

Unilever Report and Accounts 1980



Unilever N.V., Rotterdam Report and Accounts 1980

The Unilever group of companies provides a wide range of products and services in some 75 countries, employing about 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 Limited, 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 Limited, according to a formula set out elsewhere in this Report. Unilever operates as one group. The combined affairs of N.V. and Limited 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 Limited 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.

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

Directors

H. F. van den Hoven
Chairman

Sir David Orr
Vice-Chairman

J. M. Goudswaard
Vice-Chairman

M. R. Angus
R. W. Archer
W. B. Blaisse
K. Durham
P. V. M. Egan
J. P. Erbé
A. H. C. Hill
J. Louden
F. A. Maljers
F. W. L. Mann
H. Meij
Jonkheer I. E. B. Quarles van Ufford
C. F. Sedcole
A. W. P. Stenham
G. K. G. Stevens
O. Strugstad
T. Thomas
K. H. Veldhuis
E. J. Verloop

Advisory Directors

B. W. Biesheuvel
T. Browaldh
Fletcher L. Byrom
Sir Eric Faulkner
The Rt. Hon. Lord Hunt of Tanworth
The Viscount Leverhulme
P. P. Schweitzer
D. Spethmann
E. P. Wellenstein

Secretaries

C. Zwagerman
J. D. Keir

Auditors

Price Waterhouse & Co.
Coopers & Lybrand Nederland

Financial highlights

On an historical cost basis

Results for the year ended 31st December	1979	1980
Fl. million		
Sales to third parties	43 251	51 468
Operating profit	2 569	2 914
Profit before taxation	2 556	2 900
Profit after taxation	1 423	1 529
Profit attributable to ordinary capital	1 328	1 421
Extraordinary item	486	—
Ordinary dividends	489	540
Profit of the year retained	1 325	881
Earnings per share		
per Fl. 20 of capital (Fl.)	23.83	25.49
per 25p of capital (pence)	84.71	75.41
Ordinary dividends		
N.V.—per Fl. 20 of capital (Fl.)	9.88	11.12
Limited—per 25p of capital (pence)	24.05	22.91
Shareholders' equity per share		
per Fl. 20 of capital (Fl.)	162.41	196.50
per 25p of capital (pence)	577.27	581.35
	%	%
Return on capital employed	10.3	9.2

On a current cost basis

Fl. million		
Profit attributable to ordinary capital	644	870
Earnings per share		
per Fl. 20 of capital (Fl.)	11.56	15.60
per 25p of capital (pence)	40.92	46.14

Review of 1980

It has not been an easy year. The slowdown of the world economy affected many countries. Inflation rose from 12 to 15% in the countries in which we operate, due to higher mineral oil prices and a number of other factors such as increased government spending and employment cost. Interest rates reached unprecedented high levels. Unemployment increased markedly in the industrialised world.

There is still a significant difference between the rate of economic growth in Europe and North America and those of South America, Africa, Australia and Asia. Outside Europe and North America, in the countries where Unilever has its operations, average growth in real terms was 4% and the good performance of those countries balanced to some extent the stagnant economies in Europe and North America where growth was less than 1%. Inflation in these two areas averaged 12% while in the rest of the world the rate was twice as high. Our prices to consumers rose by 8% on average.

Commodity prices other than mineral oil rose by an average of 18%. Oils and fats, however, were on average slightly lower than in the previous year, but they tended to rise again towards the end of the year.

The economic slowdown affected our companies in different ways from industry to industry and country to country.

Companies—such as those in packaging and chemicals—engaged in selling goods or services to other industries experienced loss of trade as those industries themselves declined. On the other hand, our companies selling to the domestic consumer have been able to stand up to the period of recession as private consumption kept up well. Many of our products are everyday household essentials: soap, washing powders, processed foods and drinks, are all seen as necessities and people do not stop buying them because times are hard. They may look with a keener eye to the cost and value of their purchases and competition in the market has, therefore, often been intense.

Under these conditions we have continued to put considerable effort into increasing our efficiency throughout the business and we estimate that productivity has risen by 6%. Results in Europe and North America were depressed by the costs of restructuring in a number of companies.

We continued with our programme to improve the quality and performance of our products throughout the world. Market shares have held up well or improved in a number of markets.

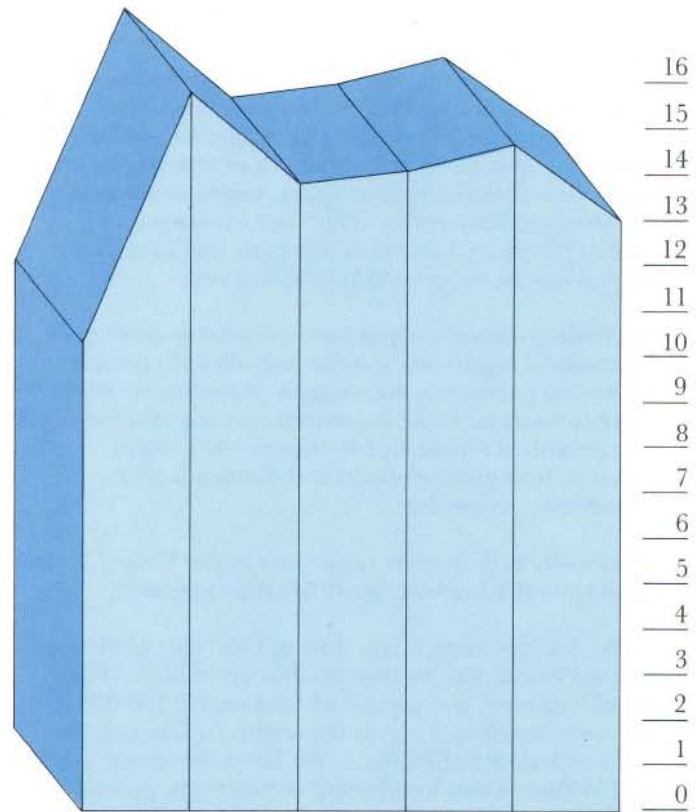
Given an understanding of consumers' needs and a steady programme of product innovation, the changing social pattern dictated by changing economic circumstances can create new opportunities. For example: as energy costs rise, demand for washing powders effective at lower temperatures increases and our improved products have been well received. Our research and development expenditure was maintained at 1.4% of sales value.

Profit as percentage of ordinary shareholders' equity

In an enterprise as diverse as Unilever, we cannot comment on more than a very few of the many factors that are important to individual parts of our operations. We have selected a few which we think are of most importance.

Europe remains vital to us. In the European Community (EC) the agricultural and fisheries policies are very important to several of our activities and we hope that the EC authorities will be able to find solutions to problems in these areas. We are concerned at some of the proposals for legislation that are emerging which would affect groups like ourselves, notably in the field of trade union consultation and company law. We believe that, in some instances, these proposals amount to entirely new legislation, the need for which has not been adequately researched or proved. This is particularly true in fields covered by voluntary codes of business behaviour whose effectiveness has not been sufficiently appreciated. We remain supporters of 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.

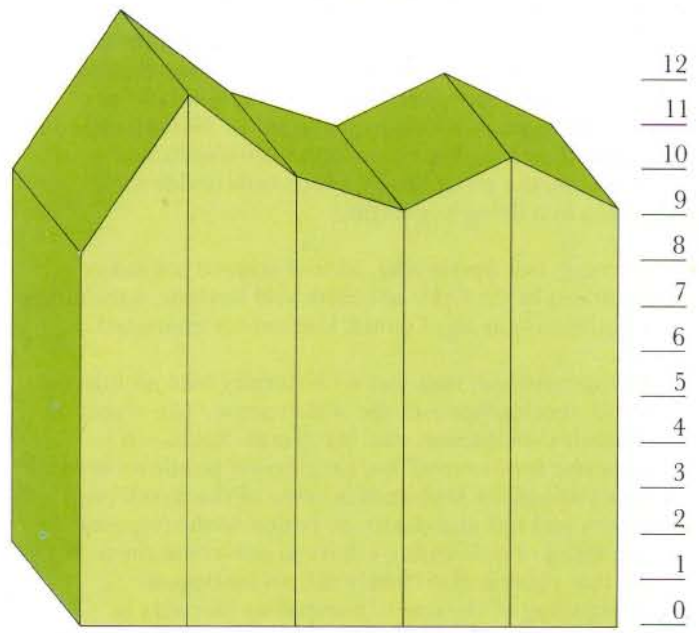
In Europe, our consumer products businesses performed well on the whole. Particularly good results were obtained in margarine and other edible fats; detergents increased market share and continued to show a satisfactory performance. Frozen foods also did well, despite adverse weather conditions. The industrial and service businesses produced less favourable results. Chemicals and paper, plastics and packaging suffered particularly from the economic climate in Europe, and transport did not do so well as in 1979.



Profit as percentage of capital employed

The United States is a country in which we seek to expand our strength. Our two recent acquisitions, National Starch and Chemical Corporation and Lawry's Foods, Inc., have both done well. We have taken energetic steps to put right the problems of Lever Brothers which has had a number of poor years. We have invested \$44 million in an ultra-modern bar soap plant at Hammond, Indiana, and are ensuring that the company has a management and structure capable of exploiting effectively this and all of its resources.

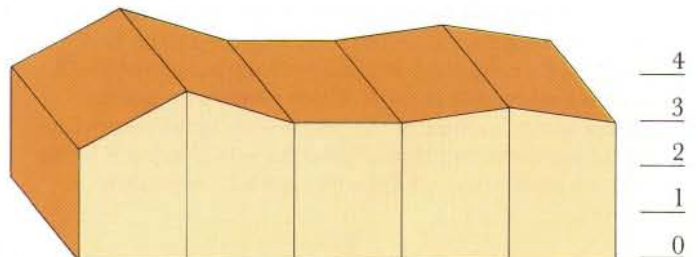
The commercial and geographical spread of our businesses remains one of our strengths. There was excellent growth in several countries outside Europe and North America. Results were good in Australia and South Africa, though in Brazil they suffered from stringent price controls. In Japan, we continued to invest for future development.



In Indonesia, where growth and results were also good, we shall be financing part of our expansion plans by offering to Indonesian investors the opportunity of subscribing for up to 15% of Unilever Indonesia's share capital, to be listed on the Jakarta Stock Exchange.

UACI experienced some improvement in their operations overseas, particularly in West Africa, but this was offset by the economic effects of the recession in the United Kingdom on their business there.

Profit as percentage of sales to third parties



1975 1976 1977 1978 1979 1980

Some key figures are illustrated in charts, accompanying this text. These show how our various activities have performed, both by geographical areas and by commercial operations. There are three further sets of charts; one set shows return on shareholders' equity, capital employed and sales; the others show value added and earnings and dividends per share. Capital expenditure continued at a high level and rose appreciably over last year.

Of the financial events which have affected us during 1980, the most significant was the volatility of exchange rates, and, in particular, the strength of sterling in relation to other currencies. These fluctuations have a marked effect on our published results and dividends: the present situation inflates guilder results and dividends and depresses them in sterling.

Exceptionally high interest rates, both in the United States and the United Kingdom, made finance expensive.

To strike a happy note, it was during 1980 that Unilever celebrated its Golden Jubilee. An illustrated book, 'Fifty Years of Unilever', was published, and nearly 100 000 copies were distributed across the world. In London, the Lord Leverhulme Exhibition at the Royal Academy, where part of William Lever's collection of paintings, porcelain and other works of art was on display, was well attended.

The Jubilee year ended, appropriately, with an eye to the future, when 125 scientists, each pre-eminent in an area of cell and molecular biology, attended a symposium to discuss problems in the emerging field of biotechnology. The symposium, sponsored by Unilever, was held at our research laboratory at Vlaardingen in the Netherlands and had as its theme 'cellular controls in differentiation'—in other words, the processes by which cells divide their functions in a living organism.

This young, but developing, area of science has many implications in the fields of health and hygiene, agriculture and nutrition—in all of which Unilever is interested.

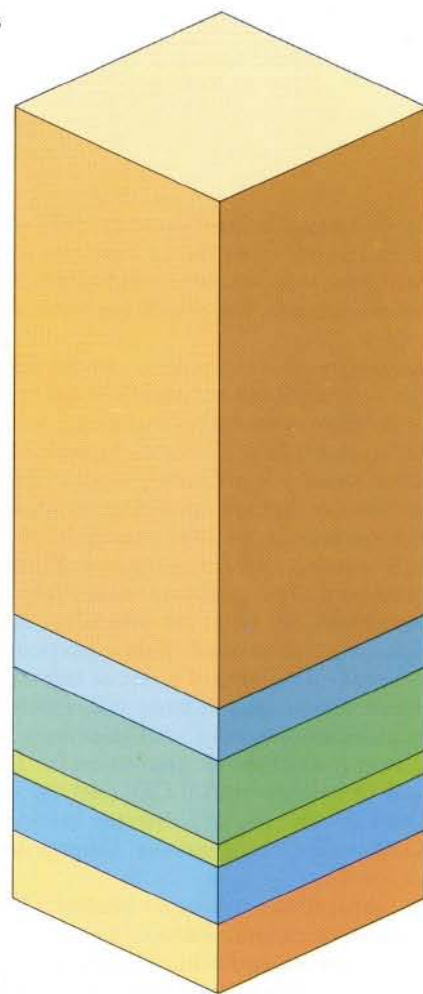
As an international business we naturally take an interest in world developments in the widest sense. The report of the Brandt Commission entitled 'North/South—a Programme for Survival' has heightened public awareness of the extent of the problems in some of the developing countries and has also drawn attention to the importance for mankind of redoubling efforts to overcome them. We regret that there is also clearly still an inadequate understanding of the role of companies like ours in elevating standards of living by creating employment, and using resources effectively.

We cannot see 1981 being a better year for business than 1980. The reduction of inflation is expected to be first priority, but it may lead to restrictive policies which will slow down economic growth. Unemployment can be expected to rise further in the major industrial countries. Political uncertainties throughout the world are not likely to help an early recovery from the present economic recession.

Sales to third parties 1980

Fl. million

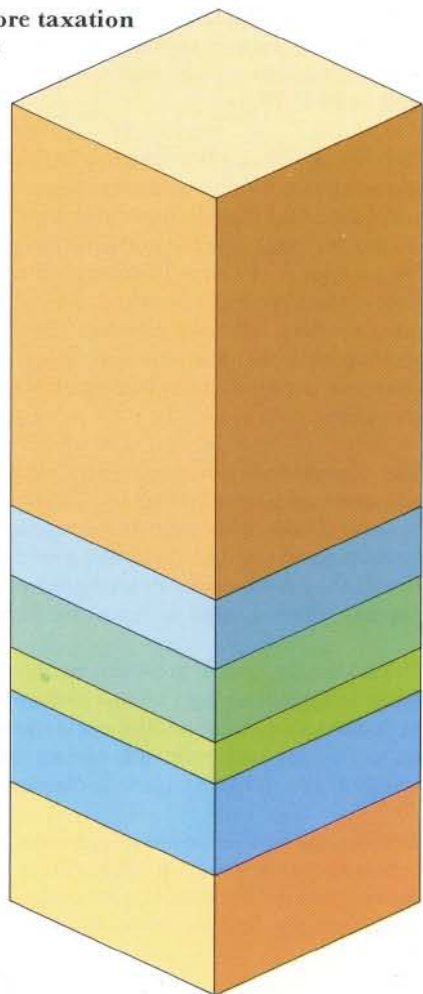
European Community countries	32 953
Other European countries	3 327
North America	5 464
Central and South America	1 466
Africa	3 852
Asia, Australia, New Zealand	4 406
Total	51 468



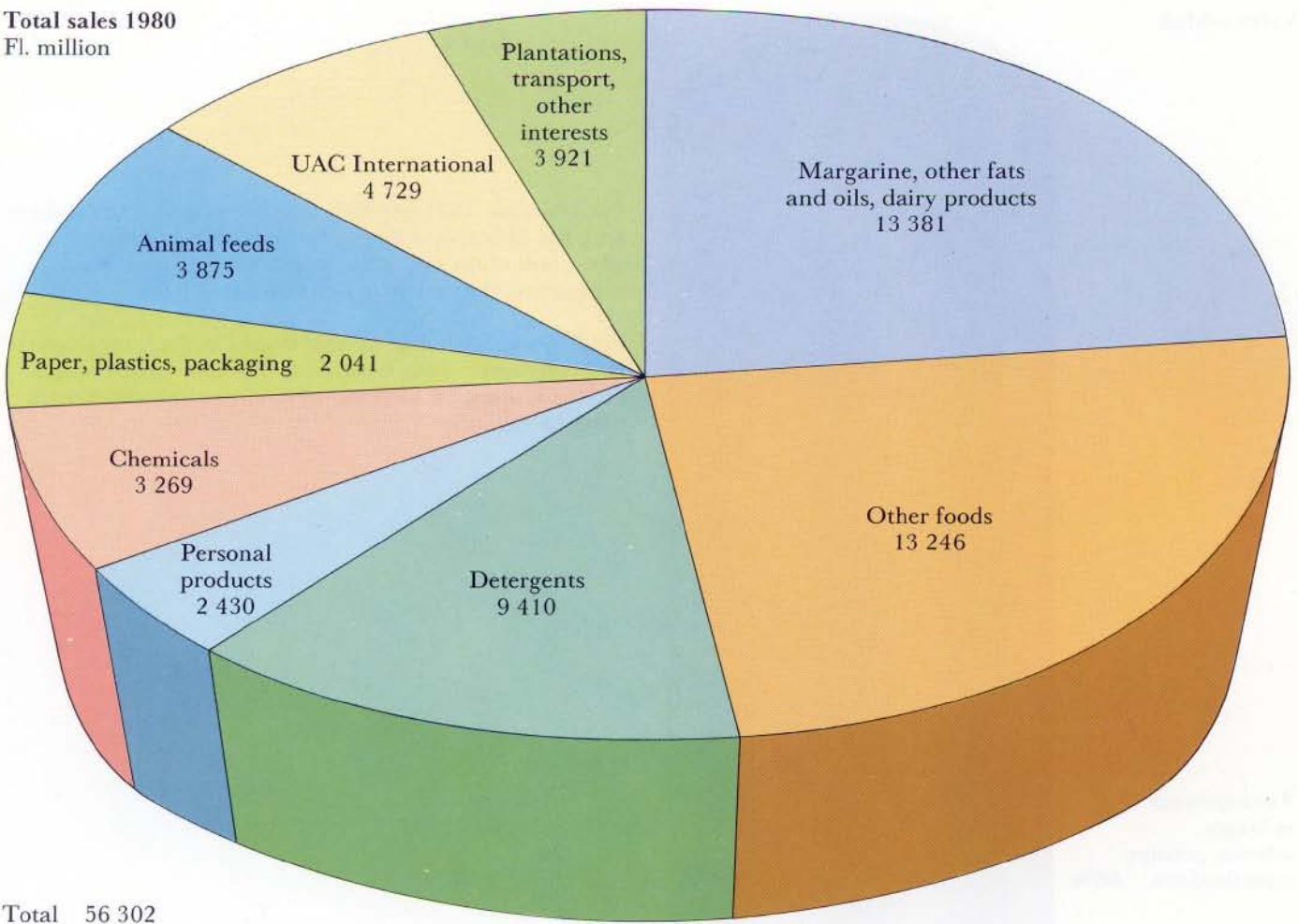
Operating profit before taxation and outside interests

Fl. million

European Community countries	1 471
Other European countries	252
North America	260
Central and South America	153
Africa	339
Asia, Australia, New Zealand	439
Total	2 914

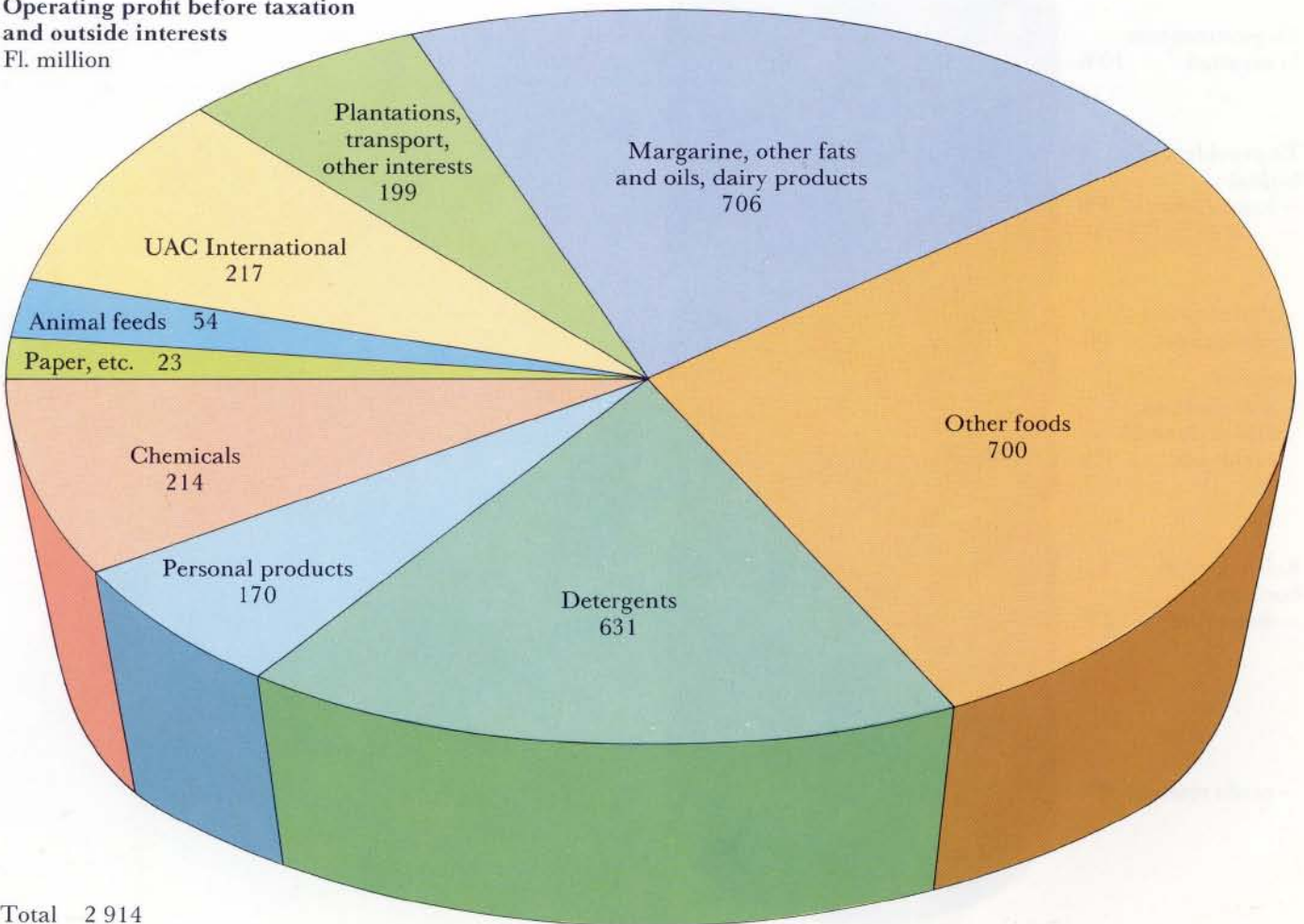


Total sales 1980
Fl. million



Total 56 302

Operating profit before taxation and outside interests
Fl. million



Total 2 914

Value added

To employees
in wages,
salaries, pension
contributions 68%

To governments
in taxation 10%

To providers of
capital
— loans (interest) 4%

— shareholders
(dividends) 4%

— outside
shareholders
and preference
dividends 1%

Reinvested in
business
— depreciation 7%

— profit retained 6%

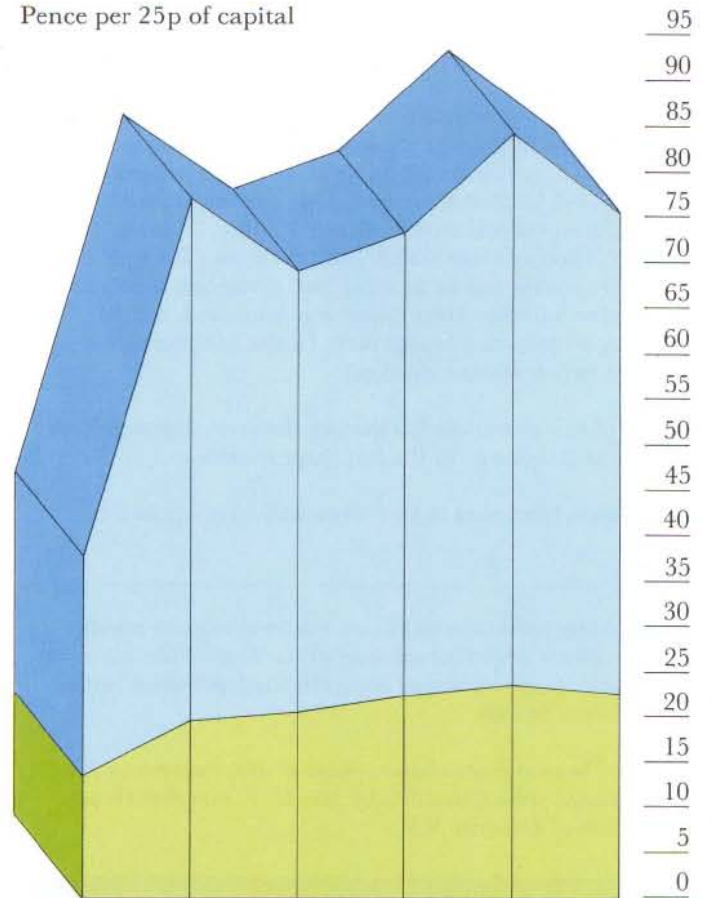


For Unilever, 1981 will be a year for using our strengths to keep the structure of the business sound and to take advantage of the opportunities which, we know from experience, the variety of our interests will provide.

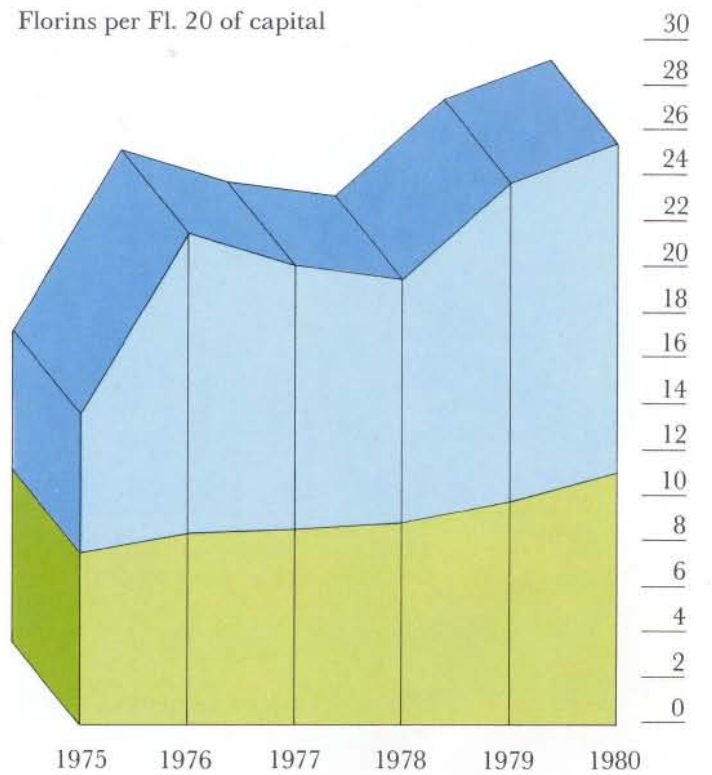
Finally, we should like to offer thanks to the management and employees of our businesses. The thanks we express each year are most sincerely offered especially in difficult times like these.

Earnings and dividends per share

Pence per 25p of capital



Florins per Fl. 20 of capital



Earnings
 Dividends

Review of operations

Margarine, other fats and oils, dairy products

Our margarine businesses had a good year. Turnover increased by 6% in volume, and margins improved. In Northern Europe margarine maintained its competitive position against heavily-subsidised butter. 'Krona', first marketed in Australia, established itself as a premium brand in the United Kingdom. Our French company has also enjoyed success with its brands 'Astra', 'Fruit d'Or' and 'Planta'. Having established 'Fruit d'Or' as a leading edible oil in France for use in cooking and dressings, a premium margarine with the same name was launched, quickly winning widespread acceptance. In the Mediterranean area we expanded our markets.

Prices of raw materials fell during the year, although there was a sharp upsurge in the last three months.

Margarine continues to be threatened by proposals for

Right: Margarine sales in France continue to grow steadily. Our premium sunflower oil margarine 'Fruit d'Or' has now been successfully established alongside the traditional 'Astra' and 'Planta' brands.

Below: The new fractionation plant at Wormerveer in the Netherlands, opened in 1980 by Mr. H. F. van den Hoven, Chairman of Unilever N.V.





Information
LIFE 000
Aster
2003
4.70
5.20

15

0.380



discriminatory levies on vegetable oils and oilseeds urged upon the European Community by those who mistakenly see such impositions as the best way to reduce the dairy surplus. Belgium has put margarine at an unfair disadvantage by applying value added tax to margarine at a 10% higher rate than that applicable to butter.

1980 was a year in which the positive benefits of polyunsaturates in the prevention of arteriosclerosis came under increasing public scrutiny and discussion. No evidence has been produced to shake our own belief, and that of the bulk of the medical profession, in the nutritional benefits of our high-polyunsaturate margarines.

Other fats and oils did well. Our oil mills had a good year, working at nearly full capacity. At Wormerveer in the Netherlands we opened a new fractionation plant to produce special fats for use in the food industry.

In the United States, the closure of the margarine production unit in Hammond, Indiana, was announced as part of a programme of restructuring to restore the profitability of Foods Division of Lever Brothers, USA.

Other Foods

Frozen products

Sales of frozen foods developed well, especially when allowance is made for the mild winter in Northern Europe, which meant that there was a plentiful supply of fresh vegetables. Sales of high-added-value products like prepared dishes, pizzas and desserts developed well, as did prepared vegetables. Meat products suffered a slight setback after good growth in the previous year.

Birds Eye in the United Kingdom, Unifrost in Austria and Iglo in Belgium did well, all achieving very satisfactory profit improvements.

We are continuing to invest in new plant and equipment. A major programme of remodelling technical facilities is under way at our frozen food factories in the United Kingdom.

The poor summer depressed ice cream sales, except in Southern European countries, where Sages in Italy, Iglo in Portugal and Frigo in Spain all had a good year. Outside Europe our performance in Australia and Brazil improved considerably.

Ice cream production facilities are being improved or extended in the United Kingdom, Austria, Belgium and Australia. A significant development to create greater effectiveness was the decision to merge our frozen food and

ice cream companies in the United Kingdom into one company called Birds Eye Wall's.

We deeply regret a tragic accident in the Netherlands in December, which led to the death of two women after eating an Iglo frozen meal. Investigation has shown that nitrite contamination to a very small number of packets of the product had been caused by a leakage in the cooling system of one of the Iglo vans, which had occurred whilst it was delivering goods to the store in question. Analysis of the cooling liquid brought to light that it contained a considerable proportion of nitrite. The judicial investigation had not been finalised at the date of preparation of this report.

Sundry foods and drinks

Markets were static or declining, with some exceptions such as tea, sauces and salad dressings. We have succeeded in maintaining and improving our market shares. Total sales by volume were higher and margins improved.

Our tea business worldwide continued to grow in volume, with satisfactory profits. In the South American countries, Argentina, Brazil and Chile, however, progress was slower than anticipated. India continued to suffer from the after-effects of the prolonged strike of 1979.

Soup consumption, after having benefited from a cold



Left: Frozen pizza being produced at Langnese-Iglo's Heppenheim plant in Germany.

Right above: The automatic tea bag packing line at Lipton's factory in Leighton Buzzard, United Kingdom.

Right: A tasting panel test some of Lawry's latest products at their California centre in Los Angeles, United States.

winter in 1979, declined. The instant soup segment of the market, however, is growing fast, and we have succeeded in further improving our strong position in almost all countries. New high-quality varieties were launched in Germany and in the United States.

Although our business in mayonnaise and dressings continued to grow, profits in some countries suffered from heavy competition. In Spain, our low-oil mayonnaise, launched in 1979, gained further market share.

Cocoa bean prices declined markedly in the course of the year and Bendsorp in the Netherlands achieved substantially higher profits. In Ireland, however, we were forced to close down the HB Chocolate business due to fierce competition from imported products.

John West in the United Kingdom and Novia in Sweden achieved very satisfactory profit improvements.

Thomas J. Lipton, Inc. in the United States again improved their profits, and did particularly well with salad dressings. A range of herbal teas was launched. Lawry's Foods, Inc., acquired by Liptons in the course of 1979, performed well.

Capital expenditure remained focused on structural improvements. The construction of a completely new canning factory for Batchelors in the United Kingdom and the modernisation of our Bendsorp production facilities in Austria have been initiated.

Meat products

Sales volume of our European businesses showed no growth over 1979. Margins, however, improved slightly. Raw material prices, except in the Netherlands, were lower than last year.

In the United Kingdom, the results of all our operations showed an encouraging improvement on 1979 and in total they have become profitable. Mattessons had another good year, with an increase in sales volume and profits. Wall's sales volume showed little change from 1979, but there was a further reduction in trading losses, due to increased efficiency in all parts of the business.

Our business in the Netherlands had a difficult year. Sales volume and margins of the fresh meat operation, selling carcasses and prime cuts, suffered badly from the depressed pigmeat market in Europe. At the same time, the high price of raw materials put the margins of sausages and other meat products under pressure. While we held or increased our shares in the meat products market, the market itself was smaller than in 1979.

Schafft in Germany suffered from adverse market conditions, and sales volume declined, but decisive action to cut costs and improve efficiency resulted in the achievement of higher profits than in 1979. In Belgium, Zwan had a disappointing year.

Right: Zwanenberg de México's shops-within-a-shop use traditional mariachi bands to attract crowds at the weekend.





149

GINEBRA
"BEEFATED"
233%
209.00
750 ML.

SALMÓN
COCA TAIL
EMPA
98

SALMÓN
COCA TAIL
EMPA
98

SALMÓN
COCA TAIL
EMPA
74

Udon
Udon
Udon

Our business in Mexico had another record year in both sales volume and results. In Canada, the market remained static, and although our companies managed to increase volume, margins came under pressure.

Fish, restaurants and retailing

The problems of the fishing industry in Europe have continued to cause us concern, and these difficulties were not helped by the failure of the European Community to agree a fisheries policy. Our Nordsee fishing fleet was hard hit, and there was a substantial cutback in its operations.

The Nordsee restaurants had a fair year.

In the United Kingdom we closed one of our two fish processing factories in Scotland. MacFisheries closed the last of its remaining shops.

Detergents

The growth of the detergents market was only 2.4% in 1980 compared with 4.1% in 1979. This had the effect of slowing down our progress compared with the previous year. Even so, performance was generally encouraging with improved market share.

In Germany, the largest European market, we were particularly active and were successful in improving our market share with several brands, notably 'Omo'. In a number of European countries we have introduced with success a new ingredient in our washing powders. This ingredient is designed to improve washing performance at medium and low washing temperatures. In the United Kingdom, competition increased markedly but we were able to hold our strong leading position. A new fabric softener, 'Mimosin', was successfully established in Spain.

We continued to do well with liquid products, particularly fabric softeners, liquid abrasives and hygienic cleaners. Industrial detergents continued to perform steadily.

Our North American business has actively pursued market share growth with some test markets looking promising. Canada had a good year but in the United States, despite worthwhile volume gains in some categories, fierce competition in the laundry detergent market resulted in market share remaining static. Results overall showed an improvement on 1979.

In October, Lever Brothers opened a new toilet soap manufacturing plant at Hammond, Indiana. Using very advanced technology, it is one of the most modern toilet soap plants in the world.

In countries outside Europe and North America, good progress was made both in sales and profits. Countries where performance was well above the average were Argentina, India, Indonesia, Malaysia, Pakistan and South Africa. A feature of 1980 was the introduction of a number of specialist liquid products in several countries.

Right: 'Shield' toilet soap comes off the production line at Lever Brothers plant at Hammond, Indiana, in the United States.





A new factory in the south of Italy for liquid products was completed, and major programmes to increase capacity are well under way in the United Kingdom, France and Brazil. A new detergents factory was opened at Aba, Nigeria. Further investment is planned in the United Kingdom, France, Spain and several countries outside Europe to meet increased demand and to improve operational efficiency.

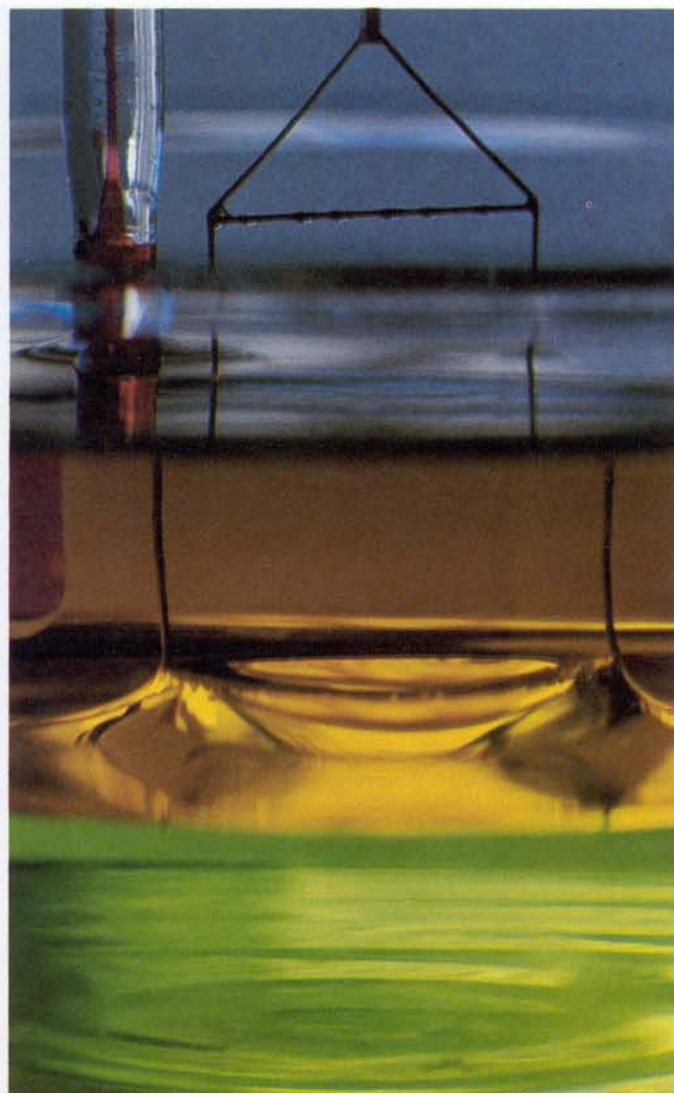
Research and development play an increasingly important part in the conduct of our world-wide operations. Changing washing conditions, coupled with environmental requirements, make it essential to modify existing formulations, but our primary goal is to innovate with new or improved products which offer the consumer a demonstrable superiority over those of our competitors.

Personal products

The total market for personal products in Europe increased by 2%, approximately the same rate as the increase in total consumer expenditure after allowing for inflation.

In the rest of the world, including the United States, the

Below: A surface tension balance in operation; measuring fundamental properties, such as surface tension, provides technical understanding of the way detergent products work under overseas conditions.



market actually grew faster than the increase in consumer expenditure. Our business reflected substantially the same pattern as the market in general.

In Europe, profits in the United Kingdom recovered well from the 1979 setback and we improved our position in some other countries. In the Netherlands, Belgium and Germany, however, we had poor results.

Profits improved substantially in the United States, where our dental products have maintained their volume against sharp competition. Elsewhere, and notably in Argentina, Australia, Indonesia, Nigeria and South Africa, we did well. In Japan, however, we had losses due to heavy marketing expenditure.

We launched 'All Clear', an anti-dandruff shampoo, in the United Kingdom. New skin products ranged from 'Soft and Safe' in Sweden to 'Elida Beauty Plan' in Indonesia.

In Australia, we successfully introduced 'Norsca', a range of bath toiletries. Our deodorants, 'Rexona' and 'Impulse', and our dentifrices continued to make good progress,

particularly outside Europe and North America. In Europe, 'Denim' men's toiletries had another good year.

Chemicals

Like the rest of the chemical industry, our chemical businesses in Europe and the United States were affected by the severe industrial recession and the consequent destocking. The United Kingdom based companies were more severely affected due to the strengthening of sterling and consequent lack of competitiveness in exports. Against this background we have taken steps to improve productivity in all parts of the business.

Unichema, our oleochemical business, suffered a sharp decline in volume and margins in the United Kingdom, while on the Continent margins were under pressure.

In Unilever-Emery, our 50/50 joint venture in the Netherlands with National Distillers and Chemical Corporation, we acquired their share to make the company a 100% subsidiary. It has been re-named Unichema Chemie.

Urachem, the synthetic resins, emulsions and powder paint group, was adversely affected by the sharp decline in demand for surface coating materials from the housing and automobile industries. However, the emulsion business in the United Kingdom and the powder paints business on the Continent performed well.

Below: The 'Elida Beauty Plan' has been introduced in Indonesia.



Crosfields, which has a significant part of its business in exports from the United Kingdom, was particularly affected by the strength of sterling and by cheap United States exports to Europe. While the cracking catalyst and concrete additives businesses continued to perform well, the applied silicas and general chemicals business suffered.

Food Industries, the flavours, emulsifiers and food ingredients company, had another year of satisfactory growth in volume. Margins, however, were poor.

Proprietary Perfumes again had excellent growth in sales and profits.

National Starch had another year of growth in sales and profits despite the industrial recession in the United States. The business in starch, adhesives and resins had a setback in the first half of the year, although there was recovery later. The speciality adhesive business continued to make good progress. National Starch has acquired the 50% share of its partner in the United Kingdom joint venture, Laing National.

Our chemical businesses in other parts of the world continued to grow and perform well. In Australia, however, the fatty acid business was affected by lower domestic demand and by strong competition in international fatty acids and glycerine markets.

Major capital projects authorised during the year were for the construction of a new spray tower for cracking catalyst production in Crosfields, and several projects for improved productivity and energy conservation. A new distilled fatty acid plant is under construction in Malaysia.

Paper, plastics and packaging

This section of our operations went through an extremely difficult year, especially in the United Kingdom, where higher energy costs, particularly in comparison with those prevailing in Continental Europe and North America, seriously affected our businesses. The appreciation of sterling also eroded export margins, while encouraging increased import penetration by our competitors.

The Continental European packaging companies have, on the whole, done well.

The companies have reacted to the adverse economic environment by stringent cost-cutting, which has inevitably involved the closure of some activities and the reduction of numbers employed.

A large expansion programme is the building of a new duplex carton plant at Thames Board's Workington mill in Cumbria. It is now likely to be completed in the autumn of 1981, and although the company will be faced with a very different market situation from that envisaged at the outset of the project, this modern mill should represent a cost-effective base from which to meet international competition.

The major investments for wall and floor covering production at Nairn's factories at Cramlington and Kirkcaldy were completed and new ranges of cushioned vinyl flooring, incorporating a glass fibre substrate, have

been launched and favourably received in the international markets.

Animal feeds

The compound business in the United Kingdom has had a good year, partly as a result of the benefits of investment to improve customer service and efficiency. The operations in the Netherlands, France, and the Republic of Ireland have been less successful.

Our business in the Netherlands has experienced particular problems. Losses were made on guarantees given to farmers for the price of their products, and this was a major factor which led to a poor result in 1980.

Agricultural merchandising again achieved a good result. The poultry operations did not do so well and were affected by over-production in the United Kingdom in 1980. Progress was maintained in the fish farming business in the United Kingdom.

Export activities from both the United Kingdom and France were maintained and the sales development of the 'Intagen' prophylactic antigen against bacterial disorders of the gut was continued.

UAC International

UAC International includes many diverse operations in Africa, the United Kingdom and elsewhere. Its activities include a number carried on by associated companies as well as those carried on by subsidiaries. This review includes both subsidiaries and associated companies.

With the greater part of its activities in West Africa, it is inevitable that the economic environment there should be a major factor in UACI's performance for the year. It was favourable in French-speaking countries though economic improvement in Nigeria came later than expected.

The breweries in Nigeria were adversely affected by price controls, but prospects for the future were sufficiently encouraging to go ahead with expansion plans, including new breweries at Ibadan and near Lagos. But in Ghana, Sierra Leone and Tchad the breweries experienced difficult operating conditions.

In Nigeria, the building materials business improved as a result of a revival of the construction industry.

In addition to the development and marketing of clinical laboratory products, surgical equipment and pharmaceuticals, the Medical Division of UACI also handles toilet preparations and photographic materials. Many of these products are exported from the United Kingdom. Results have been good. Our recent move into the development of diagnostic aids has been very promising. Sales of 'Sensititre', the antibiotic sensitivity test kit manufactured under the Seward label, are progressing steadily in the United States, where it was launched in 1979.

Federated Motor Industries, UAC of Nigeria's assembly plant in Nigeria, now has official Nigerian Government status as a commercial vehicle manufacturer, and is thus

able to continue assembling Bedford and Isuzu trucks, using local components as far as possible.

The businesses in French-speaking Africa had a particularly good year. Better results and a reduction in working capital improved yields. The textiles manufacturing and marketing ventures continued to be successful and a major expansion of the wax block printing company in the Ivory Coast is planned. There was a strong recovery in our Motors profits. Our electrical wholesale business in France continued to prosper.

Palm Line, our shipping company, performed satisfactorily despite increasing cut-price competition. The dry cargo fleet modernisation is nearing completion, with two 19 000 ton container vessels under construction in Poland.

Profitability of the timber operation in Nigeria improved, although its future depends on the company acquiring additional felling rights. In the Solomon Islands, our logging operations had another good year.

In the office equipment business, the recovery in Nigeria has improved results. In the United Kingdom, our BEAM business centres are now undertaking distribution of mini-computers and other advanced office technology.

The introduction of fast foods via the Kingsway chain of stores in Ghana and Nigeria made a promising start. Of the industrial ventures in Nigeria, the Bordpak packaging materials factory had a better year, but conditions were more difficult for the plastics and bedding companies. The textiles distribution and manufacturing companies did less well. One of the latter, in Northern Nigeria, had to be closed, while those in Ghana were severely hampered by lack of raw materials.

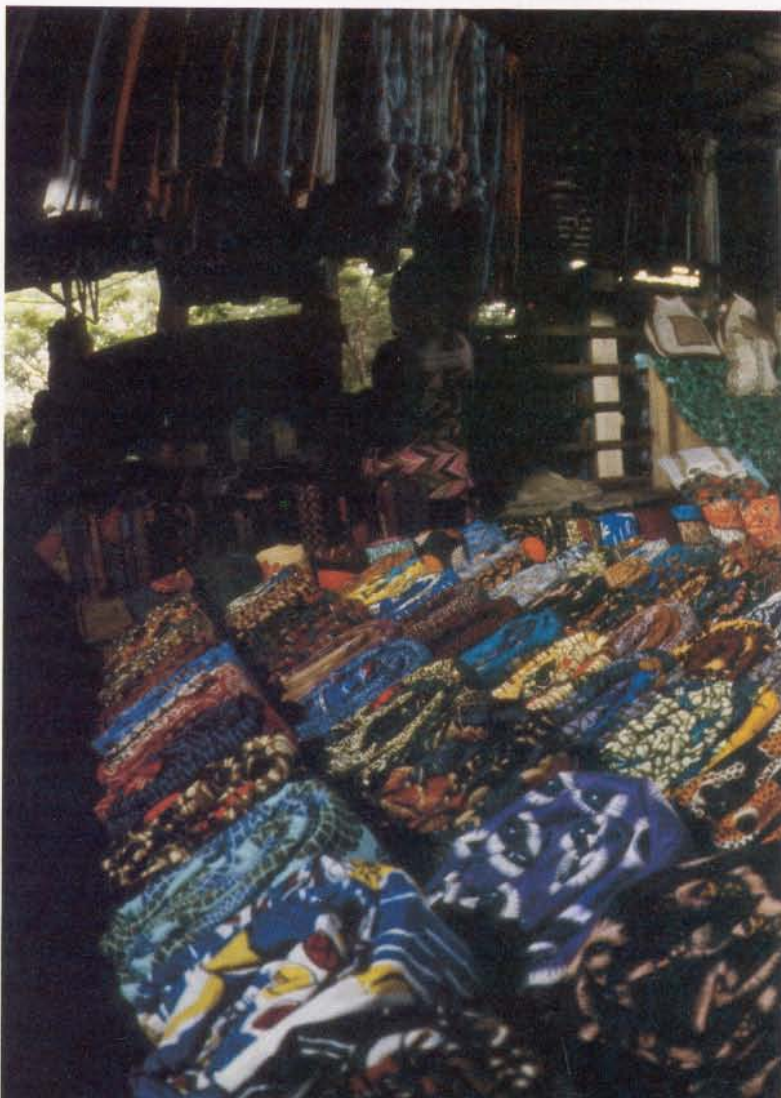
The Caterpillar dealerships have performed well on the whole. In Nigeria, a new assembly, servicing and distribution plant has been completed.

Plantations

We have an interest in a total of about 90 000 hectares of plantations in six tropical countries in Africa and Asia. More than two-thirds of the plantations are under oil palms. Production tonnage last year of the various crops was slightly lower than in 1979. Selling prices were also lower and profit margins were not maintained.

We are continuing to develop and expand our plantation interests. Projects are in hand in Ghana, Malaysia, the Solomon Islands and Zaïre to extend the area under cultivation or to rehabilitate existing areas.

Our work in cloning the oil palm has attracted much attention. Using a single piece of tissue cut from the root of a hardy and good-yielding parent plant, we can propagate in test tubes an unlimited number of palm trees identical with the parent. In 1980 it was possible to assess the results of our first experiment. Plantlets nourished in our laboratories in 1975 were transferred to one of our Malaysian plantations in 1978, and have yielded their first fruit. It seems likely that clonal trees will yield about 30% more palm oil than other oil palms.





Transport

There is perhaps no more accurate barometer of recession than the transport industry. The fall in industrial output, particularly in the United Kingdom, has reduced the volume of goods moving from factories to warehouses and shops. In the seven European countries in which we operate transport companies there has been over-capacity in the market and margins have been squeezed, leading to lower yields.

Two areas have proved particularly vulnerable to the downturn in economic activity. One is parcels distribution, which is widely used by small firms, many of whom have been badly hit by reduced orders. The second is warehousing, which is a high-capital, fixed-cost operation. We are reorganising our network of warehouses, enlarging well-placed depots, opening some new premises, and closing others that were less efficient.

We have continued to invest in our shipping interests, which for the most part are in specialist markets. In the Netherlands a new roll-on/roll-off ferry is being built for Norfolk Line. Three coasters, two for the United Kingdom and one for Germany, are under construction at yards in the United Kingdom, Denmark and Turkey. We are also replacing our fleet of tank lighter vessels that ply on the Rhine.

Elbe, our German subsidiary, has benefited in 1980 from important acquisitions made at the end of 1979.

In the United Kingdom, progress has been made in our specialised distribution companies. Carrycare originally transported only china and glass, but has extended its field of operation to include technical equipment of high value and domestic electrical appliances. Tibbett and Britten has achieved a strong position in the transport of hanging garments, providing a service to retailers and manufacturers.

Research and development

Rapid development in the application of microprocessors and the emergence of biotechnology signal a period when the influence of science and technology on industry will increase. We have to be equipped to participate in these developments and, in certain aspects, to lead them. Consequently we maintain a strong research effort. In 1980 expenditure on research and development was Fl. 731 million (1979: Fl. 602 million).

The demand for new products and low-cost processes has never been greater and the effective satisfaction of this will, we believe, stem from greater understanding of the basic scientific factors which determine the behaviour of our products and govern the efficiency of our processes. In



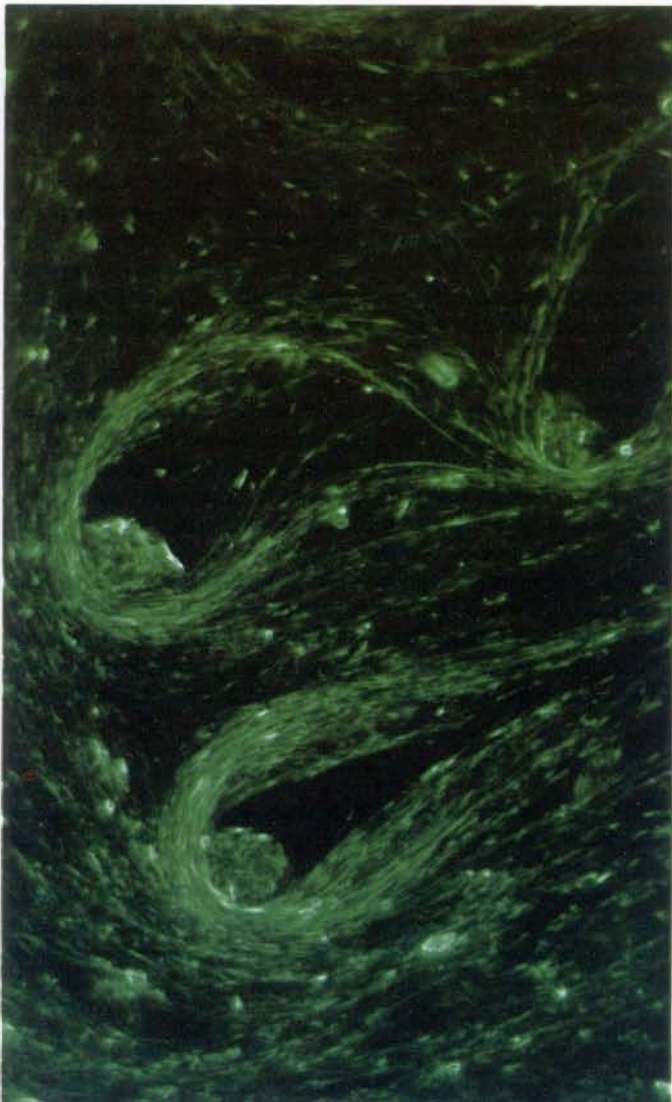
Above: Caterpillar earth-moving equipment unloaded at Apapa, Nigeria, from the Badagry Palm, 16 500 tons, which entered service with Palm Line during the year.

Below: A colourful display on a textile trader's stall in Abidjan market, including wax block prints manufactured by Uniwax in the Ivory Coast.

striving for greater understanding, our scientists have identified a limited number of scientific areas which have application over many of our product groups and we have established research teams in these areas that are better staffed and equipped than any one sector of our business alone could support. Such teams attract scientists of high calibre who collaborate with leading scientists in universities and other institutes and so contribute to and benefit from the totality of scientific advance.

Although our interests embrace a wide variety of products, made by processes based on many technologies, there are some common scientific themes which link the technologies together. This means that advances in one area may have applications in other, quite different, areas: for example, knowledge which enables us to make a stable mayonnaise is also applied to make detergents more efficient at grease removal.

A particularly good example of this ability to ensure the widest application of scientific understanding, lies in the physical structure of some of our products and the influence structure often has on product performance. Many of our products are presented in powdered or granular form and their performance is usually influenced by the processing conditions and the resulting state of granulation. New techniques of physical examination have given us greater insight into the relationship between formulation, processing conditions and performance, so



that our scientists are able to give clear guidance to both our product developers and our process engineers. In this way we have gained knowledge which has enabled us to formulate and produce detergent powders with particle size, dispersability and wettability characteristics pre-selected to give optimum performance. The same approach has given us the ability to control granulation in other products to produce instant drinks, instant soups and instant custard with very rapid rehydration, and to achieve optimum cleaning qualities in toothpaste.

In another area, we are only able to produce a liquid scourer, such as 'Jif', when we know how to keep small particles of abrasive suspended in a liquid during storage.

The innovations arising from background research, however, will only be fruitful if they are translated into processes which give products with the appropriate characteristics and at low cost. This is the prime challenge facing our engineers throughout the Concern. The research engineers concentrate on developing the criteria for design and operation, whilst those in the central engineering group and in the factories translate these concepts into practical processes. Increasingly, the efficiency of these operations is being improved by the use of microprocessor controls and computer-aided design methods.

In these and many other areas, ranging from cell biology to nutrition, from sensory perception to toxicology, we have an investment in science and engineering which can both support the existing business and make possible the innovations of the future. Knowledge from all sectors of the business is brought together to ensure that the Group as a whole derives the best benefit from our excellent research and engineering skills.

Capital expenditure and projects

It remains important to maintain an adequate level of capital expenditure, even when, as now, the economic climate is less favourable. We must maintain the momentum of our capital expenditure to ensure that our plant is modern, efficient and has the necessary capacity.

On page 68 will be found comparative figures of our capital expenditure in 1980 compared with previous years and analysed both by geographical areas and by operations. These figures show that our capital expenditure kept up in 1980. The same principles apply of course for the future, and in 1980 the Board has approved capital projects totalling Fl. 2 174 million (1979: Fl. 1 852 million). These projects cover all aspects of our operations and are being carried out in many countries. Amongst particularly interesting ones are the construction of the new manufacturing facilities for Batchelors Foods in the North of England, the building of two cargo ships for Palm

Left: Structure of a liquid household cleaner, showing minute particles of abrasive suspended by a network of filaments.

Right: Atomisation at the top of a spray drying tower is one of the effects being investigated by Unilever Research in order to understand the way powder structure can be controlled during spray drying.

Line, and a new vessel for Norfolk Line. The Nordsee Group is engaged in an important operation to expand and renovate its successful chain of restaurants, and in Italy we are extending our liquid detergent production capacity. Work has begun on a substantial new toilet soap manufacturing plant at Surabaya in Indonesia. We are also building a new toilet soap plant in Thailand.

The more important projects are:

Modernisation of edible oil refineries in the United Kingdom.

Extension of edible fats production in Spain.

Relocation and modernisation of edible fats production in Zaïre.

Redevelopment of ice cream factory in the United Kingdom.

Extension of ice cream factory in Austria.

Expansion and renovation of restaurants in Germany.

Relocation of vegetable cannery and distribution centre in the United Kingdom.

Extension of detergent production facilities in Italy.

Construction of a toilet soap manufacturing plant in Thailand.

Construction of detergents and edible oil milling facilities in South Africa.

Construction of a personal products factory in Indonesia.

Expansion of factory producing Dutch wax block cotton prints in the Ivory Coast.

Purchase of two multi-purpose cargo ships.

Development and expansion of timber operations in the Solomon Islands.

Development of an additional 4 000 hectares of oil palm estate in Malaysia.

Replacement of a 'Ro-Ro' ship and the extension of port facilities in the United Kingdom.

Concentration of research facilities in the Netherlands on the Vlaardingen site.

Below: UAC of Nigeria's major investment at Oregun near Lagos was commissioned in 1980; in the foreground the toilet preparations factory and beyond the new Caterpillar facility.



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 1979.

	Parent companies and subsidiaries		Associated companies		Totals	
	1979	1980	1979	1980	1979	1980
(000's)						
European Community countries	162	156	5	3	167	159
Other European countries	16	16	1	1	17	17
North America	22	21	—	—	22	21
Central and South America	11	10	3	3	14	13
Africa	58	56	49	41	107	97
Asia, Australia, New Zealand	40	41	6	6	46	47
	309	300	64	54	373	354

The difficult economic conditions in Europe and the need to improve efficiency and competitiveness led to a reduction in the numbers of people employed there. In many cases this was accomplished by normal staff turnover and early retirements, but some redundancies were inevitable. We take considerable pains to be fair and considerate in the way these are handled.

The fall in numbers employed by associated companies is accounted for partly by some companies which were treated as associated companies in 1979 and were not so treated in 1980. The remainder arises mainly from reductions in staff by some of our associated companies in several African countries caused by local economic circumstances.

Recruitment from universities and technical colleges has continued. The continuity of our businesses throughout the world depends on the quality and commitment of our employees at all levels. The consistent recruitment of young people to maintain our businesses in the future is necessary to replace those who will leave the businesses in the years to come. The tendency towards earlier retirement in Europe will also influence this development. We continue to maintain and improve programmes that keep us in touch with the various educational institutions.

We also continue our emphasis on training. By far the greater part of this is training on the job, but we run group in-house training programmes and make use of outside courses; for instance, Government training centres,

business schools and universities, wherever appropriate. A milestone was passed this year with the 25th anniversary of Unilever's International Management College at Four Acres, near Kingston, Surrey.

Dividends

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

The Boards have resolved to recommend to the Annual General Meetings on 20th May, 1981 the declaration of final dividends on the Ordinary capitals in respect of 1980 at the following rates, which are equivalent in value in terms of the Equalisation agreement:

N.V.	
per Fl. 20 ordinary capital	
Interim	Fl. 4.16
Final	Fl. 6.96
<hr/>	
Total	Fl. 11.12
	(1979: Fl. 9.88)

Limited	
per 25p ordinary share	
Interim	8.94p
Final	13.97p
<hr/>	
Total	22.91p
	(1979: 24.05p)

We have in the past pointed out to shareholders that the application of the Equalisation agreement at a time when the relative purchasing powers of the pound and the guilder do not reflect the strength of sterling against the guilder causes the N.V. dividend to be disproportionately higher than the Limited dividend. For this reason the Board has, reluctantly, recommended a final dividend for Limited which together with the interim dividend paid in 1980 will represent a decrease of approximately 5% in the total dividend for 1980 compared with 1979. N.V.'s proposed total dividend for 1980 is 12.5% more than for 1979.

As previously announced the Board is engaged on a study of arrangements which, while maintaining the basic principles of the Equalisation agreement will mitigate the undesirable effects in this context of erratic fluctuations in the exchange rates.

The N.V. final dividend will be payable as from 2nd June, 1981 (or in the case of the New York shares on 19th June, 1981).

The Limited final dividend will be paid on 2nd June, 1981 to shareholders registered on 28th April, 1981.

For the purpose of equalising dividends under the Equalisation agreement, Advance Corporation Tax (ACT) in respect of any dividend paid by Limited has to be treated as part of the dividend. Limited's 1980 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.

Directors

Mr. O. Strugstad, whose intention to retire has already been announced, will not offer himself for re-election at the Annual General Meeting.

Mr. Strugstad joined Unilever in 1947 in his native Norway. After serving mainly on the foods side of the business in Scandinavia and in the Netherlands he joined the Overseas Committee in London in 1974 when he was elected a Director. His colleagues place on record their appreciation of his contribution to the success of the business.

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.

In 1980 Mr. Fletcher L. Byrom was appointed an Advisory Director of both N.V. and Limited.

Auditors

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

By order of the Board

C. Zwagerman
J. D. Keir
Secretaries

31st March, 1981

Reports of the Auditors

N.V. Group¹⁾

To the Members of Unilever N.V.

We have examined the 1980 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, 1980 and of the profit and source and use of funds for the year then ended.

Price Waterhouse & Co.
The Hague

Coopers & Lybrand Nederland
Rotterdam

31st March, 1981

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

Limited Group

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

To the Members of Unilever Limited.

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, 1980 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 1980.

Coopers & Lybrand
London

Price Waterhouse & Co.
London

31st March, 1981

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 1980.

Combined figures are given for the information of shareholders.

Equalisation agreement

N.V. and Limited are linked by a series of agreements of which the principal is the Equalisation agreement. Amongst other things, this requires the dividends and other rights and benefits (including rights on liquidation) attaching to each Fl. 12 nominal of Ordinary share capital of N.V. to be equal in value at the current sterling/guilder rate of exchange to those attaching to each £1 nominal of Ordinary capital of Limited 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.

United Kingdom stock relief is not regarded as a potential liability to the extent that, as a result of specific legislation, it is expected to become permanent.

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 Limited 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 Limited are translated at the year-end sterling/guilder exchange rate, except for the ordinary capital of Limited which is translated at the Equalisation agreement rate of £1 = Fl. 12. The effect of restating the assets and liabilities of Limited 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 Limited are those in which directly or indirectly N.V. or Limited 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 Limited 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 Limited 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.

Goodwill

No value is attributed to goodwill in the business and the difference between the price paid for new interests and the fair value of the net tangible assets acquired is adjusted against profit retained in the year of acquisition.

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

The proportion of loan capital which is repayable within one year is included in loan capital.

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) that part of the United Kingdom tax relief relating to stock values which is expected to become permanent;
- (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.

Reclassification

Certain loans to associated companies have been reclassified in 1980 as current accounts and are now included in debtors. Interest on these accounts (in 1980 this amounted to Fl. 50 million) was previously included in the profit and loss account as part of concern share of associated companies' profit before taxation but now forms part of Interest.

Consolidated profit and loss accounts

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

Fl. million		1979			1980	Fl. million	
Limited	N.V.	Combined			Combined	N.V.	Limited
17 126	26 125	43 251	Sales to third parties (1)		51 468	29 435	22 033
15 961	24 721	40 682	Costs (2)		48 554	27 871	20 683
1 165	1 404	2 569	Operating profit (3)		2 914	1 564	1 350
			Concern share of associated companies' profit before taxation		200	47	153
138	41	179	Income from trade investments (4)		11	3	8
8	2	10	Interest (5)		225	254	29
6	196	202					
1 305	1 251	2 556	Profit before taxation		2 900	1 360	1 540
552	604	1 156	Taxation on profit of the year (6)		1 384	652	732
27	4	23	Taxation adjustments previous years (7)		13	16	3
780	643	1 423	Profit after taxation (6)		1 529	724	805
30	65	95	Outside interests and preference dividends (8)		108	68	40
750	578	1 328	Profit attributable to ordinary capital		1 421	656	765
			Combined earnings per share (9)				
			23.83 per Fl. 20 of capital (Fl.)	25.49			
			84.71 per 25p of capital (pence)	75.41			
486	—	486	Extraordinary item (10)		—	—	—
1 236	578	1 814	Profit after extraordinary item		1 421	656	765
173	316	489	Dividends on ordinary and deferred capital		540	356	184
1 063	262	1 325	Profit of the year retained		881	300	581
			Movements in profit retained				
1 063	262	1 325	Profit of the year retained		881	300	581
8	115	123	Goodwill		15	6	9
55	45	100	Effect of exchange rate changes (11)		50	145	95
199	—	199	Sterling/guilder realignment		938	—	938
1 199	102	1 301	Net additions to profit retained		1 854	439	1 415
3 456	3 369	6 825	Balance— 1st January		8 126	3 471	4 655
4 655	3 471	8 126	Balance— 31st December		9 980	3 910	6 070

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

Consolidated balance sheets

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

Fl. million		1979			1980		Fl. million	
Limited	N.V.	Combined			Combined	N.V.	Limited	
Capital employed								
22	265	287		Preferential share capital (12)	291	265	26	
4 886	4 163	9 049		Ordinary shareholders' equity	10 949	4 602	6 347	
549	640	1 189		Ordinary share capital (13)	1 189	640	549	
4 655	3 471	8 126		Profit retained (14)	9 980	3 910	6 070	
318	52	266		Other reserves (15)	220	52	272	
143	389	532		Outside interests in subsidiaries	555	375	180	
711	2 043	2 754		Loan capital (16)	3 104	2 278	826	
944	1 685	2 629		Deferred liabilities (17)	3 370	1 894	1 476	
18	18	—		Inter-group—N.V./Limited	—	87	87	
6 688	8 563	15 251			18 269	9 501	8 768	
Employment of capital								
2 696	4 513	7 209		Fixed assets (18)	8 943	5 070	3 873	
657	154	811		Associated companies (19)	756	191	565	
138	58	196		Trade investments (20)	222	60	162	
84	461	545		Other long-term assets (21)	659	550	109	
3 171	3 731	6 902		Working capital	7 956	3 839	4 117	
3 128	4 056	7 184		Stocks (22)	8 130	4 359	3 771	
2 254	3 130	5 384		Debtors (23)	6 626	3 491	3 135	
2 211	3 455	5 666		Creditors (24)	6 800	4 011	2 789	
425	314	739		Provision for taxation	738	397	341	
101	208	309		Dividends	342	229	113	
468	168	636		Net liquid funds	813	417	396	
100	216	316		Marketable securities (25)	403	302	101	
1 047	817	1 864		Cash and deposits (26)	2 355	1 283	1 072	
679	865	1 544		Short-term borrowings	1 945	1 168	777	
6 688	8 563	15 251			18 269	9 501	8 768	

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

Consolidated source and use of funds

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

Fl. million		1979			1980	Fl. million	
Limited	N.V.	Combined			Combined	N.V.	Limited
			Funds generated from operations				
1 305	1 251	2 556	Profit before taxation		2 900	1 360	1 540
			Elimination of items not involving a flow of funds:				
			Concern share of associated companies' profit before				
111	23	134	taxation, less dividends and interest received		109	32	77
272	585	857	Depreciation		1 015	652	363
37	93	130	Unfunded retirement benefits		236	165	71
72	7	65	Others		34	23	11
1 431	1 913	3 344			4 076	2 168	1 908
			Funds from other sources				
22	110	88	Loan capital issued/repaid		206	225	19
1 453	1 803	3 256	Total sources		4 282	2 393	1 889
389	357	746	Taxation payments during the year		1 073	516	557
616	797	1 413	Capital expenditure less disposals		1 937	1 050	887
128	205	77	Purchase/sale of subsidiaries (27)		163	74	89
			Purchase/sale of associated companies/trade				
36	3	33	investments		15	9	6
379	502	881	Additional/reduced working capital*)		205	32	173
355	299	654	Dividends paid during the year		544	350	194
46	93	139	Other sources/uses		235	52	183
1 621	2 256	3 877	Total uses		4 172	2 083	2 089
168	453	621	Net increase/decrease in net liquid funds		110	310	200
			*) of which				
435	426	861	Stocks		293	206	87
283	391	674	Debtors		567	333	234
339	315	654	Creditors		655	507	148
565	586	1 151	Net liquid funds 1st January as reported		636	168	468
39	35	74	Effect of exchange rate changes		27	61	34
32	—	32	Sterling/guilder realignment		94	—	94
636	621	1 257	Revised opening funds		703	107	596
168	453	621	Net increase/decrease in net liquid funds		110	310	200
468	168	636	Net liquid funds 31st December		813	417	396

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 (27) on page 46).

Notes to the consolidated accounts

Fl. million		1979			1980		Fl. million	
Limited	N.V.	Combined			Combined	N.V.	Limited	
(1) Sales to third parties								
2 920	9 172	12 092	Margarine, other fats and oils, dairy products	13 381	9 683	3 698		
4 517	7 521	12 038	Other foods	13 246	8 205	5 041		
2 540	4 725	7 265	Detergents	9 410	5 882	3 528		
431	1 476	1 907	Personal products	2 430	1 822	608		
872	1 855	2 727	Chemicals	3 269	2 217	1 052		
905	869	1 774	Paper, plastics, packaging	2 041	937	1 104		
2 184	750	2 934	Animal feeds	3 875	769	3 106		
3 458	326	3 784	UAC International	4 729	242	4 487		
1 102	1 921	3 023	Plantations, transport, other interests	3 921	2 142	1 779		
18 929	28 615	47 544	Total sales	56 302	31 899	24 403		
1 803	2 490	4 293	Less: internal sales	4 834	2 464	2 370		
17 126	26 125	43 251		51 468	29 435	22 033		
(2) Costs								
10 791	13 420	24 211	Raw materials, packaging and goods for resale	28 381	14 859	13 522		
95	98	193	Hire of plant and machinery	245	113	132		
272	585	857	Depreciation	1 015	652	363		
7	9	16	Auditors' remuneration	21	11	10		
16	20	4	Exceptional items (e.g. disposals and reorganisations)	71	84	13		
2 709	5 427	8 136	Remuneration of employees including social security contributions	9 707	6 016	3 691		
4	8	12	Emoluments of Directors as managers including contributions to pension funds for superannuation	13	8	5		
2	1	3	Superannuation of former Directors	4	2	2		
2 097	5 153	7 250	Other costs	9 097	6 126	2 971		
15 961	24 721	40 682		48 554	27 871	20 683		
(3) Operating profit								
167	371	538	Margarine, other fats and oils, dairy products	706	444	262		
253	460	713	Other foods	700	466	234		
246	254	500	Detergents	631	312	319		
34	71	105	Personal products	170	109	61		
95	133	228	Chemicals	214	154	60		
7	39	32	Paper, plastics, packaging	23	47	24		
65	3	68	Animal feeds	54	32	86		
216	6	210	UAC International	217	12	205		
96	79	175	Plantations, transport, other interests	199	52	147		
1 165	1 404	2 569		2 914	1 564	1 350		
(4) Income from trade investments								
2	1	3	From listed shares	3	1	2		
4	1	5	From unlisted shares	7	1	6		
1	—	1	Interest on loans	1	1	—		
1	—	1	Other profits/losses including disposals	—	—	—		
8	2	10		11	3	8		

Notes to the consolidated accounts

Fl. million		1979			1980	Fl. million	
Limited	N.V.	Combined			Combined	N.V.	Limited
				(5) Interest			
67	197	264		Interest on loan capital	301	210	91
59	116	175		Interest paid on short-term borrowings	303	205	98
120	117	237		Interest received including change in market value of marketable securities	379	161	218
6	196	202			225	254	29
				Interest on loan capital includes:			
10	104	114		Interest on loans, the final repayment of which will be made within 5 years	101	92	9
				(6) Taxation on profit of the year			
485	585	1 070		Parent companies and their subsidiaries	1 291	632	659
67	19	86		Associated companies	93	20	73
552	604	1 156			1 384	652	732
				The benefit of United Kingdom stock relief amounting to Fl. 8 million (1979: Fl. 84 million) has been included in the calculation of the taxation on the profit for Limited. The 1980 figure does not include the estimated additional benefit of Fl. 105 million which will arise if the proposals in the 1981 United Kingdom Budget statement are enacted.			
406				The charge for Limited Parent and subsidiaries comprises:			590
138				United Kingdom Corporation Tax (at 52%)			219
217				less: double tax relief			288
485				plus: non United Kingdom taxes			659
				The close company provisions of the United Kingdom Income and Corporation Taxes Act, 1970 do not apply to Limited.			
				As explained on page 31 full provision is made for deferred taxation consisting of:			
157	30	187		Accelerated depreciation	303	51	252
—	35	35		Stock reliefs	19	22	3
26	39	13		Unfunded retirement benefits and other provisions	58	14	44
131	104	235			226	15	211
				On a SSAP 15 basis the provision would be adjusted by:			
146	22	168		Accelerated depreciation	268	35	233
16	51	35		Other	5	34	29
130	73	203			273	69	204
910	716	1 626		Profit after taxation on a SSAP 15 basis would amount to	1 802	793	1 009
				(7) Taxation adjustments previous years			
18	3	15		Parent companies and their subsidiaries	20	17	3
9	1	8		Associated companies	7	1	6
27	4	23			13	16	3

Notes to the consolidated accounts

Fl. million		1979			1980		Fl. million	
Limited	N.V.	Combined			Combined	N.V.	Limited	
(8) Outside interests and preference dividends								
29	50	79	Outside interests	92	53	39		
1	15	16	Preference dividends	16	15	1		
30	65	95		108	68	40		
(9) Combined earnings per share								
<p>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 Limited of Fl. 1 189 million (as set out on page 40) less Fl. 75 million (1979: Fl. 75 million) being 74% (1979: 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.</p>								
<p>The combined number of share units is therefore 55 719 254 (1979: 55 719 254) of Fl. 20 or alternatively 371 461 691 (1979: 371 461 691) of 25 pence.</p>								
<p>The calculations for 1979 and 1980 are therefore:</p>								
Fl. 1 328 million	Profit attributable to ordinary capital (see page 34)			Fl. 1 421 million				
Fl. 23.83	Divided by units of Fl. 20 (see above) =			Fl. 25.49				
£314.6 million	Profit attributable to ordinary capital in sterling			£280.1 million				
84.71p	Divided by units of 25p (see above) =			75.41p				
<p>On an SSAP 15 basis the figures would be:</p>								
Fl. 1 531 million	Profit attributable to ordinary capital			Fl. 1 694 million				
Fl. 27.47	Divided by units of Fl. 20 (see above) =			Fl. 30.40				
£362.7 million	Profit attributable to ordinary capital in sterling			£334.0 million				
97.65p	Divided by units of 25p (see above) =			89.93p				
(10) Extraordinary item								
486	—	486	Release of deferred taxation provision relating to United Kingdom stock relief	—	—	—		
(11) Effect of exchange rate changes								
57	48	105	On fixed assets	77	140	63		
2	3	5	Other	27	5	32		
55	45	100		50	145	95		

Notes to the consolidated accounts

		1979		1980		
Authorised		Issued and fully paid		Issued and fully paid	Authorised	
Fl. million	Fl. million		(12) Preferential share capital	Fl. million	Fl. million	
75	29		Unilever N.V.	29	75	
200	161		7% Cumulative Preference	161	200	
75	75		6% Cumulative Preference	75	75	
			4% Cumulative Preference			
			} <i>Ranking</i>			
			} <i>pari</i>			
			} <i>passu</i>			
350	265			265	350	
£ million	£ million		Unilever Limited	£ 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	
	22		Guilder equivalent (Fl. million)	26		
	287			291		

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 Limited are before the reduction of three tenths which followed the introduction of the imputation system of taxation in the United Kingdom in April, 1973.

		1979		1980		
Fl. million	Fl. million		(13) Ordinary share capital	Fl. million	Fl. million	
1 002	642		Unilever N.V.	642	1 002	
	2		Ordinary	2		
			Internal holdings eliminated in consolidation			
	640			640		
£ million	£ million		Unilever Limited	£ 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 Limited 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 Limited. 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 Limited, who with Mr. H. F. van den Hoven and Sir David Orr 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 Limited.

Notes to the consolidated accounts

Fl. million				Fl. million		
1979				1980		
Limited	N.V.	Combined		Combined	N.V.	Limited
(14) Profit retained						
1 815	2 377	4 192	Parent companies	5 243	2 459	2 784
2 519	1 047	3 566	Subsidiaries	4 297	1 390	2 907
321	47	368	Associated companies	440	61	379
4 655	3 471	8 126		9 980	3 910	6 070
(15) Other reserves						
38	52	90	Premiums on capital issued	97	52	45
356	—	356	Adjustment on conversion of Limited's ordinary capital at £1 = Fl. 12	317	—	317
318	52	266		220	52	272
(16) Loan capital						
Unilever N.V.						
—	180	180	6% Bonds 1972/91	165	165	—
—	55	55	9¾% Euro DM Notes 1981 (DM 50 million)	54	54	—
—	125	125	8¾% Bonds 1981/85	125	125	—
—	71	71	6¾% Bonds 1981/86 (Swiss Frs. 60 million)	—	—	—
—	110	110	8½% Bonds 1981/87 (DM 100 million)	106	106	—
—	288	288	20¼% Bridging Loans 1981 (\$ 50 million)	107	107	—
—	190	190	9¼% Bonds 1987 (\$ 100 million)	213	213	—
—	—	—	9¾% Bonds 1986/90 (\$ 100 million)	213	213	—
—	118	118	4½% Bonds 1984/91 (Swiss Frs. 100 million)	120	120	—
—	1 137	1 137	Total Unilever N.V. (see page 54)	1 103	1 103	—
Subsidiaries						
—	58	58	Netherlands: 4½% Loans 1968/87	49	49	—
—	100	100	9¾% Loans 1980/89	90	90	—
—	—	—	9¼%–9¾% Loans 1985/87	150	150	—
—	52	52	Germany: 4%–6½% Mortgage loans on ships 1980/89	41	41	—
—	66	66	6%–11% Bank Loans 1979/90	65	65	—
—	11	11	U.S.A.: 4⅝% Notes 1973/82	9	9	—
—	57	57	7½% Notes 1982/97	64	64	—
—	48	48	9⅛% Notes 1982/91	53	53	—
—	53	53	8½%–9⅞% Loans 1980/93	58	58	—
—	461	461	A series of other loans	596	596	—
—	2 043	2 043		2 278	2 278	—
Unilever Limited						
34	—	34	4% Debenture stock 1960/80	—	—	—
46	—	46	6¾% Debenture stock 1985/88	56	—	56
9	—	9	5½% Unsecured loan stock 1991/2006	11	—	11
231	—	231	7¾% Unsecured loan stock 1991/2006	278	—	278
212	—	212	Bank Loans 1982/87	253	—	253
532	—	532	Total Unilever Limited*)	598	—	598
Subsidiaries						
22	—	22	United Kingdom: 7½% Mortgage loan on ship 1980/86	22	—	22
8	—	8	Canada: 6% Debenture Series A 1985	8	—	8
31	—	31	8⅞% Debenture Series B 1993	33	—	33
—	—	—	15% Loan 1990	25	—	25
13	—	13	Australia: 7¾% Debentures 1982/87	15	—	15
21	—	21	10½% Debentures 1985/89	25	—	25
84	—	84	A series of other loans	100	—	100
711	—	711		826	—	826
711	2 043	2 754		3 104	2 278	826
126.0			*) Sterling equivalent in millions (see page 56)	117.9		

Notes to the consolidated accounts

Fl. million		1979			1980		Fl. million	
Limited	N.V.	Combined			Combined		N.V.	Limited
Loan capital (continued)								
The repayments fall due as follows:								
59	177	236		Within 1 year	359	336	23	
15	488	503		After 1 year but within 2 years	235	204	31	
121	515	636		After 2 years but within 5 years	705	542	163	
246	671	917		After 5 years but within 10 years	1 282	1 012	270	
26	180	206		After 10 years but within 20 years	222	172	50	
244	12	256		After 20 years	301	12	289	
711	2 043	2 754			3 104	2 278	826	
578	1 346	1 924		Loans on which the final repayment will be made after 5 years amount to:	2 362	1 623	739	
The debenture stock of Limited 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.								
(17) Deferred liabilities								
275	859	1 134		Unfunded retirement benefits	1 422	1 027	395	
63	32	95		Taxation not due before 1st January, 1982	155	40	115	
43	—	43		Advance Corporation Tax — United Kingdom	48	—	48	
634	716	1 350		Deferred taxation	1 712	739	973	
15	78	93		Other liabilities not due before 1st January, 1982	129	88	41	
944	1 685	2 629			3 370	1 894	1 476	
Advance Corporation Tax is available for offset against future United Kingdom Corporation Tax liabilities.								
Deferred taxation consists of:								
819	437	1 256		Accelerated depreciation	1 750	506	1 244	
—	236	236		Stock reliefs*)	222	218	4	
154	—	154		Unfunded retirement benefits	238	20	218	
31	43	12		Short-term and other timing differences	22	35	57	
634	716	1 350			1 712	739	973	
*) At the end of 1980 taxation amounting to Fl. 489 million (1979: Fl. 401 million) on United Kingdom stock relief has not been provided as it is expected to become a permanent relief.								
On a SSAP 15 basis deferred taxation would be reduced by:								
772	342	1 114		Accelerated depreciation	1 552	388	1 164	
—	132	132		Stock reliefs	135	135	—	
123	32	91		Unfunded retirement benefits	152	25	177	
—	52	52		Short-term and other timing differences	72	72	—	
649	558	1 207			1 607	620	987	

Notes to the consolidated accounts

Fl. million				Fl. million		
1979				1980		
Limited	N.V.	Combined		Combined	N.V.	Limited
(18) Fixed assets						
101	240	341	Land	426	269	157
849	1 515	2 364	Buildings	2 853	1 692	1 161
950	1 755	2 705	Total land and buildings*)	3 279	1 961	1 318
1 428	2 548	3 976	Plant and equipment	5 004	2 892	2 112
223	163	386	Motor vehicles	501	186	315
95	47	142	Ships	159	31	128
2 696	4 513	7 209		8 943	5 070	3 873
*) Land and buildings						
746	1 678	2 424	— freehold	2 928	1 874	1 054
154	8	162	— leasehold — long-term (50 years or over)	192	9	183
50	69	119	— leasehold — short-term	159	78	81
Cost						
106	259	365	Land	453	291	162
1 212	2 304	3 516	Buildings	4 178	2 555	1 623
2 702	5 906	8 608	Plant and equipment	10 348	6 600	3 748
386	411	797	Motor vehicles	997	469	528
119	256	375	Ships	414	249	165
4 525	9 136	13 661		16 390	10 164	6 226
Depreciation						
5	19	24	Land	27	22	5
363	789	1 152	Buildings	1 325	863	462
1 274	3 358	4 632	Plant and equipment	5 344	3 708	1 636
163	248	411	Motor vehicles	496	283	213
24	209	233	Ships	255	218	37
1 829	4 623	6 452		7 447	5 094	2 353
702	901	1 603	At 31st December, capital expenditure authorised by the Boards and not spent was:	1 850	956	894
242	274	516	Of these amounts commitments had been entered into for:	653	311	342

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, 1980 on page 51 and these values show a surplus of Fl. 3 441 million (N.V. Fl. 1 863 million, Limited Fl. 1 578 million) over the values for land and buildings shown above.

Notes to the consolidated accounts

Fl. million		1979			1980		Fl. million	
Limited	N.V.	Combined			Combined	N.V.	Limited	
Fixed assets (continued)								
Movements during the year								
Cost								
3 975	8 604	12 579	1st January	13 661	9 136	4 525		
229	—	229	Sterling/guilder realignment	911	—	911		
105	72	177	Exchange rate changes	92	205	113		
705	869	1 574	Expenditure	2 200	1 114	1 086		
150	76	226	Disposals—proceeds	263	64	199		
161	235	396	—depreciation	466	272	194		
2	61	63	New subsidiaries	155	57	98		
30	15	15	Other adjustments	100	12	112		
4 525	9 136	13 661	31st December	16 390	10 164	6 226		
Depreciation								
1 651	4 298	5 949	1st January	6 452	4 623	1 829		
95	—	95	Sterling/guilder realignment	368	—	368		
48	24	72	Exchange rate changes	15	65	50		
161	235	396	Disposals	466	272	194		
—	11	11	New subsidiaries	25	9	16		
20	12	8	Other adjustments	38	17	21		
272	585	857	Charged to profit and loss accounts	1 015	652	363		
1 829	4 623	6 452	31st December	7 447	5 094	2 353		
Expenditure								
5	7	12	Land	35	18	17		
121	128	249	Buildings	406	195	211		
434	619	1 053	Plant and equipment	1 447	771	676		
118	108	226	Motor vehicles	282	122	160		
27	7	34	Ships	30	8	22		
705	869	1 574		2 200	1 114	1 086		
Proceeds of disposals								
18	10	28	Land	30	6	24		
61	23	84	Buildings	125	12	113		
37	18	55	Plant and equipment	47	19	28		
27	24	51	Motor vehicles	58	24	34		
7	1	8	Ships	3	3	—		
150	76	226		263	64	199		
Depreciation charged to profit and loss accounts								
—	1	1	Land	1	1	—		
28	58	86	Buildings	98	63	35		
181	436	617	Plant and equipment	726	486	240		
58	67	125	Motor vehicles	161	81	80		
5	23	28	Ships	29	21	8		
272	585	857		1 015	652	363		

Notes to the consolidated accounts

Fl. million		1979			1980	Fl. million	
Limited	N.V.	Combined			Combined	N.V.	Limited
(19) Associated companies							
89	9	98	Listed shares—at cost with bonus shares at par		125	9	116
73	87	160	Unlisted shares—at cost		176	106	70
174	11	185	Loans		15	15	—
321	47	368	Concern share of retained profits and reserves		440	61	379
657	154	811			756	191	565
362	18	380	Market value of listed shares		664	15	649
89	121	210	Directors' valuation of unlisted shares		241	152	89
656	150	806	Attributable share of net assets		750	184	566
Movements during the year:							
41	—	41	Sterling/guilder realignment		132	—	132
5	3	2	Exchange rate changes		1	19	18
28	6	34	Additions		34	12	22
80	21	101	Concern share of profit after taxation		100	26	74
27	18	45	Dividends and interest		91	15	76
—	—	—	Loans reclassified as debtors		182	—	182
173	7	180	Other adjustments		49	5	44
56	5	51			55	37	92
(20) Trade investments							
11	34	45	Listed shares		45	34	11
122	21	143	Unlisted shares		168	23	145
5	3	8	Loans		9	3	6
138	58	196			222	60	162
30	14	44	Market value of listed shares		49	16	33
166	29	195	Directors' valuation of unlisted shares		234	35	199
Attributable share of:							
244	106	350	Net assets		386	116	270
19	6	25	Net profits after taxation		23	5	18
Movements during the year:							
2	—	2	Sterling/guilder realignment		28	—	28
1	1	2	Exchange rate changes		4	—	4
112	6	118	Additions		5	4	1
3	3	6	Other adjustments		3	2	1
110	2	112			26	2	24

(21) Other long-term assets

These are amounts not due within one year, less provisions. They include Fl. 216 million (1979: Fl. 193 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.

Notes to the consolidated accounts

Fl. million		1979			1980	Fl. million	
Limited	N.V.	Combined			Combined	N.V.	Limited
(22) Stocks							
1 279	2 102	3 381	Raw materials and stocks in process	3 710	2 175	1 535	
962	1 637	2 599	Finished products	2 928	1 821	1 107	
887	317	1 204	Merchandise and other stocks	1 492	363	1 129	
3 128	4 056	7 184		8 130	4 359	3 771	
(23) Debtors							
1 682	2 324	4 006	Trade	5 164	2 664	2 500	
572	806	1 378	Other	1 462	827	635	
2 254	3 130	5 384		6 626	3 491	3 135	
(24) Creditors							
1 425	1 729	3 154	Debts to suppliers	3 838	2 012	1 826	
40	77	117	Short-term portion of unfunded retirement benefits	149	90	59	
746	1 649	2 395	Other	2 813	1 909	904	
2 211	3 455	5 666		6 800	4 011	2 789	
(25) Marketable securities							
93	55	148	Listed— at market value	137	42	95	
7	161	168	Unlisted	266	260	6	
100	216	316		403	302	101	
(26) Cash and deposits							
379	438	817	On call	853	523	330	
668	379	1 047	Repayment notice required	1 502	760	742	
1 047	817	1 864		2 355	1 283	1 072	
(27) Purchase/sale of subsidiaries							
Effect on the consolidated balance sheets:							
60	47	13	Fixed assets	131	50	81	
—	—	—	Associated companies	11	—	11	
5	3	8	Other long-term assets	2	—	2	
10	14	4	Working capital	34	7	41	
9	28	19	Net liquid funds	33	—	33	
22	2	20	Outside interests	11	14	3	
—	5	5	Loan capital	9	6	3	
13	25	38	Deferred liabilities	3	3	—	
—	—	—	Inter-group N.V./Limited	—	11	11	
1	3	4	Provision for taxation	2	2	—	
64	83	19	Net assets acquired/sold	130	45	85	
Profit retained:							
72	7	65	Profit/loss on sale	18	23	5	
8	115	123	Goodwill written off (see page 34)	15	6	9	
128	205	77		163	74	89	
128	205	77	Involving an outflow of funds amounting to:	163	74	89	

Notes to the consolidated accounts

Fl. million		1979		1980		Fl. million	
Limited	N.V.	Combined		Combined	N.V.	Limited	
<p>Contingent liabilities of the Group are not expected to give rise to any material loss. They include:</p>							
274	159	433	Guarantees	728	156	572	
25	114	139	Bills discounted	132	106	26	
<p>In addition the parent companies have given guarantees in respect of subsidiaries' liabilities included in the consolidated accounts.</p>							
<p>Secured liabilities</p>							
<p>Liabilities included in the consolidated accounts are:</p>							
169	202	371	Loan capital (mainly secured on fixed assets)	349	201	148	
90	45	135	Bank advances (mainly secured on other assets)	201	119	82	
—	—	—	Creditors	17	15	2	
259	247	506		567	335	232	
<p>Commitments</p>							
<p>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:</p>							
737	1 053	1 790	Total	2 363	1 296	1 067	
60	173	233	of which: payable within one year	303	203	100	
<p>Exposure on third party fixed price contracts outstanding at 31st December for commodities, to which the bulk of contracts refer, is:</p>							
303	259	562	Purchase contracts (net)	986	479	507	
179	289	468	Selling contracts (net)	221	61	160	
<p>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.</p>							
<p>Pensions</p>							
<p>Contributions amounted to:</p>							
209	223	432	Group pension and provident funds	434	209	225	
100	297	397	State and other schemes	487	366	121	
309	520	829		921	575	346	
77	207	284	In addition provisions were made for unfunded schemes amounting to	413	277	136	
2 578	3 362	5 940	At 31st December the book value of the assets of the funds amounted to	7 098	3 789	3 309	
315	936	1 251	Provisions in the consolidated accounts to meet obligations under unfunded schemes amounted to	1 571	1 117	454	
<p>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.</p>							

Current cost accounts

Report of the auditors on the current cost accounts and information

To the members of Unilever N.V. and Unilever Limited.

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 & Co.
The Hague

Coopers & Lybrand Nederland
Rotterdam

Coopers & Lybrand
London

Price Waterhouse & Co.
London

31st March, 1981

Comment

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

A current cost balance sheet and related notes are given for the first time this year.

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 statement, 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.

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 accounts 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 Limited 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 opening balance of current cost profit retained at 1st January, 1979 is the figure taken from the historical cost accounts, together with the adjustments to deferred taxation to bring it to a SSAP 15 basis. It should be noted that under previous accounting practice a proportion of the historical cost profit retained amounting to Fl. 1 875 million (N.V. Fl. 1 117 million, Limited Fl. 758 million) had been identified as a fixed asset replacement reserve.

The capital maintenance reserve includes, since 1st January, 1979, the concern share of the revaluation surpluses on assets, the current cost adjustments and foreign exchange differences arising from translating the opening assets and liabilities at the closing rates of exchange.

Consolidated current cost profit and loss accounts

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

Fl. million				Fl. million		
1979				1980		
Limited	N.V.	Combined		Combined	N.V.	Limited
17 126	26 125	43 251	Sales to third parties	51 468	29 435	22 033
1 165	1 404	2 569	Historical cost operating profit	2 914	1 564	1 350
			Adjustments required to obtain current cost operating profit:			
232	225	457	Depreciation	521	245	276
249	221	470	Cost of sales	297	125	172
18	3	21	Monetary working capital	75	17	58
99	10	109	Other	110	40	70
567	945	1 512	Current cost operating profit	1 911	1 137	774
			Concern share of associated companies' current cost profit before taxation	157	41	116
101	36	137	Income from trade investments	11	3	8
8	2	10	Gearing adjustment	191	136	55
63	118	181	Interest	225	254	29
6	196	202				
733	905	1 638	Current cost profit before taxation	2 045	1 063	982
395	535	930	Taxation	1 098	567	531
338	370	708	Current cost profit after taxation	947	496	451
13	51	64	Outside interests and preference dividends	77	58	19
325	319	644	Current cost profit attributable to ordinary capital	870	438	432
			Combined current cost earnings per share			
			11.56 per Fl. 20 of capital (Fl.)	15.60		
			40.92 per 25p of capital (pence)	46.14		
173	316	489	Dividends on ordinary and deferred capital	540	356	184
152	3	155	Current cost profit of the year retained	330	82	248
			Movements in current cost profit retained			
			Goodwill	15	6	9
			Current cost profit of the year retained	330	82	248
			Net additions to current cost profit retained	315	76	239
			Balance — 1st January	8 330	3 718	4 612
			Balance — 31st December	8 645	3 794	4 851

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

Consolidated current cost balance sheets

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

Fl. million				Fl. million		
1979				1980		
Limited	N.V.	Combined		Combined	N.V.	Limited
Capital employed						
22	265	287	Preferential share capital	291	265	26
8 216	8 043	16 259	Ordinary shareholders' equity	19 707	8 858	10 849
549	640	1 189	Ordinary share capital	1 189	640	549
3 373	3 633	7 006	Capital maintenance reserve	10 093	4 372	5 721
4 612	3 718	8 330	Current cost profit retained	8 645	3 794	4 851
318	52	266	Other reserves	220	52	272
213	627	840	Outside interests in subsidiaries	877	610	267
711	2 043	2 754	Loan capital	3 104	2 278	826
296	1 127	1 423	Deferred liabilities	1 763	1 274	489
18	18	—	Inter-group—N.V./Limited	—	87	87
9 440	12 123	21 563		25 742	13 372	12 370
Employment of capital						
5 167	8 028	13 195	Fixed assets (1)	15 929	8 890	7 039
876	190	1 066	Associated companies	1 153	228	925
200	67	267	Trade investments	312	74	238
84	461	545	Other long-term assets	659	550	109
3 171	3 731	6 902	Working capital	7 956	3 839	4 117
425	314	739	Provision for taxation	738	397	341
101	208	309	Dividends	342	229	113
468	168	636	Net liquid funds	813	417	396
9 440	12 123	21 563		25 742	13 372	12 370
Movements in capital maintenance reserve						
Revaluation surpluses (2)				1 299	572	727
Cost of sales, monetary working capital and gearing adjustments				172	5	167
Effect of exchange rate changes				7	162	155
Sterling/guilder realignment				1 609	—	1 609
Net additions during year				3 087	739	2 348
Balance—1st January				7 006	3 633	3 373
Balance—31st December				10 093	4 372	5 721

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

Notes to the consolidated current cost accounts

Fl. million				Fl. million		
1979				1980		
Limited	N.V.	Combined		Combined	N.V.	Limited
(1) Fixed assets						
2 229	3 512	5 741	Land and buildings	6 720	3 824	2 896
2 938	4 516	7 454	Plant, equipment, motor vehicles and ships	9 209	5 066	4 143
5 167	8 028	13 195		15 929	8 890	7 039
Current replacement cost						
3 835	5 985	9 820	Land and buildings	11 261	6 380	4 881
5 995	9 792	15 787	Plant, equipment, motor vehicles and ships	19 351	11 415	7 936
9 830	15 777	25 607		30 612	17 795	12 817
Depreciation						
1 606	2 473	4 079	Land and buildings	4 541	2 556	1 985
3 057	5 276	8 333	Plant, equipment, motor vehicles and ships	10 142	6 349	3 793
4 663	7 749	12 412		14 683	8 905	5 778
(2) Revaluation surpluses						
			Fixed assets	1 139	561	578
			Associated companies	148	8	140
			Trade investments	12	3	9
				1 299	572	727
Financing of net operating assets						
The net current replacement cost of the net operating assets at 31st December amounted to:						
5 167	8 028	13 195	Fixed assets	15 929	8 890	7 039
876	190	1 066	Associated companies	1 153	228	925
200	67	267	Trade investments	312	74	238
3 072	4 122	7 194	Working capital excluding financial items	8 607	4 343	4 264
9 315	12 407	21 722		26 001	13 535	12 466
These were financed by:						
Shareholders' interest						
8 238	8 308	16 546	Share capital and reserves	19 998	9 123	10 875
213	627	840	Outside interests in subsidiaries	877	610	267
101	208	309	Proposed dividends	342	229	113
8 552	9 143	17 695		21 217	9 962	11 255
Net borrowing						
711	2 043	2 754	Loan capital	3 104	2 278	826
296	1 127	1 423	Deferred liabilities	1 763	1 274	489
244	94	150	Other liabilities (net)	83	21	104
763	3 264	4 027		4 784	3 573	1 211
9 315	12 407	21 722		26 001	13 535	12 466
The gearing adjustments are derived from the above figures, after the opening figures have been restated at comparable year-end rates of exchange.						

Consolidated current cost information

Fl. million			1979			1980			Fl. million		
Limited	N.V.	Combined				Combined	N.V.	Limited			
Summary of effect of adopting full provision for deferred taxation.											
Profit and loss account											
567	945	1 512	Current cost operating profit			1 911	1 137	774			
859	984	1 843	Current cost profit before taxation			2 265	1 150	1 115			
525	608	1 133	Taxation			1 371	636	735			
334	376	710	Current cost profit after taxation			894	514	380			
16	55	71	Outside interests and preference dividends			82	58	24			
318	321	639	Current cost profit attributable to ordinary capital			812	456	356			
486	—	486	Extraordinary item			—	—	—			
804	321	1 125	Current cost profit after extraordinary item			812	456	356			
173	316	489	Dividends on ordinary and deferred capital			540	356	184			
631	5	636	Current cost profit of the year retained			272	100	172			
Balance sheet											
Capital employed											
22	265	287	Preferential share capital			291	265	26			
6 437	5 968	12 405	Ordinary shareholders' equity			14 867	6 473	8 394			
175	501	676	Outside interests in subsidiaries			701	480	221			
711	2 043	2 754	Loan capital			3 104	2 278	826			
2 014	3 311	5 325	Deferred liabilities			6 601	3 773	2 828			
18	18	—	Inter-group—N.V./Limited			—	87	87			
9 341	12 106	21 447				25 564	13 356	12 208			
Employment of capital											
9 440	12 123	21 563	Total as on page 51			25 742	13 372	12 370			
99	17	116	Adjustment to value of associated companies			178	16	162			
9 341	12 106	21 447				25 564	13 356	12 208			

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 page 38).
- b) Deferred taxation included in Deferred liabilities is that shown in the historical accounts (see note (17) 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	1979		1980	Fl. thousand
		Capital employed		
265 060		Preferential share capital (12)		265 060
		Ordinary share capital and reserves		
	642 565	Ordinary share capital (13)	642 565	
	52 166	Premiums on capital issued	52 166	
	2 377 057	Profit retained	2 458 561	
3 071 788				3 153 292
1 136 671		Loan capital (16)		1 103 202
12 552		Deferred liabilities		25 777
30 585		Inter-group—Limited		13 118
4 455 486				4 534 213
		Employment of capital		
		Interests in subsidiaries		
	2 060 318	Shares	2 060 319	
	2 474 501	Advances	2 364 407	
	22 318	Deposits	86 593	
4 512 501				4 338 133
6 372		Other long-term assets		6 486
		Working capital		
	42 115	Debtors and prepaid expenses	32 790	
	104 997	Creditors	82 589	
62 882				49 799
11 898		Taxation		15 368
207 768		Dividends due or proposed		229 000
		Net liquid funds		
	4 881	Marketable securities	—	
	226 928	Cash and deposits	497 196	
	12 648	Short-term borrowings	13 435	
219 161				483 761
4 455 486				4 534 213

The Board of Directors

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

Unilever N.V. notes and profit and loss account

Fl. thousand	1979	1980	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		
2 125 447	1st January	2 377 057	
251 610	Profit of the year retained	81 504	
2 377 057	31st December	2 458 561	
	Loan capital includes an amount of Fl. 216 087 repayable within one year.		
	Deferred liabilities		
12 552	Unfunded retirement benefits	16 756	
—	Deferred taxation	9 021	
12 552		25 777	
	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:		
394	Prepaid expenses	279	
	Marketable securities:		
4 881	Listed stocks	—	
	Profit and loss account		
582 545	Profit of the year	452 129	
	Proposed profit appropriation in accordance with Article 41 of the Articles of Association		
582 545	Profit of the year	452 129	
14 694	Preference dividends	14 694	
567 851	Profit at disposal of the annual general meeting of shareholders	437 435	
316 241	Ordinary dividends	355 931	
251 610	Profit of the year retained	81 504	

Unilever Limited balance sheet

as at 31st December

£million	1979	1980	£million
	Capital employed		
5.1	Preferential share capital (12)		5.1
	Ordinary and deferred capital and reserves		
	45.8	Ordinary share capital (13)	45.8
	0.1	Deferred capital (13)	0.1
	8.8	Premiums on capital issued	8.8
	430.2	Profit retained and other reserves	549.1
484.9			603.8
126.0	Loan capital (16)		117.9
11.9	Deferred liabilities		3.6
0.7	Inter-group—N.V.		5.2
603.4			718.0
	Employment of capital		
0.3	Fixed assets		0.3
3.2	Associated companies		1.5
26.7	Trade investments		26.7
	Interests in subsidiaries		
	88.3	Shares	88.8
	576.1	Advances	636.3
	213.7	Deposits	134.3
450.7			590.8
	Working capital		
	8.7	Stocks	4.5
	33.8	Debtors	26.2
	22.4	Creditors	21.5
20.1			9.2
11.5	Provisions for taxation		4.3
24.0	Dividends due or proposed		22.2
	Net liquid funds		
	9.9	Marketable securities	3.0
	169.3	Cash and deposits	161.2
	41.3	Short-term borrowings	48.2
137.9			116.0
603.4			718.0

David Orr, Chairman
H. F. van den Hoven, Vice-Chairman
31st March, 1981

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

Unilever Limited notes

£million	1979		1980	£million
		Profit retained and other reserves		
	99.8	Profit of the year		155.4
	0.3	Preferential dividends		0.3
	41.0	Dividends on ordinary and deferred capital		36.2
	58.5	Profit of the year retained		118.9
	371.7	1st January		430.2
	430.2	31st December		549.1
		Deferred liabilities		
	3.3	Unfunded retirement benefits		6.7
	2.7	United Kingdom Corporation Tax		5.0
	21.3	Advance Corporation Tax		17.3
	3.4	Deferred taxation		2.0
	11.9			3.6
		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 £17.3 includes £7.8 recoverable against 1980 liabilities and £9.5 against those for later years.		
		Fixed assets		
	0.3	Land and buildings—freehold		0.3
		Movements during the year	Cost Depreciation	Net book value
		1st January, 1980	1.2 0.9	0.3
		Expenditure	8.6 —	8.6
		Proceeds of disposals	8.5 —	8.5
		Charged to profit and loss account	— 0.1	0.1
		31st December, 1980	1.3 1.0	0.3
		At 31st December, capital expenditure authorised by the Board and not spent was		
		(None of this amount has been committed)		
		Associated companies at cost:		
	—	Listed shares		0.8
	1.9	Unlisted shares		—
	1.3	Loans		0.7
	3.2			1.5
	—	Market value of listed shares		1.0
	2.7	Directors' valuation of unlisted shares		0.5

Unilever Limited notes

£million	1979	1980	£million
	Trade investments at net book value at 31st December, 1947 with additions at cost or valuation, less £0.6 written off:		
	0.1		0.1
	26.5		26.5
	0.1		0.1
	<u>26.7</u>		<u>26.7</u>
	0.1		0.1
	<u>27.7</u>		<u>27.8</u>
	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.		
	<u>9.9</u>		<u>3.0</u>
	Marketable securities Listed at market value		

Unilever Limited notes

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.

	1979	1980
£ 5 001–£10 000	1	1
£10 001–£15 000	3	–
£15 001–£20 000	3	3
£20 001–£25 000	–	2
£25 001–£30 000	1	1
£30 001–£35 000	1	1
£35 001–£40 000	5	1
£40 001–£45 000	4	4
£45 001–£50 000	1	6
£50 001–£55 000	4	1
£55 001–£60 000	–	2

During the year there was one Director who served for only part of the year (1979: 2).

The Chairman received remuneration of £67 333 (1979: £70 490).

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:

	1979	1980
£20 001–£25 000	173	341
£25 001–£30 000	80	142
£30 001–£35 000	58	82
£35 001–£40 000	21	46
£40 001–£45 000	20	29
£45 001–£50 000	2	14
£50 001–£55 000	1	14
£55 001–£60 000	–	7
£60 001–£65 000	–	–
£65 001–£70 000	2	–
£70 001–£75 000	–	1
£75 001–£80 000	–	–
£80 001–£85 000	–	1

For many years employees in some countries have received a special award equivalent in value to one month's salary free of tax on completing 25 years' service. Such awards were introduced for employees other than Directors in the United Kingdom during 1974. In 1979 these awards were extended to Directors, including those then in office who had completed 25 years' service before 1979. The amounts of these awards are included in the emoluments and remuneration of the Chairman and Directors shown on this page.

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., 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.

Limited's principal subsidiaries are held through subsidiaries with the exception of Lipton, Unilever U.K. Holdings, Unilever (Commonwealth Holdings) and UAC International in the United Kingdom, Lever Brothers in Canada and the interests in Bangladesh, India, Malawi, Pakistan, Trinidad and Sedec 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
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Germany — N.V.

Deutsche Unilever G.m.b.H., Hamburg	H
'Elbe' Transport-Union 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 Sunlight G.m.b.H., Hamburg	D
Meistermarken-Werke G.m.b.H., Spezialfabrik für Back- und Grossküchenbedarf, Bremen	M
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
79 Etablissements Fayard et 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
— Limited	
81 CNF S.A., Paris	U
84 Fragep S.A., Paris	U

Ireland — Limited

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

Principal subsidiaries

Mavibel (Maatschappij voor Internationale Beleggingen) B.V., Rotterdam	H	Other European countries	
Mengvoeder UT-Delfia B.V., Maarsssen	A	Finland—N.V.	
Nederlandse Unilever Bedrijven B.V., Rotterdam	H	Oy Leverindus AB, Turku	D
Handelmaatschappij Noorda B.V., Rotterdam	H	S.W. Paasivaara-Yhtymä Oy, Helsinki	M
Norfolk Line B.V., The Hague	T	Turun Saippua Oy, Turku	DP
75 Safial B.V., Rotterdam	H	Greece—N.V.	
Saponia B.V., Rotterdam	H	89 Industrie Hellénique de Détergents S.A. (E.V.A.), Athens	D
Scado B.V., Zwolle	C		
Exportslachterij Udema B.V., Gieten	F	Austria—N.V.	
Unichema Chemie B.V., Gouda (formerly Unilever-Emery N.V.)	C	Bensdorp Ges.m.b.H., Vienna	F
Unilever Export B.V., Rotterdam	O	Nordsee Ges.m.b.H., Vienna	F
Unilever Financieringsmaatschappij B.V., Rotterdam	O	Österreichische Unilever Ges.m.b.H., Vienna	MFDPPP
Unimills B.V., Zwijndrecht	M	75 Unifrost Nahrungsmittel Ges.m.b.H., Vienna	F
UVG Nederland B.V., Oss	F	Portugal—N.V.	
Wemado B.V., Rotterdam	H	74 Iglo Indústrias de Gelados, Lda., Lisbon	F
Zeeppabriek de Fenix B.V., Zwolle	D	60 Indústrias Lever Portuguesa, Lda., Lisbon	DP
United Kingdom—Limited		Spain—N.V.	
Austin Packaging Group Ltd., Bromborough	PP	Agra S.A., Lamiacó	M
Batchelors Foods Ltd., Sheffield	F	99 Frigo S.A., Barcelona	F
Birds Eye Foods Ltd., Walton-on-Thames	F	Lever Ibérica S.A., Madrid	D
BOCM Silcock Ltd., Basingstoke	A	Unilever España S.A., Madrid	H
BOCM Silcock (N.I.) Ltd., Belfast	A		
C.W.A. Holdings Ltd., London	U	Sweden—N.V.	
Joseph Crosfield & Sons Ltd., Warrington	C	Gibbs AB, Stockholm	P
Elida Gibbs Ltd., London	P	Leverindus AB, Nyköping	D
Food Industries Ltd., Bromborough	C	Novia Livsmedelsindustrier AB, Kristianstad	F
Ford & Slater Group Ltd., Leicester	U	Pierre Robert AB, Malmö	P
Kennedy's (Builders' Merchants) Ltd., Bournemouth	U	Scado AB, Landskrona	C
Lawson of Dyce Ltd., Aberdeen	F	AB Sunlight, Nyköping	DP
Lever Brothers Ltd., Kingston-upon-Thames	D	Svenska Unilever Förvaltnings AB, Stockholm	H
Leverton Group Ltd., Windsor	U		
Lipton Ltd., London	F	Switzerland—N.V.	
Loders & Nucleine Ltd., London	M	95 'Astra' Fett- und Oelwerke A.G., Steffisburg	M
MacFisheries Ltd., Camberley	F	Elida Cosmetic A.G., Zürich	P
Robert B. Massey & Co. Ltd., York	U	Meina Holding A.G., Zürich	H
Mattessons Meats Ltd., London	F	Sais, Zürich	M
Midland Poultry Holdings Ltd., Craven Arms	A	Sunlight A.G., Olten	DP
Nairn International Ltd., London	PP	A. Sutter A.G., Münchwilen	D
Palm Line Ltd., London	U	Unilever (Schweiz) A.G., Zürich	O
Proprietary Perfumes (International) Ltd., Ashford	C		
S.P.D. Ltd., Watford	T	North America	
Synthetic Resins Ltd., Liverpool	C	Canada—N.V.	
Thames Board Ltd., Purfleet	PP	Thomas J. Lipton Ltd., Toronto	F
Thames Case Ltd., Purfleet	PP	—Limited	
UAC Ltd., London	U	Hygrade Foods, Inc., Toronto	F
U.A.C. Holdings Ltd., London	U	Lever Brothers Ltd., Toronto	MDP
UAC International Ltd., London	U	Monarch Fine Foods Company Ltd., Toronto	F
UAC UK Holdings Ltd., London	U	A & W Food Services of Canada Ltd., Toronto	F
UML Ltd., Port Sunlight	O		
Unichema Chemicals Ltd., Bromborough	C	United States of America—N.V.	
Unilever (Commonwealth Holdings) Ltd., London	H	Lawry's Foods, Inc., Los Angeles, California	F
Unilever Export Ltd., London	O	Lever Brothers Company, Portland, Maine	MFDP
Unilever U.K. Central Resources Ltd., London	O	Thomas J. Lipton, Inc., Dover, Delaware	F
Unilever U.K. Holdings Ltd., London	H	National Starch and Chemical Corporation, Bridgewater, New Jersey	C
United Agricultural Merchants Ltd., Basingstoke	A	Unilever United States, Inc., Wilmington, Delaware	H
Van den Berghs and Jurgens Ltd., Burgess Hill	M		
Vinyl Products Ltd., Carshalton	C	Central and South America	
T. Wall & Sons Ltd., London	F	Argentina—N.V.	
John West Foods Ltd., Liverpool	F	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.					
	Compañía Colombiana de Grasas				
	'Cogra-Lever' S.A., Bogotá	MDP			
Mexico—N.V.					
	Zwanenberg de Mexico S.A., Mexico	F			
Netherlands Antilles—N.V.					
	Mavibel International N.V., Willemstad	O			
	Unilever Becumij N.V., Willemstad	O			
Trinidad—Limited					
50	Lever Brothers West Indies Ltd., Port of Spain	MFDPC			
Venezuela—N.V.					
	Lever S.A., Caracas	FDP			
Africa					
Gabon—Limited					
99	Hatton et Cookson S.A., Libreville	U			
Ghana—Limited					
60	UAC of Ghana Ltd., Accra	U			
Ivory Coast—Limited					
99	CFCI S.A., Abidjan	U			
68	Uniwax S.A., Abidjan	U			
United Republic of Cameroun—Limited					
	Plantations Pamol du Cameroun Ltd., Lobe	Pl.			
Kenya—Limited					
54	East Africa Industries Ltd., Nairobi	MFDPC			
	Gailey & Roberts Ltd., Nairobi	U			
People's Republic of the Congo (Brazzaville)—Limited					
92	Société Commerciale du Kouilou Niari-Congo S.A., Brazzaville	U			
Malawi—Limited					
80	Lever Brothers (Malawi) Ltd., Limbe	MDPC			
Niger—Limited					
96	Niger-Afrique S.A., Niamey	U			
Nigeria—Limited					
60	Pamol (Nigeria) Ltd., Lagos	Pl.			
Uganda—Limited					
	Gailey & Roberts (Uganda) Ltd., Kampala	U			
Sierra Leone—Limited					
87	UAC of Sierra Leone Ltd., Freetown	U			
Tanzania—Limited					
	UAC of Tanzania Ltd., Dar es Salaam	U			
Republic of Tchad—Limited					
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	
—Limited					
99	Sedec s.a.r.l., Kinshasa			U	
Zambia—Limited					
	K. B. Davies & Co. (Zambia) Ltd., Chingola			U	
Zimbabwe—Limited					
	Lever Brothers (Private) Ltd., Harare			MFDPC	
South Africa—Limited					
	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—Limited					
	Rosella Foods Pty. Ltd., Richmond			F	
	Streets Ice Cream Pty. Ltd., Sydney			F	
	Unilever Australia Pty. Ltd., Sydney			MDPCPP	
Bangladesh—Limited					
61	Lever Brothers Bangladesh Ltd., Chittagong			FDPC	
Philippines—N.V.					
	Philippine Refining Company Inc., Manila			MFDPC	
India—Limited					
51	Hindustan Lever Ltd., Bombay			MDPCA	
Indonesia—N.V.					
	P.T. Unilever Indonesia, Jakarta			MFDPC	
Japan—N.V.					
79	Nippon Lever Industries Ltd., Tokyo			MFD	
Malaysia—Limited					
	Lever Brothers (Malaysia) Sdn. Bhd., Kuala Lumpur			MFDPC	
	Pamol (Sabah) Ltd., London			Pl.	
	Unipamol Malaysia Sdn. Bhd., Kluang			Pl.	
New Zealand—Limited					
	Lever Brothers (New Zealand) Ltd., Petone			H	
	Unilever New Zealand Ltd., Petone			FDPC	
Pakistan—Limited					
66	Lever Brothers Pakistan Ltd., Karachi			MDPC	
Republic of Singapore—Limited					
	Lever Brothers (Singapore) Sdn. Bhd., Singapore			MDP	
Solomon Islands—Limited					
60	Lever Solomons Ltd., Yandina			Pl.	
	Lever's Pacific Timbers Ltd., Kolombangara			U	
Sri Lanka—Limited					
	Lever Brothers (Ceylon) Ltd., Colombo			MDPC	

Principal subsidiaries

Thailand—N.V.	
Lever Brothers (Thailand) Ltd., Bangkok	MFDPC
Turkey—N.V.	
80 Unilever-İş 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
	Other European countries	
	Greece—N.V.	
49	'Elais' Oleaginous Products S.A., Athens	M
	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—Limited	
45	Lever Brothers Ghana Ltd., Accra	MDPC
	Nigeria—Limited	
14	Guinness (Nigeria) Ltd., Lagos	U
40	Lever Brothers Nigeria Ltd., Apapa	MFDP
14	Nigerian Breweries Ltd., Lagos	U
40	UAC of Nigeria Ltd., Lagos	U
	Asia, Australia, New Zealand	
	Indonesia—N.V.	
50	P.T. Sangkulirang, Sangkulirang	U
%	Trade investments	
	European Community countries	
	The Netherlands—N.V.	
43	Gamma Holding N.V., Helmond (total issued capital held 39%)	O
	United Kingdom—Limited	
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 1975–1980

Fl. million	1975	1976	1977	1978	1979	1980
Results						
Sales to third parties	36 705	36 493	39 879	39 271	43 251	51 468
Costs	34 786	33 891	37 563	36 924	40 682	48 554
Operating profit	1 919	2 602	2 316	2 347	2 569	2 914
Concern share of associated companies' profit before taxation	—	57	257	256	179	200
Financial items	138	106	176	172	192	214
Profit before taxation	1 781	2 553	2 397	2 431	2 556	2 900
Taxation	883	1 200	1 184	1 259	1 133	1 371
Profit after taxation	898	1 353	1 213	1 172	1 423	1 529
Outside interests and preference dividends	127	154	88	84	95	108
Profit attributable to ordinary capital	771	1 199	1 125	1 088	1 328	1 421
Extraordinary items, less taxation and outside interests	—	—	—	—	486 ⁴⁾	—
Profit after extraordinary items	771	1 199	1 125	1 088	1 814	1 421
Dividends on ordinary and deferred capital ²⁾	362	395	413	423	489 ⁵⁾	540
Profit of the year retained	409	804	712	665	1 325	881
Assets and liabilities						
Preferential share capital	293	286	287	286	287	291
Ordinary shareholders' equity	7 513	7 542	8 142	7 735	9 049	10 949
Outside interests in subsidiaries	381	425	307	502	532	555
Loan capital	2 223	2 314	2 303	2 845	2 754	3 104
Deferred liabilities	1 759	1 877	2 267	2 696	2 629	3 370
Capital employed	12 169	12 444	13 306	14 064	15 251	18 269
Fixed assets	5 958	5 644	6 110	6 630	7 209	8 943
Associated companies	—	168	737	862	811	756
Trade investments	256	98	90	84	196	222
Other long-term assets	184	162	230	455	545	659
Working capital	5 329	5 813	5 707	6 022	6 902	7 956
Provision for taxation	694	806	691	697	739	738
Dividends	327	332	396	443	309	342
Net liquid funds	1 463	1 697	1 519	1 151	636	813
Employment of capital	12 169	12 444	13 306	14 064	15 251	18 269
Source and use of funds						
Funds generated from operations	2 618	3 354	2 996	3 139	3 344	4 076
Funds from other sources	122	263	9	601	88	206
Total sources	2 740	3 617	2 987	3 740	3 256	4 282
Taxation payments during the year	592	784	608	729	746	1 073
Capital expenditure less disposals	1 065	995	1 235	1 211	1 413	1 937
Purchase/sale of subsidiaries	25	57	90	1 054	77	163
Purchase/sale of associated companies/trade investments	59	9	171	64	33	15
Additional/reduced working capital	449	1 069	496	574	881	205
Dividends paid during the year	327	373	371	372	654	544
Other sources/uses	18	63	178	75	139	235
Total uses	1 637	3 350	3 149	4 079	3 877	4 172
Net increase/decrease in funds	1 103	267	162	339	621	110

	1975	1976	1977	1978	1979	1980
Shareholders' equity per share						
per Fl. 20 of capital (Fl.)	135	135	146	139	162	197
per 25p of capital (pence)	372	486	503	522	577	581
Earnings per share¹⁾						
per Fl. 20 of capital (Fl.)	13.84	21.51	20.19	19.53	23.83	25.49
per 25p of capital (pence)	38.23	77.20	69.47	73.44	84.71	75.41
Earnings plus depreciation per share						
per Fl. 20 of capital (Fl.)	26.26	33.98	33.63	33.47	39.21	43.71
per 25p of capital (pence)	72.53	121.93	115.70	125.85	139.38	129.31
Ordinary dividends						
N.V. per Fl. 20 of capital (Fl.)	7.65	8.36	8.56	8.80	9.88	11.12
Limited per 25p of capital (pence) ²⁾	13.94	19.98	20.39	22.67	24.05	22.91
Capital expenditure (Fl. million)	1 213	1 097	1 368	1 358	1 574	2 200
Depreciation (Fl. million)	692	694	749	777	857	1 015
Employees (subsidiaries)						
Remuneration of employees (Fl. million)	6 684	6 632	7 146	7 324	8 136	9 707
Number of employees (000's)	322	315	327	316	309	300
Ratios						
Sales : capital employed	3.0	2.9	3.0	2.8	2.8	2.8
Sales per employee (Fl.)	113 991	115 850	121 954	124 275	139 971	171 560
Sales : working capital	6.9	6.3	7.0	6.5	6.3	6.5
Dividends : earnings	0.47	0.33	0.37	0.39	0.36	0.38
Gearing ³⁾	0.29	0.29	0.29	0.33	0.30	0.30
Current assets : current liabilities	1.9	1.9	1.8	1.8	1.8	1.8
Share prices						
N.V. per Fl. 20 ordinary share						
in Amsterdam						
High	123	131	137	130	132	129
Low	80	100	118	111	112	102
Limited per 25p ordinary share						
in London						
High	434	500	596	602	680	512
Low	167	346	410	476	450	388

Figures for 1976 to 1980 include the effect of the change in accounting policy relating to associated companies. The figures for 1975 were not adjusted as the effect was not material.

¹⁾ See notes on page 39.

²⁾ Dividends are included at the amounts paid or to be paid to the shareholders. The Limited dividends shown are the amounts declared. From 1975 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	} Fl. 160 million	1976 Fl. 115 million
1974		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	1975	1976	1977	1978	1979	1980
Sales to third parties						
European Community countries	22 260	21 814	26 095	26 353	28 638	32 953
Other European countries	2 482	2 426	2 532	2 598	2 894	3 327
North America	3 856	3 648	3 582	3 613	4 431	5 464
Central and South America	864	948	936	1 004	972	1 466
Africa	4 326	4 733	3 635	2 858	3 105	3 852
Asia, Australia, New Zealand	2 917	2 924	3 099	2 845	3 211	4 406
	36 705	36 493	39 879	39 271	43 251	51 468
Operating profit before taxation and outside interests						
European Community countries	794	1 278	1 300	1 464	1 489	1 471
Other European countries	121	159	198	151	192	252
North America	201	216	182	151	249	260
Central and South America	45	71	111	112	92	153
Africa	495	621	257	216	240	339
Asia, Australia, New Zealand	263	257	268	253	307	439
	1 919	2 602	2 316	2 347	2 569	2 914
Profit attributable to ordinary capital						
European Community countries	313	633	537	635	787	708
Other European countries	53	76	101	51	107	138
North America	92	108	108	70	92	98
Central and South America	25	52	78	70	38	69
Africa	180	218	185	168	170	242
Asia, Australia, New Zealand	108	112	116	94	134	166
	771	1 199	1 125	1 088	1 328	1 421
Capital employed						
European Community countries	8 073	7 920	8 545	8 867	9 692	11 547
Other European countries	786	932	1 107	1 075	1 194	1 366
North America	1 229	1 279	1 360	1 891	2 055	2 446
Central and South America	292	350	258	322	317	519
Africa	1 088	1 297	1 318	1 224	1 231	1 353
Asia, Australia, New Zealand	701	666	718	685	762	1 038
	12 169	12 444	13 306	14 064	15 251	18 269

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 (19) on page 45.

Sales and profit by operations

Fl. million	1975	1976	1977	1978	1979	1980
Sales						
Margarine, other fats and oils, dairy products	10 763	9 805	11 502	11 248	12 092	13 381
Other foods	10 220	10 224	11 345	11 332	12 038	13 246
Detergents	6 780	6 596	6 897	6 412	7 265	9 410
Personal products	1 445	1 533	1 657	1 706	1 907	2 430
Chemicals	1 238	1 331	1 514	1 806	2 727	3 269
Paper, plastics, packaging	1 277	1 459	1 645	1 615	1 774	2 041
Animal feeds	2 234	2 310	2 524	2 444	2 934	3 875
UAC International	4 258	4 656	4 261	4 017	3 784	4 729
Plantations, transport, other interests	1 880	1 992	2 369	2 558	3 023	3 921
Total sales ¹⁾	40 095	39 906	43 714	43 138	47 544	56 302
of which internal sales ²⁾	3 390	3 413	3 835	3 867	4 293	4 834
Sales to third parties	36 705	36 493	39 879	39 271	43 251	51 468
Operating profit before taxation and outside interests						
Margarine, other fats and oils, dairy products	302	504	477	600	538	706
Other foods	416	518	484	577	713	700
Detergents	493	517	473	469	500	631
Personal products	110	127	136	60	105	170
Chemicals	52	95	112	132	228	214
Paper, plastics, packaging	6	92	82	42	32	23
Animal feeds	33	60	61	65	68	54
UAC International	428	588	283	268	210	217
Plantations, transport, other interests	79	101	208	134	175	199
	1 919	2 602	2 316	2 347	2 569	2 914
Concern share of associated companies' profit before taxation³⁾						
UAC International		44	228	185	115	133
Other operations		13	29	71	64	67
		57	257	256	179	200

The movements in exchange rates have had a significant influence on the figures from 1975 to 1980. When expressed in sterling as in the accounts of Limited 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 industry 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	1975	1976	1977	1978	1979	1980
Analysis by geographical areas						
European Community countries	828	708	901	857	1 052	1 485
Other European countries	89	68	90	102	103	112
North America	113	92	97	125	179	189
Central and South America	29	23	48	55	55	145
Africa	78	127	119	81	79	124
Asia, Australia, New Zealand	76	79	113	138	106	145
	1 213	1 097	1 368	1 358	1 574	2 200
Analysis by operations						
Margarine, other fats and oils, dairy products	272	208	267	225	252	310
Other foods	354	320	361	364	378	529
Detergents	126	131	205	211	230	346
Personal products	28	35	71	50	49	70
Chemicals	86	71	57	101	133	171
Paper, plastics, packaging	90	73	92	112	177	177
Animal feeds	32	26	48	42	58	108
UAC International	76	101	98	95	90	94
Plantations, transport, other interests	149	132	169	158	207	395
	1 213	1 097	1 368	1 358	1 574	2 200

Value added statement

Fl. million	1975	1976	1977	1978	1979	1980
Sources						
Sales to third parties	36 705	36 493	39 879	39 271	43 251	51 468
Other income	219	240	443	464	426	590
	36 924	36 733	40 322	39 735	43 677	52 058
Less cost of materials and services purchased	27 395	26 551	29 654	28 809	31 674	37 815
Value added ¹⁾	9 529	10 182	10 668	10 926	12 003	14 243
	%	%	%	%	%	%
Value added as a proportion of sales	26	28	27	28	28	28
Disposal²⁾						
To employees in wages, salaries, pension contributions	70	65	67	67	68	68
To governments in taxation	10	12	11	12	9	10
To providers of capital						
— loans (interest)	4	3	3	3	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	4	8	7	6	7 ³⁾	6
	100	100	100	100	100	100

¹⁾ 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.

²⁾ This statement shows how the added value 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.

³⁾ 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					
1980					
Fl. million	12 112	12 898	12 797	13 661	51 468
%	24	25	25	26	100
1979					
Fl. million	10 229	10 863	10 736	11 423	43 251
%	24	25	25	26	100
Operating profit					
1980					
Fl. million	653	826	789	646	2 914
%	23	28	27	22	100
1979					
Fl. million	536	745	727	561	2 569
%	21	29	28	22	100
Profit before taxation					
1980					
Fl. million	633	823	763	681	2 900
%	22	28	26	24	100
1979					
Fl. million	546	747	730	533	2 556
%	21	29	29	21	100
Profit attributable to ordinary capital*)					
1980					
Fl. million	290	395	370	366	1 421
%	20	28	26	26	100
1979					
Fl. million	254	351	355	368	1 328
%	19	26	27	28	100
Earnings per share					
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
1979					
per Fl. 20 of capital (Fl.)	4.56	6.30	6.37	6.60	23.83
per 25p of capital (pence)	16.18	22.43	22.64	23.46	84.71

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.

*) Excludes the release in 1979 of Fl. 486 million deferred taxation provision relating to United Kingdom stock relief, which was treated as an extraordinary item.

Salient figures in guilders and other currencies

1980 above 1979	Dutch Guilders	Sterling Pounds	Belgian Francs	German Marks	French Francs	Austrian Schillings	U.S. Dollars	Swiss Francs
Rates of exchange one unit = Fl.		5.07 4.22	0.0674 0.0679	1.0873 1.0980	0.4694 0.4730	0.1536 0.1525	2.1300 1.9000	1.2040 1.1800
	In millions of currency							
Sales to third parties	51 468 43 251	10 152 10 249	763 294 636 976	47 306 39 356	109 637 91 421	335 102 283 590	24 161 22 753	42 738 36 691
Operating profit	2 914 2 569	575 609	43 220 37 830	2 679 2 337	6 208 5 429	18 974 16 842	1 368 1 351	2 420 2 179
Profit before taxation	2 900 2 556	572 606	43 005 37 639	2 665 2 326	6 177 5 402	18 880 16 757	1 361 1 344	2 408 2 168
Profit after taxation	1 529 1 423	301 337	22 667 20 957	1 405 1 295	3 256 3 008	9 951 9 330	717 749	1 269 1 207
Profit attributable to ordinary capital	1 421 1 328	280 315	21 063 19 556	1 306 1 208	3 025 2 807	9 247 8 707	667 699	1 179 1 127
Ordinary dividends	540 489	106 116	8 001 7 203	496 445	1 149 1 034	3 513 3 207	253 257	448 415
Profit of the year retained	881 1 325	174 314	13 062 19 519	810 1 206	1 876 2 801	5 734 8 690	414 697	731 1 124
	In units of currency							
Earnings per share¹⁾ per Fl. 20 of capital	25.49 23.83	502.75p 564.73p	378.02 350.98	23.43 21.69	54.30 50.37	165.96 156.26	11.97 12.54	21.17 20.22
per 25p of capital	3.82 3.57	75.41p 84.71p	56.70 52.65	3.51 3.25	8.14 7.56	24.89 23.44	1.79 1.88	3.17 3.03
Ordinary dividends²⁾ N.V.—per Fl. 20 of capital	11.12 9.88	219.33p 234.12p	164.99 145.51	10.23 9.00	23.69 20.89	72.40 64.79	5.22 5.20	9.24 8.37
Limited—per 25p of capital	1.16 1.01	22.91p 24.05p	17.23 14.95	1.07 0.92	2.47 2.15	7.56 6.65	0.55 0.53	0.96 0.86
Shareholders' equity per share per Fl. 20 of capital	196.50 162.41	3 875.70p 3 848.47p	2 914.14 2 391.82	180.61 147.78	418.58 343.28	1 279.37 1 064.87	92.24 85.44	163.17 137.78
per 25p of capital	29.47 24.36	581.35p 577.27p	437.12 358.77	27.09 22.17	62.79 51.49	191.91 159.73	13.84 12.82	24.48 20.67

Rates of exchange quoted above have been used to convert figures in this table. The change in rates between 1979 and 1980 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 1980 there was no change in the share capital of N.V. or Limited.

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 Limited had 74 600 ordinary and 865 preferential shareholdings and 66 573 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 1979 and 1980 was:

	1979	1980
	%	%
The Netherlands	53	51
Switzerland	22	22
United Kingdom	5	7
Germany	6	6
United States	5	5
France	4	4
Belgium	3	3
Other countries	2	2
	100	100

In 1980, as in 1979, the holders of over 99% of Limited's ordinary shares had registered addresses in the United Kingdom.

Dates for dividend and interest payments

Ordinary	Interim	Announced mid-November. Payable second half of December.
	Final	Proposed early March. Payable end of May/early June.
7% and 6% Cumulative Preference		Payable 1st October.
4% Cumulative Preference		Payable 1st January.
6% Bonds 1972/91		Payable 15th January.
9¾% Euro DM Notes 1981		Payable 1st December.
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.

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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