,486,000.

(VIII) Investments comprise — quoted £ 4,044,000, market value £ 4,044,000 — and unquoted £ 2,508,000.

## GENERAL

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

There is an outstanding commitment to pay The Union Pension Fund two annual instalments of £ 137,000.

The estimated commitments for capital expenditure at 31st December, 1954, were £ 530,000 including £ 465,000 on behalf of subsidiaries.

Foreign currency balances have been converted at current rates of exchange.

## REPORTS OF THE AUDITORS

### N.V. GROUP

TO THE MEMBERS OF UNILEVER N.V.

We have examined the accounts set out in Statements A to E. We have not audited the accounts of some of the subsidiaries but these have been audited either by other public accountants or by the Group's internal audit staff.

Sufficient information is not available to enable us to estimate the extent to which the reserves may be required to write down interests not consolidated which are included in the accounts at Fl. 63,599,000 and are referred to in note (II) in Statements B and E. As in past years the company's net profit Fl. 65,343,000 shown in the general note in Statement A has been arrived at after crediting dividends from its direct subsidiaries which are represented in part by profits of their subsidiaries capitalised by them as bonus shares or retained and not declared as dividend. Subject to the foregoing remarks, we have obtained all the information and explanations which we considered necessary and in our opinion the said accounts, in conjunction with the relative notes, give a true and fair view of the state of the company's affairs as at 31st December, 1954, and of its profit for the year 1954.

13th April, 1955.

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

### LIMITED GROUP

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

TO THE MEMBERS OF UNILEVER LIMITED

We have examined the balance sheet of the company set out in Statement F, which is in agreement with the books of account, and the consolidated accounts of the company and its subsidiaries set out in Statements A to D. Proper books of account have been kept by the company. The accounts of some of the subsidiaries have not been audited by us and those of a group of major importance having interests in Africa, audited as at 31st August, 1954, are estimated accounts based on unaudited returns at 31st December, 1954. We have obtained all the information and explanations which we considered necessary and it is our opinion that, in conjunction with the relative notes, the accounts give the information required by the Companies Act, 1948.

We are of the opinion that, in conjunction with the relative notes, the balance sheet of the company gives with the consolidated accounts a true and fair view of the state of its affairs at 31st December, 1954, and the consolidated accounts give, from the standpoint of the members of Unilever Limited, a true and fair view of the state of affairs at that date of the company and its subsidiaries and of their profit for the year 1954.

13th April, 1955.

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

## **“PROGRESS”**

*PROGRESS, a quarterly magazine published in England, describes the activities of Unilever throughout the world, and also contains commentaries by experts inside and outside the business on current topics in which the Group is specially interested.*

*Shareholders of Unilever N.V. who would like to receive complimentary copies are invited to send their names and addresses to Unilever N.V., Postbus 760, Rotterdam.*