

UNILEVER LIMITED.

FIFTH
ANNUAL REPORT
AND
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31st December, 1932.

UNILEVER LIMITED.

Board of Directors.

HORATIO BALLANTYNE.	JOHN McDOWELL.
CROUDSON WILLIAM BARNISH.	DR. R. J. H. PATIJN.
FRANCIS D'ARCY COOPER.	JOHN WESTALL PEARSON.
CLEMENT EDWARD DAVIES, K.C., M.P.	PAUL RYKENS.
JAMES LEVER FERGUSON.	DR. HEINRICH SCHICHT.
HAROLD ROBERT GREENHALGH.	GEORG SCHICHT.
LOUIS HERBERT HARTLAND-SWANN, C.B.E.	FRANZ SCHICHT.
RUDOLF JURGENS.	JAMES LOMAX SIMPSON.
HENRY JURGENS.	CHARLES EDMUND TATLOW.
THE RT. HON. THE VISCOUNT LEVERHULME.	ALBERT VAN DEN BERGH.
	SIDNEY J. VAN DEN BERGH.

Secretaries.

M. G. DE BAAT, L. V. FILDES.

Auditors.

COOPER BROTHERS & CO. PRICE, WATERHOUSE & CO.

Registered Office.

UNILEVER HOUSE, BLACKFRIARS, LONDON, E.C.4.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER, 1932.

To be submitted to the Members at the Fifth Annual General Meeting, to be held at Southern House, Cannon Street Station, London, E.C.4, on Friday, the 28th day of April, 1933, at 12.0 noon.

The Directors submit to the Members their Annual Report and Accounts for the year ended 31st December, 1932.

Following the practice of previous years, this Report deals with the Accounts of both UNILEVER LIMITED and UNILEVER N.V. Rotterdam, as the two Companies are so intimately connected that the Members of each are interested in the position and results of either and both equally.

Owing to the continuance of the fluctuating currency position, it is necessary to deal again with the figures of each Company separately instead of considering all the figures of the two Companies in a combined form. Where combined figures are referred to, the rate of exchange of 31st December has been used.

In addition to the Balance Sheets of the two UNILEVER Companies, there is attached a summary of the Balance Sheets and Profit Allocations of Lever Brothers Limited and of the five Principal Subsidiary Companies of UNILEVER LTD. and UNILEVER N.V.

The Directors desire to call the attention of the Members to the statement on Page 4 of this Report. The statement has been prepared in this form, after consultation with the Auditors and with their approval, so as to give the Members a summary of the total profits for the year including the net profits of Subsidiary and Associated Companies available for the two UNILEVER Companies after all prior charges and dividends to outside Shareholders have been met. It will be seen that out of the total net profits for the year 1932, sums of £501,624 and Fl.610,478 have been retained by Subsidiary and Associated Companies and have not been brought into the profits of the two UNILEVER Companies.

The advance in the prices of Raw Materials which looked probable at the end of 1931 was maintained for a short time only and values at the end of the year were slightly below those of the previous year. The financial provision made last year in respect of stocks of Whale Oil has proved to be adequate. The policy of purchasing raw materials to cover requirements for several months ahead has been maintained and, at the end of the year, stocks throughout the Organisation stood at approximately replacement cost.

Following on the amalgamation of the constituent interests composed in your Companies, many schemes for the concentration of production and selling have been carried out in the various countries concerned. These schemes are now practically completed and the economies thereby effected have contributed materially to the profits of your Companies. Owing to the adoption of this policy it has been necessary to close down various properties but the Directors are satisfied that the position of the whole Organisation is greatly strengthened. It is evident that, however conservative may be the value at which properties stand in the books, when any one of them is closed down, a book loss on the sale is almost unavoidable. This is due to the difficulty in these times of disposing of an empty property at anything but an extremely low figure.

During the period when the concentrations were being carried out, the properties closed down were depreciated on the normal basis, but it is considered that the time has arrived when this question should be dealt with by providing now for the difference between the book values and the values which it is estimated the properties might be expected to realise on sale. For this purpose Lever Brothers Limited and the Subsidiary Companies of UNILEVER LIMITED and UNILEVER N.V. are allocating over £2,000,000 out of the Reserves and undistributed profits created by those Companies since the date of the acquisition of their Ordinary Shares by UNILEVER. In the Accounts of UNILEVER LIMITED or of UNILEVER N.V. credit has never been taken for the above-mentioned Reserves or undistributed profits.

The Directors have been mindful of the interests of employees rendered surplus by the policy of concentration and, in the year 1932 alone, the amount written off out of the net profits in respect of voluntary payments by way of compensation (apart from pensions) exceeded £200,000.

SHARE CAPITAL.

There has been no alteration in the Share Capital of your Companies during the year.

GENERAL RESERVES.

In UNILEVER LIMITED it is proposed, out of the profits of 1932, to increase the General Reserve from £5,823,311 to £6,000,000 and in UNILEVER N.V. from Fl.96,127,409 to Fl.99,000,000. Taking the two Companies together, the General Reserves will then amount to 56 per cent. of the Issued Ordinary Share Capital.

CREDITORS.

Compared with last year, the amount shown under Creditors shows a decrease of £168,762 in UNILEVER LIMITED. This is due mainly to the settlement of the balance of the raw material liabilities at 31st December, 1931, now taken over by UNILEVER (Raw Materials) LIMITED. In UNILEVER N.V. the decrease amounts to Fl. 1,048,904, owing chiefly to the settlement of an outstanding tax liability.

INVESTMENTS.

In UNILEVER LIMITED, the increase of £200,076 in the Investments in Subsidiary Companies represents, as to £200,000 the increase in the Share Capital of Unilever (Raw Materials) Limited and as to £76 to the purchase of a few of the remaining outstanding Ordinary Shares of Van den Berghs Limited. In UNILEVER N.V. the small addition of Fl.30,950 represents the purchase of Ordinary Shares of N.V. Anton Jurgens Vereenigde Fabrieken, thus increasing the holding in that Company to 99.48 per cent.

LOANS AND CURRENT ACCOUNTS. (SUBSIDIARY AND ASSOCIATED COMPANIES.)

Compared with last year, this item has increased in UNILEVER LIMITED by £85,935 and in UNILEVER N.V. by Fl.4,710,399. These fluctuations and the reduction in the liability to Associated Companies in UNILEVER N.V. by Fl.3,011,724 arise from the further financing of Subsidiary and Associated Companies.

CASH AT BANK AND IN HAND, TREASURY BILLS AND SHORT TERM ADVANCES.

The amounts shown under this heading have in the case of UNILEVER LIMITED decreased by £204,567 and in UNILEVER N.V. by Fl. 4,861,924.

The total of the Cash at Bank and in Hand, Treasury Bills and Short Term Loans of the two UNILEVER Companies, Lever Brothers Limited and the five Subsidiary Companies of UNILEVER whose Balance Sheets are attached is £5,038,077, available in sterling and Dutch florins, as compared with £5,643,047 at 31st December, 1931.

During the year 1932, Debentures and Notes have been redeemed to the extent of over £300,000 and an amount of £3,000,000 has been utilised for providing funds for the subscription of additional capital in United Africa Co., Ltd.

Considerable difficulty has arisen in investing the surplus funds of the Organisation at anything but extremely low rates, and the fall in the net interest receivable has had a material effect on the results. At 31st December, 1932, a portion of these surplus funds was invested in Treasury Bills and Short Term Advances.

APPROPRIATION OF PROFITS.

The Directors propose to allocate the profits in accordance with the statement on the opposite page.

The Dividends paid and proposed on the Ordinary Share Capital are calculated in accordance with the statement issued by the Directors of both Companies on 25th September, 1931. In this Statement it was explained that, owing to the basis of equality upon which the two Companies were formed, so long as the disparity in exchange continued, the Dividends (both interim and final) on the Ordinary Shares in each Company would be declared in Dutch guilders in such a way that the same amount of dividend would be paid on the same nominal amount of Ordinary Shares in each Company (the £ sterling being taken for this purpose as equal to 12 Dutch Guilders) and, in UNILEVER LIMITED, the dividend so declared would be paid to the Shareholders in sterling at the rate of exchange ruling between England and Holland on the day of declaration.

In UNILEVER LIMITED out of the available balance of £1,001,093 10s. 5d. it is proposed to transfer £176,688 10s. 11d. to General Reserve, in order to round it off to £6,000,000, to allocate £250,000 to a Reserve for Contingencies and to pay a Final Dividend on the Ordinary Shares of the sterling equivalent of 36 Dutch cents per £1 share (at the rate of Fl. 8.47 = £1, which would be equivalent to 10½d. per £1 share) and to carry forward £93,324 13s. 10d. to 1933.

As the actual rate of exchange for the payment of the Ordinary Dividend is to be determined on the date of declaration, any difference between the rate on that day and that provisionally adopted in the appropriation statement will be adjusted in the Amount carried forward. This was the procedure adopted last year and it will be noted that the difference on exchange on the final Ordinary Dividend which amounted to £37,729 3s. 4d. has been deducted from the amount carried forward to 1932 thereby reducing it to the figure of £71,085 4s. 3d. as shown in the Appropriation Statement.

In UNILEVER N.V., the balance available is Fl. 11,334,767.96. It is proposed to transfer Fl. 2,872,590.19 to General Reserve, thereby rounding it off to a figure of Fl. 99,000,000, to allocate Fl. 1,500,000 to a Reserve for Contingencies, to pay a Final Dividend on the basis of 36 Dutch cents per Fl. 12 being 3 per cent. on the Ordinary Share Capital and after allowing Fl. 300,000 for Reserve for Dividend Tax, to carry forward Fl. 1,554,272.77 to 1933.

The total dividend for the year 1932 is thus approximately 8½ per cent. in sterling on the Ordinary Share Capital of UNILEVER LIMITED and 6 per cent. in Dutch guilders on the Ordinary Share Capital of UNILEVER N.V.

BOARD OF DIRECTORS.

It will be seen from the front page that there have been changes on the Board. Mr. Anton Jurgens and Mr. Jacob Hartog have retired. Their resignations are deeply regretted by their colleagues, who desire to record their appreciation of their services. Mr. Anton Jurgens has devoted his whole life and energies to the business with which his name is so intimately associated, and his experience and valued counsel will be greatly missed. Consequent upon the retirement of Mr. Anton Jurgens, the Directors have decided, on the recommendation of Viscount Leverhulme and Mr. F. D'Arcy Cooper, that the offices of Governor and Chairman shall remain in abeyance.

In accordance with Article 115 of the Articles of Association, the Directors retire, and being eligible, offer themselves for re-appointment, and Mr. Arthur Hartog will be proposed for appointment in the place of Mr. Jacob Hartog.

AUDITORS.

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

By Order of the Board,

UNILEVER HOUSE, BLACKFRIARS,
LONDON, E.C.4.
7th April, 1933.

M. G. DE BAAT, }
L. V. FILDES, } *Secretaries.*

**STATEMENT OF PROFITS
AND PROPOSED APPROPRIATION, 1932.**

	Unilever Limited. £ s. d.	Unilever N.V. Fl.
The total Net Profit for the year 1932, including the Companies' proportion of the profits less losses of all Companies forming part of the Unilever Organisation, amounted to	2,117,228 12 4	18,352,940.67
Of this amount there has been retained by those Companies by way of Special Appropriations and Allocations to Reserves and Undistributed Profit Balances an amount of	501,624 19 11	610,478.34
Leaving the Profit as per Profit & Loss Account, which includes the results of Subsidiary and Associated Companies only to the extent to which dividends have been or are to be received therefrom	1,615,603 12 5	17,742,462.33
To which must be added the balance brought forward from 1931 (in the case of Unilever Ltd. after deduction of £37,729 3s. 4d. exchange difference on Final Ordinary Dividend, 1931) ..	71,085 4 3	1,081,680.63
Making a Balance available of	1,686,688 16 8	18,824,142.96
Out of which the following Dividends have been declared and paid during 1932 :—		
Dividends on the 7% Cumulative Preferred Shares, paid 1st June and 1st December ..	190,400 0 0	2,381,470.00
Interim Dividend on the Ordinary Shares, paid 2nd December, 1932, of 36 cents per £1 Share or per Fl.12 calculated for sterling at Fl.8.22½ = £1 (10½d. per £1 Share)	495,195 6 3	5,107,905.00
	685,595 6 3	7,489,375.00
Leaving a Balance for disposal of	1,001,093 10 5	11,334,767.96
Which it is proposed to allocate as follows :—		
To transfer to General Reserve	176,688 10 11	2,872,590.19
To transfer to Reserve for Contingencies ..	250,000 0 0	1,500,000.00
To pay a final Dividend on the Ordinary Shares of 36 cents per £1 Share or per Fl.12 (provisionally calculated for sterling at Fl.8.47 = £1)	481,080 5 8	5,107,905.00
To transfer to Reserve for Dividend Tax ..	—	300,000.00
	907,768 16 7	9,780,495.19
Leaving a balance to be carried forward to 1933 of	93,324 13 10	1,554,272.77

LIMITED.

31st DECEMBER, 1932.

		ASSETS.					
		£	s.	d.	£	s.	d.
INVESTMENTS AT COST, VIZ.—							
<i>Subsidiary Companies—</i>							
As per Balance Sheet 31st December, 1931 .. .. .	..	14,482,705	18	3			
Acquired in 1932 .. .. .	..	200,076	16	9			
		<hr/>			14,682,782	15	0
<i>Associated Companies—</i>							
As per Balance Sheet 31st December, 1931 .. .. .	..	4,778,804	13	6			
		<hr/>			19,461,587	8	6
LOANS and CURRENT ACCOUNTS—							
Subsidiary Companies (including Dividends receivable) .. .. .	..	1,478,325	17	10			
Associated Companies (including Dividends receivable) and other Accounts .. .. .	..	614,672	3	6			
		<hr/>			2,092,998	1	4
CASH AT BANKERS AND IN HAND, TREASURY BILLS AND SHORT TERM ADVANCES							
					1,023,004	11	6

F. D'ARCY COOPER, }
 GEORG SCHICHT, } *Directors.*
 R. J. H. PATIJN, }

£22,577,590 1 4

all the information and explanations we have required. In our opinion the above Balance Sheet is properly drawn up so of our information, and the explanations given to us and as shown by the books of the Company.

COOPER BROTHERS & CO., } *Joint Auditors.*
 PRICE, WATERHOUSE & CO., }

YEAR ENDED 31st DECEMBER, 1932.

Cr.

	£	s.	d.	£	s.	d.
BALANCE BROUGHT FORWARD FROM 1931	108,814	7	7			
Less Difference in Exchange on Final Ordinary Dividend, 1931 ..	37,729	3	4			
	<hr/>			71,085	4	3
PROFIT FOR THE YEAR 1932, including Dividends receivable from Subsidiary and Associated Companies				1,705,961	13	4
	<hr/>			£1,777,046	17	7

to be received in Dividends. No losses have been made by Subsidiary Companies.

F. D'ARCY COOPER, }
 GEORG SCHICHT, } *Directors.*
 R. J. H. PATIJN, }

UNILEVER N. V.

TRANSLATION BALANCE SHEET,

CAPITAL AND LIABILITIES.								fl.	fl.
SHARE CAPITAL—									
<i>Authorised—</i>									
7% Cumulative Preferred Shares	..	..	..	..	..	..	100,000,000.00	
Ordinary Shares	..	..	..	..	..	..	250,000,000.00	
							350,000,000.00		
<i>Issued—</i>									
7% Cumulative Preferred Shares	..	..	..	..	..	..	34,021,000.00	
Ordinary Shares	..	..	..	..	..	..	170,263,500.00	
							204,284,500.00		
GENERAL RESERVE—									
Balance at 31st December, 1931	..	..	..	..	..	..		96,127,409.81
CREDITORS—									
Trade and Sundry Accounts and Accrued Expenses..	..	..	..	..	..	..		3,717,830.62
ASSOCIATED COMPANIES—									
Current Account and other Balances	..	..	..	..	..	..		11,003,737.74
PROFIT AND LOSS ACCOUNT—									
Balance per Profit and Loss Account	..	..	..	..	..	..	18,824,142.96	
Less Dividends on 7% Cumulative Preferred Shares paid 1st June and 1st December..						fl. 2,381,470.00			
Interim Dividend on Ordinary Shares paid 2nd December	..	..	..	..	..	..	5,107,905.00	
							7,489,375.00		
								11,334,767.96	
								fl. 326,468,246.13	

To the MEMBERS OF UNILEVER N. V.

We report that we have examined the above Balance Sheet with the books of the Company and have obtained as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1932, according to the best LONDON, E.C.

7th April, 1933.

Dr.

PROFIT AND LOSS ACCOUNT

GENERAL ADMINISTRATION EXPENSES	..	..	..	..	..	..	..	..	fl. 627,173.56
DIRECTORS' FEES	..	..	..	..	..	..	..	..	18,000.00
BALANCE TO BALANCE SHEET	..	..	..	..	..	..	..	..	18,824,142.96
									fl. 19,469,316.52

The aggregate Profits of Subsidiary Companies are included in the above Account to the extent to which

ROTTERDAM.

OF
31st DECEMBER, 1932.

ASSETS.		fl.	fl.
INVESTMENTS AT COST, VIZ.—			
<i>Subsidiary Companies—</i>			
As per Balance Sheet 31st December, 1931		214,514,080.90	
Acquired in 1932		30,950.33	
		214,545,031.23	214,545,031.23
LOANS and CURRENT ACCOUNTS—			
Subsidiary Companies (including Dividends Receivable)		15,699,750.69	
Associated Companies and other Accounts		73,823,596.20	
		89,523,346.89	89,523,346.89
UNILEVER LIMITED—Current Account (£1,369,755 8s. 3d.)			11,334,726.04
CASH AT BANKERS AND IN HAND			11,065,141.97

Note in order to comply with the provisions of Art. 42 of the Dutch Commercial Code.

“Investments in Subsidiary Companies” are included at cost price, whilst all debtors are shown at their nominal value after making full allowance for doubtful items. Debts in foreign currencies are taken at the rates of exchange at 31st December, 1932.

F. D'ARCY COOPER,	}	<i>Directors.</i>
GEORG SCHICHT,		
R. J. H. PATIJN,		

fl. 326,468,246.13

all the information and explanations we have required. In our opinion the above Balance Sheet is properly drawn up so of our information, and the explanations given to us and as shown by the books of the Company.

COOPER BROTHERS & CO., } *Joint Auditors.*
PRICE, WATERHOUSE & CO., }

YEAR ENDED 31st DECEMBER, 1932.

Cr.

BALANCE BROUGHT FORWARD FROM 1931	fl. 1,081,680.63
PROFIT FOR THE YEAR 1932, including Dividends receivable from Subsidiary Companies..	18,387,635.89

fl. 19,469,316.52

they are to be received in Dividends. No losses have been made by Subsidiary Companies.

F. D'ARCY COOPER,	}	<i>Directors.</i>
GEORG SCHICHT,		
R. J. H. PATIJN,		

AND UNILEVER N.V.

PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES

1932.

	Lever Brothers Limited.	Jurgens Limited.	Van den Berghs Limited.	N.V. Anton Jurgens' Ver. Fab.	N.V. Van den Bergh's Fab.	N.V. Holl. Ver. tot Expl. van Marg. Fab.
LAND, BUILDINGS, MACHINERY, ETC., at Cost, less Deprecia- tion	£ 6,650,480	£ 694,083	£ 431,936	fl. 1	fl. 10,256,199	fl. —
INVESTMENTS IN AND NET BALANCE OF LOANS AND CURRENT ACCOUNTS WITH SUBSIDIARY AND ASSOCIATED COMPANIES (including Divi- dends and Profits receivable therefrom)	61,909,564	4,815,589	4,661,973	200,562,755	75,355,832	43,260,728
OTHER INVESTMENTS ...	102,239	—	133,902	1,500	34,747	2,800
STOCKS	782,351	67,444	35,558	—	487,021	—
DEBTORS	1,213,371	1,546	8,475	1,358	675,715	3,625
CASH AT BANKERS AND IN HAND, TREASURY BILLS AND SHORT TERM ADVANCES ...	2,019,132	90,183	87,411	2,105,484	1,316,802	559,387
	72,677,137	5,668,845	5,359,255	202,671,098	88,126,316	43,826,540

UNILEVER LIMITED.

FIFTH
ANNUAL REPORT
AND
STATEMENT OF ACCOUNTS

For the Year ended 31st December, 1932.

NOTICE is HEREBY GIVEN that the FIFTH ANNUAL GENERAL MEETING of the above-named Company will be held at Southern House, Cannon Street Station, London, E.C.4, on Friday, the 28th day of April, 1933, at 12 o'clock noon, for the following purposes, namely:—

1. To receive and consider the Annual Statement of Accounts and Balance Sheet, and the Report of the Directors and Auditors thereon.
2. To sanction the declaration of a Dividend.
3. To determine the remuneration of the Directors.
4. To elect Directors in the place of those retiring.
5. To appoint Auditors and fix their remuneration.
6. To transact any other ordinary business of the Company.

Dated the 12th day of April, 1933.

By Order of the Board,

M. G. DE BAAT, } Secretaries.
L. V. FILDES, }

UNILEVER HOUSE,
BLACKFRIARS, E.C.4.
