



Unilever UK Pension Fund

Report and Statement of Accounts

For the year ended 31 March 2009



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Unilever UK Pension Fund (established under Trust Deed, 31 January 2000)

Unilever PLC is the principal employer of the Fund, which provides pensions and cash sums to retiring members, or to their families in the event of their death.

Unilever UK Pension Fund Trustees Limited is the trustee of the Fund. Unilever PLC and Unilever UK Pension Fund Trustees Limited share the power to remove and appoint Trustees. (Throughout this report, 'Trustees' means the Directors of the Unilever UK Pension Fund Trustees Limited.)

Trustees' Report: setting the scene

From the Chair of Trustees



I am pleased to present the Report and Statement of Accounts for the Unilever UK Pension Fund ("the Fund") for the year ended 31 March 2009.

The economic situation, both at home in the UK and overseas, continued to dominate the media and keep pensions in the news throughout 2008/2009.

Behind the familiar headlines about the 'credit crunch', the financial markets have been going through very difficult times. Almost every type of asset fell in value over the tax year which, in turn, led to much lower funding levels in most UK pension schemes, including the Unilever UK Pension Fund.

If we look at the top FTSE100 companies as an example – their pension schemes began the year with a joint surplus of £21 billion, then ended it with a combined shortfall of £51 billion* (using the IAS19 accounting measure). The FTSE100 index itself went from 5,702 on 31 March 2008 to 3,926 on 31 March 2009.

This table shows the impact on the Unilever UK Pension Fund in recent years:

Ongoing funding basis	Funding shortfall	Funding level
At 31 March 2007	£360 million	93%
At 31 March 2008	£830 million	86%
At 31 March 2009	£1,800 million	69%

The 'funding level' shown above is the ratio in percentage terms between the value of the Fund's assets, and the amount of assets the Fund needs to cover its 'funding target' (put simply, the projected cost of paying pension benefits to members based on certain assumptions about future events). The 'funding shortfall' is the actual difference between these two amounts.

* Source: Professional Pensions magazine 7 April 2009

Continued over the page

For more information on funding levels, please refer to the Scheme Actuary's report on page 25.

The fact that the funding shortfall has increased in this way despite significant contributions from Unilever towards making it up (£230 million in 2007 and £110 million in 2009) shows how difficult the economic climate has been.

The Trustees are, of course, monitoring the funding level carefully and looking at ways to reduce the shortfall, whilst being aware that we approach our regular triennial valuation next year. We are a mature Fund with a small number of active members compared to pensioner and deferred members. As such, we are working with Unilever as sponsor of the Fund to ensure the Fund has the most appropriate investment strategy which optimises returns whilst controlling the risk of further funding shortfalls. In determining any action, we are mindful that the current economic environment is very unusual and there are very divergent views on how it will develop looking forward.

In addition the funding level is always measured at a particular date and gives a 'snapshot' of the Fund's position at that time. As a long term investor, we do actually expect the funding level to vary over the decades.

We believe that Unilever provides a strong underlying 'employer covenant' for the Fund. 'Employer covenant' is a pensions term for describing a company's financial strength and prospects, as well as its willingness to continue to support the pension scheme. This is a vital role because the sponsor effectively underwrites the risks to which a scheme is exposed including insufficient funds to meet all its obligations, members living longer, under-performing investments and the effects of inflation.

In this challenging environment, there has also been more emphasis on good scheme governance. Trustees' responsibilities are increasing, and there are higher expectations for us to meet them. As a result, we are taking active steps to measure our performance as Trustees (as with any other role) to ensure we maintain best practice – and our own high standards.

On a personal note, my first year in the position as Chairman of the board of Trustees has given me an understanding of how the Board has responded to the challenges presented to it in the past. This includes a changing external environment, but also changes within Unilever itself. The Fund has responded proactively to these changes and will continue to do so going forward. I would like to thank my colleagues on the Trustee board and all those involved in the administration and running of the Fund for their hard work and commitment over the year in review.

We were very saddened by the death of Chris Appleby in July 2009 after an illness which she bore with great courage. Chris brought commitment and a sunny disposition to the board in the short time she was a trustee and she will be sorely missed.

Liz Airey

Chairman of the board of Trustees

Trustees' Report: a summary

The accounts in brief

Fund value at 1 April 2008	£5,060.7 million
Income	
Contributions paid in by Unilever and Fund members	
Transfers in from other schemes	
Income from investments	£554.8 million
Outgoings	
Benefits payable to members (pensions and lump sums)	
Payments to leavers	
Fees and expenses (advisers, administration, fund managers)	£-300.2 million
Change in market value of Fund investments	£-1,033.6 million
Fund value at 31 March 2009	£4,281.7 million

The Fund accounts in full start on page 27.

The funding level

The Fund actuary gives us an update of the Fund's funding level each year. A full, formal valuation is carried out every three years. These reports are available on request.

These updates estimate how the Fund's assets compare with its funding target (or, to use the official term, 'technical provisions' – which covers the Fund's liabilities, plus a safety margin we agree with Unilever and the actuary). They are worked out on a set of agreed principles, or assumptions, which are set out in the Statement of Funding Principles. They take into account not just the situation at the time, but how the assets and funding target are likely to change in future. This is where the term 'shortfall' comes from – the assets are expected to fall short of the funding target by that amount.

However, the point of carrying out valuations is to monitor the situation and decide what actions are necessary to make up any shortfall the estimates show. Our Fund's next formal valuation date is 31 March 2010 – so we are preparing for our discussions with Unilever to agree a suitable funding target.

To help us with this, we have appointed a pension consultancy firm called Penfida. Trustee advice is Penfida's specialist area, and we have engaged them to carry out an independent assessment of Unilever's covenant. This assessment is currently ongoing.

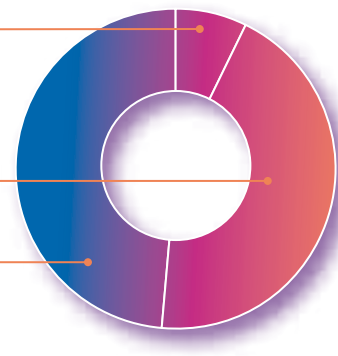
Shortfall at 31 March 2009 £1,800 million
Funding level at 31 March 2009 69%



Membership profile

This shows headline figures for the Fund membership at 31 March 2009.

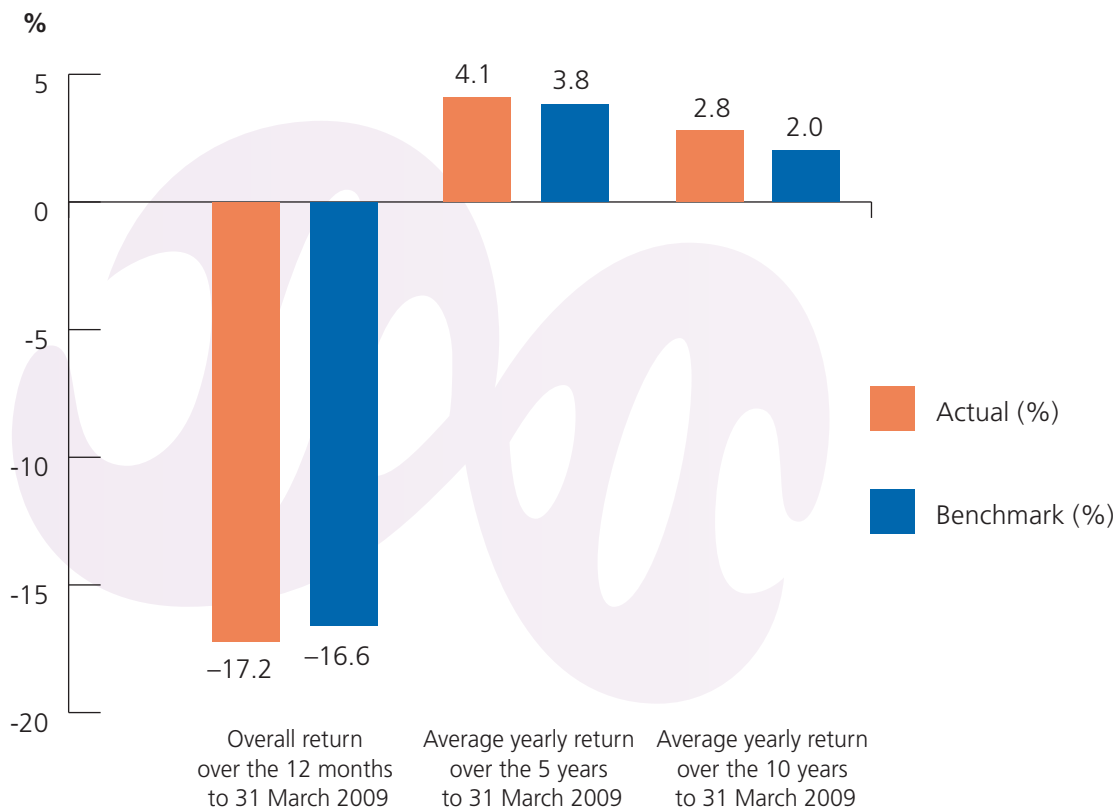
Active members (currently building up plan benefits)	
Final salary plan	5,858
Final salary Unilever Protection Benefit plan	40
Career average plan	658
Deferred members (no longer contributing but with benefits left in the plan to draw at a later date)	
	40,059
Pensioners and dependants of members who have died (receiving plan benefits)	
	44,080
Total	90,695



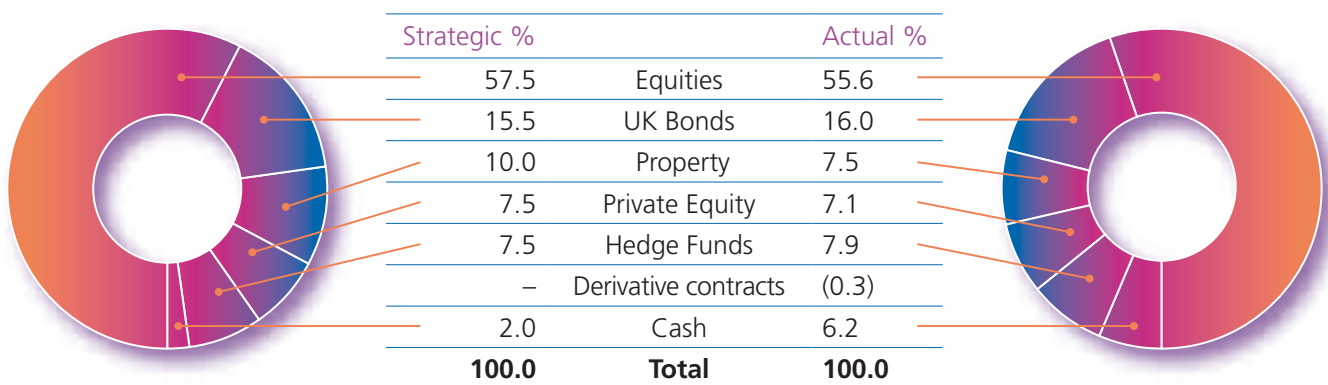
You can find a more detailed breakdown (including changes over the year) on page 43.

Investment summary

We measure our actual investment returns against market returns (benchmarks) for each asset class in which we invest. With the turmoil in financial markets, many of these have suffered negative returns over the last year. The following statistics show this clearly.



Here is the strategic allocation of the Fund's assets across different types of investment compared with the actual asset allocation at 31 March 2009:



The full Investment Report starts on page 16.

Keeping in touch with members

Regular Fund communications to the membership include:

Fund Focus

Our Fund newsletter, featuring updates on the plans, Trustee activities and news about the wider world of pensions. It is published in three versions (for active, pensioner and deferred audiences), and includes the annual summary funding statement.

Benefit statements

Keeping active members up to date on the benefits they are building up.

Annual renewal materials

Outlining active member choices and providing relevant guidelines/forms for making those choices. These are supplied with the benefit statements so that members have the relevant details to hand to help them make informed decisions.

Pension law

In addition to the focus on general pension scheme governance, a number of recent law changes relating to pensions have recently taken effect, or will do in the near future.

Minimum retirement age

On 6 April 2010, the minimum age that members of registered pension schemes can normally retire and draw their pension is increasing from 50 to 55. (Special circumstances, like retiring early due to ill health, would fall outside this rule.) Scheme-specific early retirement terms – for example, any rules about trustee or company consent – will still apply.

Qualifying for State pension

For anyone retiring on or after 6 April 2010, the number of 'qualifying years' needed to receive a full basic State pension will go down to 30. ('Qualifying years' are the years during which you have paid a sufficient level of National Insurance contributions.)

State pension ages

Increases to the State pension age are being introduced in two stages:

- State pension age for women will go up from 60 to 65 on a sliding scale between 6 April 2010 and 5 April 2020.
- State pension age for all will go up from 65 to 68 on a sliding scale between 2024 and 2046.

Tax on pensions for high earners

- If your total taxable income from all sources is broadly £150,000 a year or more, you will be affected by proposed changes announced in the 2009 Budget:
- Tax relief on pension contributions at your higher tax rate will be abolished from 6 April 2011; and
- In the meantime, a special transitional tax charge is already in place to 'catch' anyone who might otherwise have taken advantage of the existing higher-rate tax relief by increasing their pension savings now before the rules change.

A leaflet covering the Budget changes in more detail is available from the Unilever Pensions Team.

Trustees and Advisers

Trustee Company: Unilever UK Pension Fund Trustees Limited

There are 13 directors on the Board of the Trustee Company. Six are appointed by Unilever, four by employee delegates and two by pensioners. The Independent Chair Trustee is jointly appointed by Unilever and the other Trustees. (From 1 May 2008 there are no longer any Substitute directors.)

The Independent Chair Trustee receives a commercial fee of £65,000 a year, while any pensioner serving as a Trustee receives a payment of £5,000 a year in recognition of their services.

Changes to the Board

Joining the Board David Alfred Jones (1 May 2008)
George Maddock (1 May 2008)
Liz Airey (1 June 2008)
Christine Appleby (1 June 2008)
Pamela Dickson (1 June 2009)

Leaving the Board Arthur David Jones (24 April 2008)
David Ivison (30 April 2008)
Rob Mickley (30 April 2008)
Gavin Neath (1 May 2008)
Wendy Mayall (1 June 2008)
Mark Shadrack (31 July 2008)
Christine Appleby (8 July 2009)

The current Trustees

Independent Chair Liz Airey

Appointed by Unilever PLC James Barnes
Pamela Dickson
Richie Furlong
Jimmy McGovern
Mike Samuel

Elected by employee delegates Roger Bevan
Steve Cutting
George Maddock
David Saunders

Elected by pensioners Richard Clark
David A Jones

Fund Secretary Andy Rowell



Liz Airey



James Barnes



Pamela Dickson



Richie Furlong



Jimmy McGovern



Mike Samuel



Roger Bevan



Steve Cutting



George Maddock



David Saunders



Richard Clark



David Alfred Jones

Current Advisers

Actuary

Richard Whitelam FIA

Actuarial advisers

Hewitt Associates Limited

Auditors

PricewaterhouseCoopers LLP

Banker

HSBC Bank PLC

Custodian

The Northern Trust Company

Investment consultants

Hewitt Associates Limited

Mercer

Investment managers

Aberdeen Asset Management Limited

Alliance Bernstein Limited

C B Richard Ellis Investors Limited

FIL Pensions Management Limited

Goldman Sachs Asset Management Limited

JP Morgan Asset Management (UK) Limited

Lazard Asset Management Limited

Newton Investment Management Limited

Northern Trust Luxembourg Management Company SA

Pantheon Ventures Limited

Prudential M&G Investment Management Limited

Legal advisers

Slaughter and May

Travers Smith

DLA Piper

Schiff Hardin LLP

Cravath Swaine & Moore LLP

Elvinger Hoss & Prussen

Administration and contact details

Unilever UK Pensions

Andy Rowell (Head of Trustee Services and Fund Secretary)

Kim Northwood (Service Delivery Manager)

Michael Normington (Financial Controller)

Unilever UK Pensions

Unilever House

Springfield Drive

Leatherhead

KT22 7GR

Unilever Peoplelink

For specific queries from active members

0800 028 4390

Unilever Pensions Team

For specific queries from pensioners and deferred members

Unilever Pensions Team

Hewitt Associates Outsourcing Limited

Parkside House

Ashley Road

Epsom

Surrey

KT18 5BS

Trustees' Report

Activities during the year – Trustee diary

We normally hold quarterly meetings to conduct the business of the Fund. The dates of the full board meetings, training/strategy days and the sub-committee meetings are shown below.

May 2008	Training and strategy day Investment committee meeting
June 2008	Operations and Benefits committee meeting Governance and Funding committee meeting
July 2008	Quarterly full board meeting
August 2008	Operations and Benefits committee meeting
September 2008	Governance and Funding committee meeting Investment committee meeting
October 2008	Quarterly full board meeting Training and strategy day
November 2008	Operations and Benefits committee meeting Governance and Funding committee meeting Investment committee meeting
December 2008	Quarterly full board meeting Investment committee meeting (extra meeting) Training and strategy day
February 2009	Operations and Benefits committee meeting Governance and Funding committee meeting Investment committee meeting
March 2009	Quarterly full board meeting Delegates conference Investment committee meeting (extra meeting)

Trustee Committee updates

The Committee memberships shown below are as at October 2009.

Governance and Funding

Liz Airey (Chair)
James Barnes
Roger Bevan
Richard Clark
Pamela Dickson

(Secretary: Andy Rowell)

The role of the Committee expanded during the course of the year to include funding and related matters (resulting in the change of name to Governance and Funding Committee). The Committee now also makes recommendations to the main board about funding arrangements and the level of risk in the Fund's investment strategy.

As usual, the Committee continued to review and make recommendations on business planning and conflicts of interest, and to oversee the annual audit and risk management programme for the Fund.

Other activities included:

- reviewing the membership of the three committees and relevant succession issues;
- support work for the key areas of Trustee effectiveness, knowledge and understanding;
- developing procedures for how the Trustees and sponsoring company will work together going forward, including general principles and conflict management; and
- appointing Penfida to help the Trustees review the sponsoring employer's covenant.

Investment

Mike Samuel (Chair)
Liz Airey
David Jones
Wendy Mayall (Chief Investment Officer)
Jimmy McGovern
(Secretary: Michael Normington)

The Investment Committee oversees the implementation of the agreed investment strategy. During the year, the Committee continued to monitor the investment fund managers, and their performance against the targets set for them.

The Committee also oversaw a rebalancing of the Fund's portfolio as a result of the market volatility experienced over the year.

Further details of the work of the Committee can be found in the Investment Report starting on page 16.

Operations and Benefits

David Saunders (Chair)
Steve Cutting
Richie Furlong
George Maddock

(Secretary: Sarah McAllister)

Following a year of significant change in 2007/08, the 2008/09 year was much more 'business as usual' for the Operations and Benefits Committee.

The Committee regularly reviews the work and performance of the administrators of the Fund (Hewitt Associates Outsourcing Ltd and Fidelity for the Investing plan). This includes decisions about payment of discretionary death benefits, and any Internal Dispute Resolution cases that may arise during the year.

The Committee has continued to provide input into the Fund communications, in particular:

- the revised overall communication strategy, designed to build on the new structure of the Fund; and
- 'Fund Focus', the new annual newsletter to members.

Delegates Conference 2009

The annual Delegates Conference was held in Birmingham, on 16-17 March 2009.

Attendees:

- Around 35 delegates.
- Members of the Trustee board.
- Representative from Hewitt Associates.
- Unilever UK Pensions Team members.

Day 1 presentations

Andy Rowell (Head of Trustee Services)

[‘A year of change and financial turmoil’ – a review of 2008.](#)

- Looking at the economic and pensions background, as well as the environment within Unilever.
- An overview of benefits, funding and investment strategy, governance, communications and administration.
- Outline of plans for 2009.

Mark Walker (Mercer)

[Financial markets during 2008.](#)

- A look at how the world economies may change in size in the future.
- A review of 2008 investment performance and the impact of the ‘credit crunch’.
- What next for the financial markets in the short and medium terms.

Michael Normington (Financial Controller)

[Update on the Fund’s own investments.](#)

Day 2 presentations

Sagar Padhiar (Corporate Actuary)

[Pensions policy and governance in Unilever.](#)

- Value, type and impact of Unilever pension funds worldwide.
- Governance framework in Unilever.
- Company policies supporting the framework.

Andy Dunlop (Unilever UK Pensions Communications Manager)

[Retirement process.](#)

- What happens in the run-up to retirement.
- Choices available to members when they retire.
- Help available to members.

Liz Airey (Trustee Chair)

[Reflections on joining the Trustee board.](#)

- Recognition of Trustee board and Pensions Department professionalism.
- Acknowledgement of achievements overseen by the board.

Workshops

Annual renewal

New process (launched in 2009) for members to make certain choices about how they build up their plan benefits.

Investment

Trustee approach to investing, asset types, and how the Fund’s investments are chosen and monitored.

Changes to the Trust Deed and Rules

The official document governing the running of the Fund is the Trust Deed and Rules. Two amendments were made to the Trust Deed and Rules during the year:

- Changing the size and make-up of the board, and providing for an independent Trustee (via a Deed of Amendment dated April 2008).
- Allowing an underpin to apply to final pensionable pay and pensionable pay in certain circumstances (via a Deed of Amendment dated October 2008).

Contributions paid during the year ended 31 March 2009

Following the introduction of 'salary sacrifice' in May 2005 (the 'Unilever Contribution Arrangement'), Unilever is making contributions on behalf of those members taking part, on top of its own contributions. Members can choose to sacrifice an amount of their salary equal to their regular pension contributions. This results in a National Insurance contribution saving for both members and the Company. The majority of members therefore no longer contribute directly to the Fund and the Company is paying the full contribution due in respect of those members. Career average plan member contributions must be paid to the Fund via the UCA. For the avoidance of doubt, the Fund remains a contributory arrangement.

In December 2008 the Company made an additional contribution of £200m. This payment was made as a pre-payment in respect of funding for the provision of certain Unilever pension obligations that are currently unfunded or for contributions that may become due under the Schedule of Contributions.

Regular employee-member contributions

Final salary plan	7% of pensionable salary above the Lower Earnings Limit; or 8.5% of pensionable salary above the Lower Earnings Limit if choosing to keep pension increase rate in line with inflation up to 5% a year.
Career average plan	5% of pensionable earnings between a Higher and Lower level. (At 1 April 2008, the lower level was £4,675 and the higher level was £39,150.)

Unilever's contributions

Final salary plan	24.1% of active members' pensionable salaries (less employee contributions).
Career average plan	20.5% of active members' pensionable earnings between the two levels (less employee contributions); plus 12.5% of pensionable earnings above the higher level, paid into the member's Investing plan account, or salary, or a mix of both.
Special contributions	£322.1 million broken down as follows: <ul style="list-style-type: none"> • £110 million contribution towards making up the shortfall (in February 2009). • £200 million pre-payment contribution. • £7.4 million unfunded retirement benefits contributions. • £0.8 million special contribution towards the PPF levy. • £1.9 million in respect of the backdating of pension membership for certain part-time members. • £1.8 million augmentation of member benefits. • £0.2 million for deficit contributions due under s75.

Pension increases

Final salary plan

Pensions (above Guaranteed Minimum Pensions, GMPs) built up before 1 January 2008 increase on 1 April each year in line with inflation up to 5% a year.

Pensions (above GMPs) built up from 1 January 2008 increase on 1 April each year in line with inflation up to 3%, unless the member has chosen to pay towards increases of up to 5%.

Career average plan

Pensions increase on 1 April each year in line with inflation up to 2.5%.

The increase to pensions in both plans on 1 April 2009 was 0.1% (based on the increase to the Retail Prices Index from January 2008 to January 2009) and the prior year Final salary plan increase was 4.1%. There were lower increases on a sliding scale for those who left service after March 2008.

Transfer values

Transfer values are worked out in line with Section 97 of the Pension Schemes Act 1993 as amended by The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008, which came into force on 1 October 2008.

During the year, Unilever PLC operated a discretionary practice of consenting to the payment of an unreduced pension to certain members retiring at or after age 60 in certain circumstances. Transfer value calculations include allowance for this only where the member concerned is already eligible for the discretionary practice to apply.

Transfer value calculations allow for discretionary increases in line with assumed price inflation in the Final salary plan for pre 1 January 2008 pension. They do not allow for any discretionary increases above the guaranteed amounts for post 31 December 2007 pension (in either plan).

Myners Principles

The original Myners Report, published in 2001, highlighted shortcomings in the expertise and organisation of investment decision-making by pension fund trustees and proposed a series of principles (ten) that Trustees should adopt on a 'comply or explain' basis.

A Government-commissioned review of the Principles was carried out by the NAPF in 2007, which was followed by a consultation process conducted by the Treasury. The outcome of the consultation resulted in the adoption of a smaller number (six) of simplified, higher level, principles.

The Trustees have reviewed their compliance with the updated Myners' principles. Subject to some follow-up actions which have been identified for further consideration in 2009, the UUKPF is fully compliant with the simplified principles.

Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Pension scheme regulations require the Trustees to make available to Fund members, beneficiaries and certain other parties, audited financial statements for each Fund year which:

- show a true and fair view, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), of the financial transactions of the Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year, and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice "Financial Reports of Pension Schemes".

The Trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates of contributions (other than voluntary contributions) payable towards the Fund by or on behalf of the employer and the active members of the Fund and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Fund and for monitoring whether contributions are made to the Fund by the employer in accordance with the schedule of contributions. Where breaches to the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Preparation and Audit of Financial Statements

The Trustees confirm that the financial statements have been prepared and audited in accordance with the regulations made under Section 41 (1) and (6) of the Pensions Act 1995.

On behalf of the Trustees

E Airey

Chairman

October 2009

A Rowell

Secretary

Investment Report

Statement of Investment Principles

The current investment strategy is to target a return of gilts plus 3% a year. This was set by the Trustees after giving full consideration to our funding objectives, the level of risk inherent in targeting a return in excess of gilts, an assessment of the strength of the Unilever covenant to support the Fund, and also the views of the Company on the investment strategy. Details of the strategy together with other important investment information for the Fund is set out in a Statement of Investment Principles ("SIP") as required by Section 35 of the Pensions Act 1995 and Section 244 of the Pensions Act 2004. A copy of the SIP is available from the Fund Secretary on request.

The current SIP was approved by the Trustee Board on 16 July 2009 to take account of the changes in asset allocation agreed during the year, as set out below. It is Trustee policy to carry out a review of the SIP every three years and immediately after any significant change in investment policy. A further review of the SIP is currently in progress.

Investment management structure

The current investment managers appointed by the Trustees to manage the Fund's bond investments are Aberdeen Asset Management Limited, Goldman Sachs Asset Management International and Prudential M&G Investment Management Limited.

The Fund's equity investments are currently managed by Alliance Bernstein Ltd, Goldman Sachs Asset Management International, JP Morgan Asset Management (UK) Ltd, Lazard Asset Management Ltd, Newton Investment Management Ltd, and Northern Trust Luxembourg Management Company SA.

The Fund's property portfolio is managed by CB Richard Ellis Investors Ltd, and the private equity investments are managed by Pantheon Ventures Ltd. The hedge fund portfolio is managed by Northern Trust Luxembourg Management Company SA.

Activity during the year

The Trustees agreed a number of minor changes to the Fund's strategic allocation during the year. The separate allocation to Global Listed Infrastructure was discontinued during the year, with the existing allocation split equally between global equities and private equity, with a view to the additional allocation to private equity being invested in assets with unlisted infrastructure characteristics.

In November 2008, the Trustees agreed, as an interim measure, to establish a passive currency overlay through Northern Trust in order to reduce the variation in the Fund's performance returns from changes in exchange rates of Sterling relative to other major currencies. After the end of the year under review, the Trustees finalised the appointment of an active currency manager.

In order to provide for the Fund's cash flow requirements and for the funding of the passive currency overlay, the Trustees approved a strategic allocation to cash of 2% in the fourth quarter of 2008. The bond allocation was correspondingly reduced.

The Fund's strategic investment allocation at 31 March 2009, following the asset reallocations outlined above, with the comparative position at the 31 March 2008 is set out below.

2009



9.0%	UK Equities
11.5%	Europe ex-UK equities
23.0%	US equities
14.0%	Japan/Pacific ex-Japan/Emerging Market equities
–	Global listed infrastructure
15.5%	UK Bonds
10.0%	Property
7.5%	Private Equity
7.5%	Hedge Funds
2.0%	Cash
100.0%	Total

2008



8.5%	UK Equities
11.0%	Europe ex-UK equities
22.0%	US equities
13.5%	Japan/Pacific ex-Japan/Emerging Market equities
5.0%	Global listed infrastructure
17.5%	UK Bonds
10.0%	Property
5.0%	Private Equity
7.5%	Hedge Funds
–	Cash
100.0%	Total

The disposition of the Fund's investments excluding AVC investments as at 31 March 2009 was as follows:

	31 March 2009		31 March 2008	
	£ million	%	£ million	%
Bonds				
UK public	334.8	7.8	433.7	8.6
UK private	322.1	7.6	388.4	7.7
Global ex-UK private	25.6	0.6	8.6	0.2
Indexed linked securities	0.3	0.0	13.0	0.3
Equities				
UK	386.0	9.1	543.1	10.8
Global ex-UK	1,986.1	46.5	2,484.1	49.2
Derivative contracts (net)	(14.0)	(0.3)	0.0	0.0
Private equity	305.0	7.1	280.7	5.5
Hedge funds	335.7	7.9	257.2	5.1
UK property	320.2	7.5	390.1	7.7
Cash, deposits and other investments	266.2	6.2	247.8	4.9
	4,268.0	100.0	5,046.7	100.0

The Fund's actual asset distribution may differ from the strategic allocation at any time.

Manager allocation

The actual proportion of the total Fund managed by each investment manager and within each asset class at the end of the year is set out below.

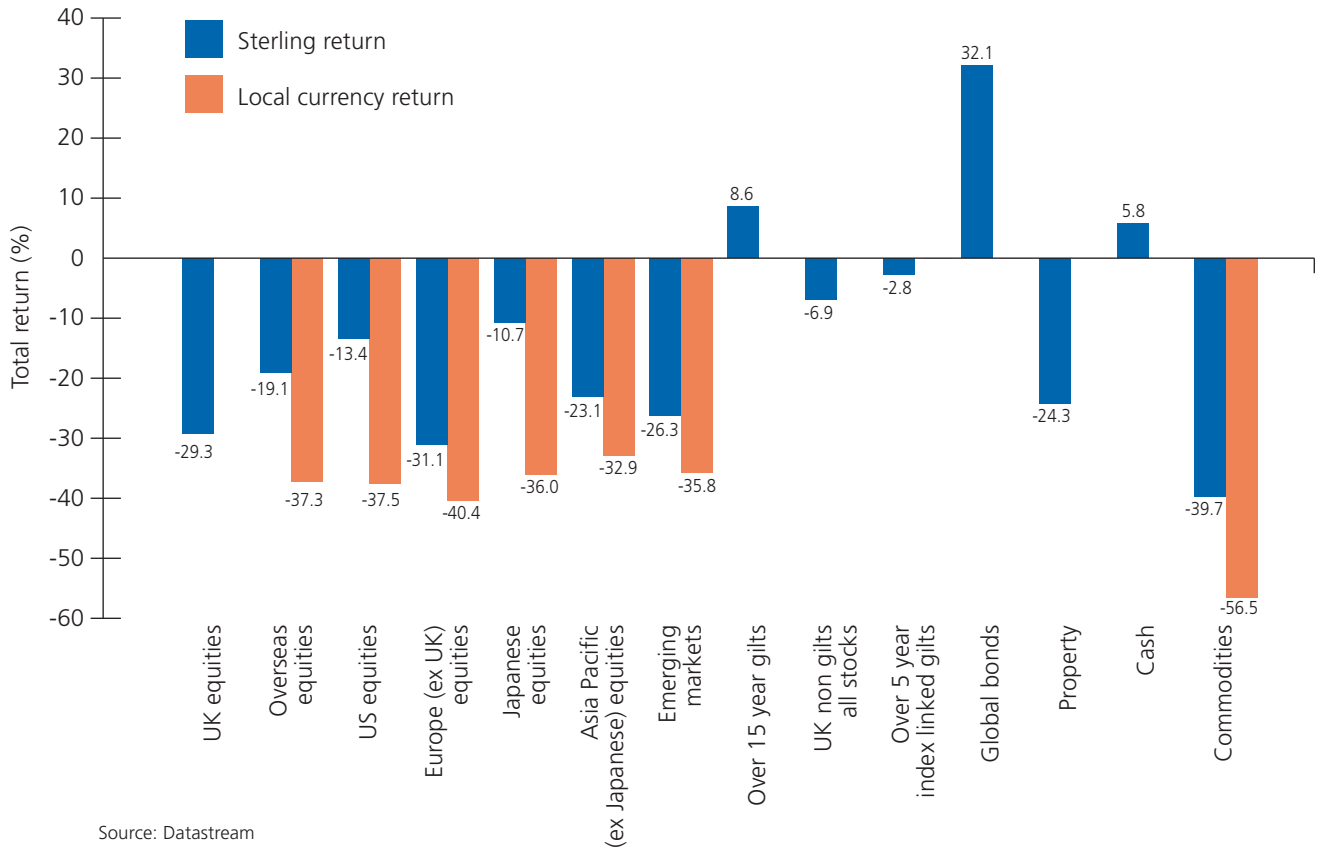
Manager	Asset class	2009 (%)	2008 (%)
Uninvest pooled funds	UK equity	5.1	6.5
Uninvest pooled funds	North America equity	4.2	4.2
Uninvest pooled funds	Europe ex UK equity	3.8	4.6
Uninvest pooled funds	Japan equity	1.5	1.3
Uninvest pooled funds	Pacific ex Japan equity	1.5	1.9
Uninvest pooled funds	Emerging Markets equity	2.6	3.0
Total Uninvest funds		18.7	21.5
Alliance Bernstein	Global equity	7.6	8.7
GSAM	Global equity	8.6	8.6
JP Morgan	Global equity	8.5	8.8
Newton	Global equity	9.6	10.3
Lazard	Infrastructure	3.4	4.3
Total global equity (non-Uninvest)		37.7	40.7
Aberdeen	UK bonds	2.8	6.1
GSAM	UK bonds	6.9	6.2
Prudential	UK bonds	6.8	5.9
Total bonds		16.0	18.2
CBRE Investors	Property	7.5	8.6
Pantheon	Private equity	7.1	5.7
Uninvest pooled funds	Hedge funds	7.9	5.3
Total alternatives		22.5	19.6
Cash	Cash	4.6	0.0
Total fund		100.0	100.0

This allocation excludes AVC investments, third party cash holdings and the notional value of the currency hedge programme.

Investment performance

The chart below shows the 12 month market index returns to 31 March 2009, illustrating the performance of the market as a whole.

Twelve month performance to 31 March 2009



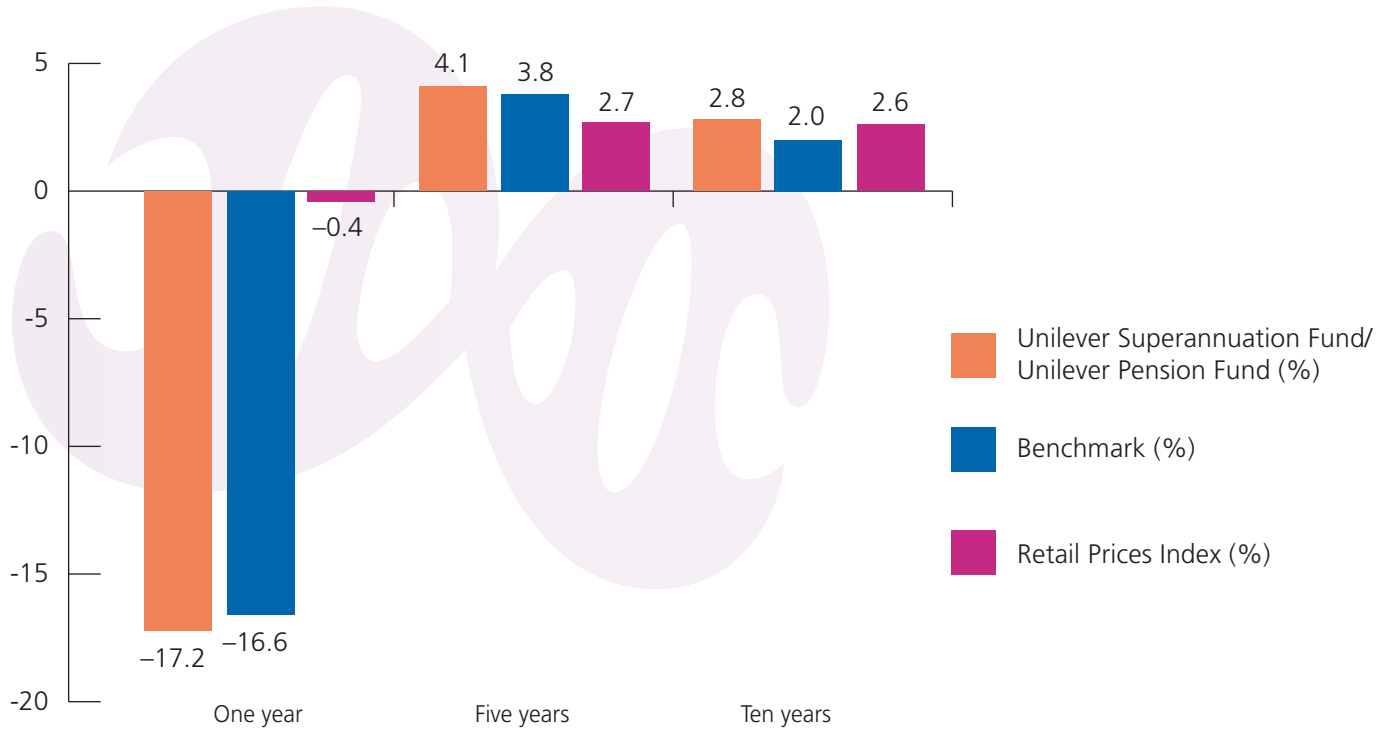
- Equity markets on the whole fell significantly over the last year for the hedged and unhedged sterling investor. However, for unhedged sterling investors, sterling's fall over the year relative to the other major currencies will have somewhat mitigated these significant overseas equity market falls.
- Bond markets were mixed over the year, as long-dated fixed interest gilts returned strong positive performance whilst sterling non-gilts and long-dated index-linked gilts produced negative returns.
- Property fell considerably, posting negative returns each quarter over the last year, and commodities produced significant negative returns.

The Trustees are responsible for the investment strategy and regularly track the investment performance of the Fund against a proxy for the Fund's liabilities which is provided by Hewitt. This gives a measure of the funding level which is separately reported to members annually.

The actual investment performance is also measured against the market return (benchmark) for each of the asset classes in which we invest in order to assess the performance of our investment managers. Investment managers are remunerated on a fee basis in accordance with contractual agreements, related to the market value of the assets under management and the Investment Committee review their performance on a quarterly basis.

The actual performance returns for the Fund for the one, five and ten-year periods ending 31 March 2009 are shown below, against the Fund benchmark returns and the Retail Prices Index.

Investment performance to 31 March 2009. Annualised rates of return.



Note: Performance returns for the ten-year period exclude all sums received by the Fund following the settlement of the legal action against Mercury Asset Management.

Over the twelve months to 31 March 2009 the total Fund returned a performance of -17.2% against the total benchmark return of -16.6%. The rate of inflation over the period as measured by the Retail Prices Index was -0.4%.

Over the longer five-year period, the Fund's annualised return was 4.1% against the benchmark return of 3.8%. These returns compare to the Retail Prices Index at 2.7% a year.

Over the ten-year period to 31 March 2009, the Fund's annualised return was 2.8%, against a benchmark return of 2.0% and Retail Prices Index of 2.6% a year.

A summary of actual performance by asset class compared against the benchmark for one, three and five-year periods is as follows:

Year ended 31 March 2009	Actual return (%)	Benchmark (%)	Excess return (%)
Equity	-23.4	-21.5	-1.9
Fixed income	-1.1	2.5	-3.6
Hedge funds	15.8	10.2	5.6
Private equity	-2.6	-29.3	26.7
Property	-23.6	-25.1	1.5
Total	-17.2	-16.6	-0.6

Three years ended 31 March 2009 (annualised)	Actual return (%)	Benchmark (%)	Excess return (%)
Equity	-8.0	-6.7	-1.3
Fixed income	0.7	2.0	-1.3
Hedge funds	-	-	-
Private equity	14.2	-10.2	24.4
Property	-5.4	-7.9	2.5
Total	-4.6	-4.9	0.5

Five years ended 31 March 2009 (annualised)	Actual return (%)	Benchmark (%)	Excess return (%)
Equity	2.7	3.6	-0.9
Fixed income	3.3	3.9	-0.6
Hedge funds	-	-	-
Private equity	17.7	1.4	16.3
Property	4.9	2.0	2.9
Total	4.1	3.8	0.3

As noted above, the Investment Committee reviews performance for each individual manager against the specific benchmarks allocated to them.

Investment holdings

Concentration of investment

As at 31 March 2009 there were two individual holdings that represented more than 5% of the Fund's total assets:

	Value (£m)	%
Uninvest IV Hedge Fund	335.7	7.8
Uninvest UK Equity Sub-Fund	220.7	5.1

The ten largest holdings in global equities (excluding Uninvest) as at 31 March 2009 were as follows:

Name	Value (£m)	% of Total Global Equities
Wyeth	23.9	1.5
Total SA	23.2	1.5
Roche Holdings	22.9	1.5
AT&T	21.0	1.3
Sprint Nextel	20.9	1.3
Vodafone Group	19.7	1.3
Pfizer	18.7	1.2
Exxon Mobil	16.3	1.0
Deutsche Telekom	16.1	1.0
Zurich Financial Services	15.6	1.0

Details of the Fund's holdings in pooled investment vehicles are disclosed in Note 7 to the accounts.

Scheme investments are invested in accordance with the Occupational Pension Schemes (Investment) Regulations 2005 (SI 2005/3378). The Fund is a Registered Pension Scheme under the Finance Act 2004.

Employer related investments

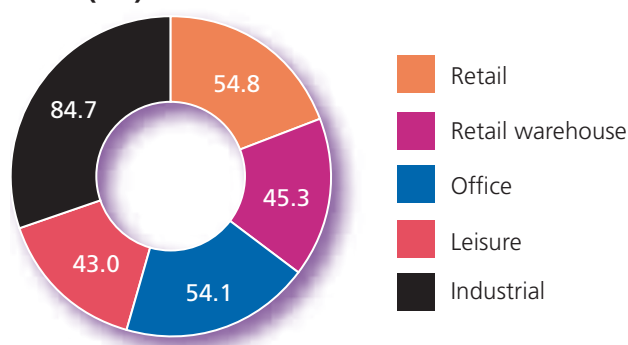
On 31 March 2009 the Fund held 356,976 shares in Unilever PLC with a market value of £4.9m (31 March 2008 £0.8m). In terms of the investment through Uninvest, the Fund had an indirect interest in 497,870 shares in Unilever PLC with a market value of £6.6m (2008 £8.2m) through its investment in the UK Equity sub-fund and an indirect interest in 57,363 shares in Unilever NV with a market value of £0.9m (2008 £1.6m) through its investment in the Europe ex-UK sub-fund.

Together these direct and indirect investments represent less than 1% of total assets.

Property

The following chart shows the distribution of the Fund's property portfolio by property type.

Value (£m)



Derivative contracts

The Trustees have authorised the use of futures contracts by their investment managers for efficient portfolio management.

In December 2008 the Trustees agreed to implement a currency hedging programme in order to mitigate the currency risk of overseas investments relative to Sterling liabilities. A hedge ratio of 50% was used on the North American, Europe ex-UK and Emerging Markets sub funds and the Uninvest IV hedge fund. The hedge ratio was increased to 75% at the end of March 2009.

Marketability of investments

At the end of the year in excess of £3 billion of investments were quoted on recognised stock exchanges and are therefore considered to be marketable on a short term basis. Investments in hedge and private equity funds can usually be realised if six to twelve months notice is given. Longer periods may be needed to dispose of direct property investments.

Global custody arrangements

The Northern Trust Company act as global custodian for the Fund. Wherever possible, the Fund's segregated investments are held in a designated nominated account at The Northern Trust Company in the name of the Trustees of the Fund. Reports are received each month covering the assets held by the custodians and transactions in the month. The custodian is independent of the fund managers and provides a check on the recording and valuation of the assets of the Fund.

Defined contribution section

During 2007/8 the Trustees established the Investing plan, a defined contribution section of the Fund, which provides money purchase benefits as part of the Career average plan. The Investing plan is also a vehicle for voluntary contributions for members of both the Final salary and Career average plans. The day to day management of this section has been delegated by the Trustees to FIL Pensions Management Limited, formerly known as Fidelity Investments. All of the contributions

to the defined contribution section are invested in UK managed pooled investment vehicles. Members have the option of selecting which managed fund they want their contributions invested. The default option is the Moderate Growth Fund. The investment returns of the various managed funds for the year ended 31 March 2009 are as follows:

Year ended 31 March 2009	Actual return (%)	Benchmark (%)	Excess return (%)
Unilever Investing plan Cash fund	4.2	3.6	0.6
Unilever Investing plan Cautious Growth fund	-16.7	-11.6	-5.1
Unilever Investing plan High Growth fund	-23.0	-24.1	1.1
Unilever Investing plan Income/bond fund	0.3	-0.1	0.4
Unilever Investing plan Moderate Growth fund	-26.3	-17.3	-9.0



Scheme Actuary's Report

My most recent formal valuation of the UUKPF was as at 31 March 2007. The principles for the valuation were agreed between the Trustees and Unilever PLC in a Statement of Funding Principles dated 5 February 2008, and I issued my report on the valuation on the same day.

On the basis of the assumptions set out in the Statement of Funding Principles, there was a deficit of assets relative to liabilities of £360m as at 31 March 2007. The deficit of £360m corresponded to a funding level of 93%.

The long term rate of joint contributions, payable by the members and the Company, amounted to 24.1% of Pensionable Pay on the agreed assumptions. Most contributing members have entered into a "salary sacrifice" arrangement as an alternative to paying contributions, and so there is a corresponding increase in Company contributions.

As part of a valuation I am required to estimate the position of the UUKPF if it had been discontinued on the valuation date, based on an estimate of the terms that would have been offered by insurance companies to take on the liability. On this basis, the UUKPF was 73% funded at 31 March 2007.

During the period 1 April 2007 to 31 December 2007 the Company paid £230m in deficit contributions. Allowing for these deficit contributions and for future investment returns as agreed by the Company and Trustees, the balance of the deficit was predicted to be eliminated within three years of the valuation date. With effect from 1 January 2008 the existing Final salary plan was closed to new employees, who instead are offered membership of the new Career average plan and Investing plan. The Company is paying contributions at the long term rate of 24.1% of pensionable pay for members of the Final salary plan, less member contributions. Different contribution rates are payable in relation to the Career average plan and Investing plan.

The next formal valuation is due as at 31 March 2010. As at 31 March 2008 and 31 March 2009, I produced actuarial reports which provided approximate updates on the funding position. These showed that the funding position has worsened since the 2007 valuation date which is not surprising given the turbulence in financial markets over the period. The funding level was assessed using assumptions consistent with those used for the 2007 valuation as set out in the Statement of Funding Principles. Compared with 93% at the 2007 valuation date, it was estimated to be 86% at 31 March 2008 and 69% at 31 March 2009. The funding level at 31 March 2009 includes allowance for an additional deficit contribution of £110m paid by the Company in February 2009 following discussions with the Trustee in the light of the worsened funding position.

The result of the 31 March 2009 update will be communicated to members through the 2009 Summary Funding Statement.

Note: Copies of the Statement of Funding Principles, the Actuarial Valuation Report, the Recovery Plan and the Schedule of Contributions are available on request.

Independent Auditors' Report

to the Trustees of the Unilever UK Pension Fund

We have audited the financial statements of the Unilever UK Pension Fund for the year ended 31 March 2009 which comprise the fund account, the net assets statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Trustees and Auditors

The Trustees' responsibilities for obtaining an Annual Report and audited financial statements prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Trustees as a body in accordance with Section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and contain the information required by the relevant legislation. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report, the Investment Report, the Scheme Actuary's Report, the Actuarial certificates and statements, the Summary of Contributions and Membership statistics. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by or on behalf of the trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinions

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial transactions of the Fund during the year ended 31 March 2009, and of the amount and disposition at 31 March 2009 of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year; and,
- contain the information specified in Regulation 3 of and the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

October 2009

Financial Statements

Fund Account for the year ended 31 March 2009

	Note	Year ended 31 Mar 2009 £ million	Year ended 31 Mar 2008 £ million
Contributions and benefits			
Contributions receivable	2	383.5	342.1
Transfers in	3	0.5	1.8
		384.0	343.9
Benefits payable			
Benefits payable	4	(274.8)	(266.3)
Payments to and on account of leavers	5	(6.3)	(4.4)
Administration expenses		(8.4)	(8.5)
		(289.5)	(279.2)
Net additions from dealings with members		94.5	64.7
Returns on investments			
Investment income	6	170.8	148.5
Change in market value of:			
Defined benefit section investments	7	(1,033.3)	(222.6)
Defined contribution section investments	8	(0.3)	–
Investment management expenses		(10.7)	(13.6)
Net returns on investments		(873.5)	(87.7)
Net (decrease) in the Fund during the year		(779.0)	(23.0)
Net assets of the Fund at beginning of the year		5,060.7	5,083.7
Net assets of the Fund at end of the year		4,281.7	5,060.7

The notes on pages 29 to 37 form part of these financial statements.

Net Assets Statement as at 31 March 2009

	Note	31 Mar 2009 £ million	31 Mar 2008 £ million
Defined benefit section			
Investment assets	7	4,322.6	5,092.6
Investment liabilities	7	(35.9)	(22.6)
Net investment assets		4,286.7	5,070.0
Current assets	9	2.4	0.8
Current liabilities	10	(9.8)	(10.1)
		4,279.3	5,060.7
Defined contribution section			
Investment assets	8	2.4	–
Net assets of the Fund at end of year		4,281.7	5,060.7

The notes on pages 29 to 37 form part of these financial statements.

These financial statements summarise the transactions and net assets of the Fund. They do not take account of liabilities to pay pensions and other benefits in the future. The actuarial position of the Fund, which does take account of such liabilities, is dealt with in the assessment of the Fund's actuarial situation on page 25 and the actuarial certificate on page 40 and these financial statements should be read in conjunction with them.

For Unilever UK Pension Fund Trustees Limited
The Trustee of the Fund

E Airey
Chairman

A Rowell
Secretary

October 2009

Notes to the Financial Statements

1. Accounting policies

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Financial Reports of Pension Schemes (revised May 2007). The Fund has adopted the revised SORP applicable for periods commencing on or after 6 April 2007 for the first time.

The following are the key accounting policies that have been adopted in the preparation of the financial statements.

a) Investments

Investments are quoted at their fair value as set out below. In the prior year this was deemed to be mid market value. The difference in valuation is immaterial to the financial statements and therefore comparatives have not been restated. As a result the comparative figures for investments are reported on a mid price basis. The adjustment in valuation from mid to bid is included in the current year change in market value.

Quoted equities and fixed interest securities are valued on the basis of the bid price on the relevant stock exchange at the end of the year. Accrued interest is excluded from the market value of fixed interest securities but is included in investment income receivable.

Private equity investments are valued by the investment manager, Pantheon Ventures. The valuation is based on the latest investor reports and financial statements provided by the fund managers of the underlying funds, adjusted for transactions arising after the date of such reports. The reasonableness of these valuations is considered by Pantheon in the light of other available knowledge and corroborative evidence. Quoted investments within the private equity portfolio are valued at bid price on the relevant stock exchange. A discount may be applied where trading restrictions apply to such securities. Other unquoted securities including investments in hedge funds are included at the Trustees' estimate of fair value based on the valuations provided by the fund managers.

Pooled investment vehicles are valued at the closing bid price if both bid and offer prices are published, or, if single priced, at the single closing price.

Properties are valued on a quarterly basis by the Property Investment Manager and included in the financial statements at the year end valuation. Properties are valued as at 31 December in each year by independent Chartered Surveyors on an open market basis as defined by the Royal Institute of Chartered Surveyors and compared against quarterly valuations. No provision is made for property depreciation or amortisation.

Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Derivative contracts' changes in fair value are included in change in market value. In the prior year the Fund's investments in derivative contracts was presented using the economic exposure methodology. The revised SORP no longer recommends using this basis. The fair value, being the unrealised profit or loss on the contracts is shown as a separate line within investments. Prior year comparatives have been restated to remove the economic exposure amounts.

Futures contracts' fair value is determined using exchange prices at the reporting date. The fair value is the unrealised profit or loss at the current bid or offer market quoted price of the contract. Amounts outstanding in respect of the initial margin (representing collateral on the contracts) and any variation margin which is due to or from the broker are included in "Amounts due to or from brokers". The amounts included in change in market value are the realised gains and losses on closed futures contracts and the unrealised gains and losses on open futures contracts.

Additional voluntary contribution and defined contribution investments investment assets are valued at the valuation as advised by relevant provider.

Transaction costs are included in the cost of investments purchased or deducted from the proceeds of investments sold. Where some part of these transactions' costs is subsequently recovered, the proceeds are credited to the change in market value of investments.

Realised and unrealised gains/losses arising from changes in market values are taken direct to the Fund Account.

Securities that were on loan at the end of the year are included in the net asset statement to reflect the Fund's ongoing economic interest in such securities.

b) Foreign currency translation

The value of overseas securities is translated into sterling at the rates of exchange ruling at the end of the period. The resulting exchange differences arising in the period are included in changes in market values of investments and taken direct to the Fund Account.

Where forward sales of foreign currency have been made as a hedge against exposure on foreign currency investments, any unrealised profit or loss at the year end, measured by the difference between spot rate and contracted rate, is included in the changes in market values of investments, together with realised gains and losses on forward contracts maturing during the year.

c) Investment income

Dividends and interest from investments are accounted for on an ex-dividend basis. Interest on deposits and fixed interest investments and property rents are accounted for on an accruals basis.

d) Contributions

Normal contributions, both from the members and from the employer, are accounted for as they fall due under the Schedule of Contributions.

Deficit and additional contributions from the employer are accounted for in accordance with the agreement under which they are paid. Additional voluntary contributions from the members are accounted for in the month deducted from the payroll.

e) Benefits payable

Benefit payments are accounted for as and when they fall due.

f) Transfer values

Transfer values represent the capital sums either received in respect of newly-joined members from other pension schemes or paid to other pension schemes for members who have left the Fund. Transfer values are accounted for when the liability is accepted by the receiving scheme.

g) Investment management expenses

Investment management fees are accounted for on an accruals basis.

h) Administrative expenses

Administrative expenses are accounted for on an accruals basis.

2. Contributions receivable

	Year ended 31 Mar 2009 £ million	Year ended 31 Mar 2008 £ million
Employers:		
Normal	59.3	56.2
Deficit contributions	110.0	277.5
Deficit contributions – Part time workers	1.9	3.0
Deficit contributions – Section 75	0.2	–
Additional contributions	208.2	–
Augmentation	1.8	3.0
Members:		
Normal	0.3	0.5
Additional Voluntary	1.8	1.9
	383.5	342.1

Contributions receivable include additional contributions of £208.2 million, being £200m paid in December 2008 as a pre-payment for the reasons set out on page 13 of the Trustees' Report, £7.4m for unfunded retirement benefits and £0.8m for the PPF levy.

3. Transfers in

	Year ended 31 Mar 2009 £ million	Year ended 31 Mar 2008 £ million
Individual transfers in from other schemes	0.5	1.8
	0.5	1.8

4. Benefits payable

	Year ended 31 Mar 2009 £ million	Year ended 31 Mar 2008 £ million
Pensions	(246.1)	(238.7)
Lump sum retirement benefits	(26.7)	(25.7)
Lump sum death benefits	(2.0)	(1.9)
	(274.8)	(266.3)

5. Payments to and on account of leavers

	Year ended 31 Mar 2009 £ million	Year ended 31 Mar 2008 £ million
Individual transfers to other schemes	(6.3)	(4.4)
	(6.3)	(4.4)

6. Income from investments

	Year ended 31 Mar 2009 £ million	Year ended 31 Mar 2008 £ million
Income from fixed interest securities	44.5	44.6
Dividends from ordinary shares	93.7	71.4
Income from private equity investments	0.2	1.1
Interest on short term deposits	5.0	8.4
Property rents less expenses	21.1	21.8
Other income	6.3	1.2
	170.8	148.5

7. Investment assets and liabilities – defined benefit section

	Year ended 31 Mar 2009 £ million	Year ended 31 Mar 2008 £ million			
Investment assets					
Fixed interest securities	682.8	843.7			
Quoted equities	1,563.0	1,941.1			
Private equity funds	305.0	280.7			
Hedge funds	335.7	257.2			
Pooled investment vehicles	847.4	1,086.1			
Derivative contracts	5.4	0.6			
Property	281.9	390.1			
AVC investments	18.7	23.3			
Cash and other investment assets	282.7	269.8			
Total investment assets	4,322.6	5,092.6			
Investment liabilities					
Derivatives contracts	(19.4)	(0.6)			
Cash and other investment liabilities	(16.5)	(22.0)			
Total investment liabilities	(35.9)	(22.6)			
Net investment assets	4,286.7	5,070.0			
Net investment assets	Market value at 1 Apr 08 £ million	Purchases at cost £ million	Proceeds of sales £ million	Change in market value £ million	Market value at 31 Mar 09 £ million
Fixed interest securities	843.7	664.7	(767.0)	(58.6)	682.8
Quoted equities	1,941.1	2,112.0	(2,003.7)	(486.4)	1,563.0
Private equity funds	280.7	63.7	(31.1)	(8.3)	305.0
Hedge funds	257.2	100.3	(77.5)	55.7	335.7
Pooled investment vehicles	1,086.1	93.2	(37.4)	(294.5)	847.4
Derivative contracts	-	397.4	(281.1)	(128.8)	(14.0)
Property	390.1	2.4	-	(110.6)	281.9
AVC investments	23.3	1.1	(3.9)	(1.8)	18.7
	4,822.2	3,434.8	(3,201.7)	(1,033.3)	4,020.5
Cash and other investment assets	269.8				282.7
Cash and other investment (liabilities)	(22.0)				(16.5)
	5,070.0				4,286.7

Transaction costs incurred in the year including brokerage charges and other costs amounted to £4.6m (2007/8 £4.3m). In addition to these transaction costs, indirect costs are incurred through the bid-offer spread on investments within the pooled investment vehicles.

Fixed interest securities

	31 Mar 2009 £ million	31 Mar 2008 £ million
UK public sector quoted	334.8	433.7
UK other quoted	322.1	388.4
Overseas other quoted	25.6	8.6
Index-linked securities	0.3	13.0
	682.8	843.7

Quoted equities

	31 Mar 2009 £ million	31 Mar 2008 £ million
UK	162.5	218.7
Overseas	1,400.5	1,722.4
	1,563.0	1,941.1

Private equity funds

	31 Mar 2009 £ million	31 Mar 2008 £ million
UK – managed UK	1.5	2.8
Overseas – managed overseas	303.5	277.9
	305.0	280.7

Pooled Investment vehicles

	31 Mar 2009 £ million	31 Mar 2008 £ million
Managed funds – managed overseas	809.1	1,053.5
Unit trust – property – managed UK	38.3	32.6
	847.4	1,086.1

Derivatives contracts

	31 Mar 2009 Assets (£ million)	31 Mar 2009 Liabilities (£ million)	31 Mar 2008 Assets (£ million)	31 Mar 2008 Liabilities (£ million)
Futures contracts	0.5	(0.4)	0.6	(0.6)
Forward foreign currency contracts	4.9	(19.0)	–	–
	5.4	(19.4)	0.6	(0.6)
Net derivatives	–	(14.0)	–	–

The objectives for holding derivatives are detailed in the Investment Report.

Derivatives contracts – Futures contracts

	Expires	Nominal value	31 Mar 2009 Assets (£ million)	31 Mar 2009 Liabilities (£ million)	31 Mar 2008 Assets (£ million)	31 Mar 2008 Liabilities (£ million)
Fixed interest – UK	3 mths	£14.4m	0.3	–	0.5	–
Fixed interest – overseas	3 mths	£3.8m	0.1	–	–	(0.6)
Fixed interest – overseas	3 mths	£13.8m	–	(0.4)	–	–
Equity Index – UK	3 mths	£0.3m	–	–	–	–
Equity Index – overseas	3 mths	£1.9m	0.1	–	0.1	–
			0.5	(0.4)	0.6	(0.6)

Derivatives contracts – Forward foreign currency contracts

Settlement date	Currency Bought	Currency Sold	31 Mar 2009 Assets (£ million)	31 Mar 2009 Liabilities (£ million)	31 Mar 2008 Assets (£ million)	31 Mar 2008 Liabilities (£ million)
1 month	£1,014.4	US\$1,479.6	–	(17.9)	–	–
1 month	£422.7	€452.0	4.0	–	–	–
1 month	£169.1	Yen 23,803.7	0.9	–	–	–
1 month	£84.5	Aus\$176.9	–	(1.1)	–	–
			4.9	(19.0)	–	–

As explained in the Investment Report, the Trustees implemented a currency hedging programme during the year to mitigate the currency risk of overseas investments relative to sterling liabilities.

Property

Property is valued in accordance with the accounting policy. The last external independent valuation took place as at 31 December 2008. All property leases are subject to rent review within five years. All direct property investments are in the UK.

AVC investments

The Fund provides the facility for members to pay Additional Voluntary Contributions (AVCs) to purchase additional benefits on a money purchase basis. The money purchase AVCs are separately invested for the benefit of individual members who can choose from a range of investment options. Members are advised individually about the value of their money purchase investments by the AVC provider. The aggregate amounts of AVC investments are as follows:

	31 Mar 2009 £ million	31 Mar 2008 £ million
Abbey National	0.7	1.0
Equitable Life	4.3	5.0
Prudential	0.7	1.3
Standard Life	2.9	3.6
Zurich Assurance	10.1	12.4
	18.7	23.3

Cash and other investment assets

	31 Mar 2009 £ million	31 Mar 2008 £ million
Cash deposits	167.1	238.8
Amounts due from brokers	93.3	7.8
Accrued income	22.3	23.2
	282.7	269.8

Cash and other investment liabilities

	31 Mar 2009 £ million	31 Mar 2008 £ million
Margin balances	(0.1)	–
Amounts due to brokers	(11.4)	(17.4)
Deferred income	(5.0)	(4.6)
	(16.5)	(22.0)

Stocklending

The Fund participates in a stock lending programme managed by the Custodian, The Northern Trust Company. The value of securities on loan at 31 March 2009 was £147.7 million in exchange for which the Custodian held collateral worth £153.5 million. The collateral consists of eligible securities and letters of credit and forms part of Northern Trust's UK Core Collateral pool.

Changes to accounting policies

As referred to in note 1, derivative contracts were previously presented using the economic exposure methodology rather than at fair value. Prior year comparatives have been restated to remove the economic exposure amounts as follows. In addition, certain cash balances previously “netted-off” are now shown gross.

	As previously reported (£ million)	Adjustment (£ million)	As restated (£ million)
Fixed interest	845.4	(1.7)	843.7
Quoted equities	1,944.4	(3.3)	1,941.1
Derivative assets	–	0.6	0.6
Derivative liabilities	–	(0.6)	(0.6)
Cash and other investment assets	242.8	27.0	269.8
Cash and other investment liabilities	–	(22.0)	(22.0)

8. Investment assets – defined contribution section

During 2007/8 the Trustees established a section of the Fund known as the Career average plan. This section is a defined benefit arrangement but members also contribute to an Investing plan managed by FIL Pensions Management, which operates on a defined contribution basis. Investments held in the Investing plan are specifically designated to individual members.

Pooled investment vehicles	31 Mar 2009 £ million	31 Mar 2008 £ million
UK managed funds		
Balance at beginning of year	–	–
Purchases at cost	2.9	–
Proceeds from sales	(0.2)	–
Change in market value	(0.3)	–
Balance at end of year	2.4	–

9. Current assets

	31 Mar 2009 £ million	31 Mar 2008 £ million
Sundry debtors	2.4	0.8

10. Current liabilities

	31 Mar 2009 £ million	31 Mar 2008 £ million
Sundry creditors	(9.8)	(10.1)

11. Commitments

At the end of the year the Fund had capital commitments relating to private equity investments of £449.2 million (31 March 2008 £341.8 million).

12. Related party transactions

During the year the Fund appointed an independent Chair who, as stated on page [8], is remunerated at a rate of £65,000 a year. During the previous year it was agreed that an honorarium of £5,000 should be paid to each Trustee who was no longer employed by the Principal Employer. Total fees paid in the year ended 31 March 2009 were £79,167. Certain Trustees receive pension benefits from the Fund as a result of service with the Employer.

Within administration costs, £7.1 million was paid to Unilever UK Central Resources Limited in respect of the services provided by Unilever UK Pensions (2007: £7.6 million).

There were no significant amounts due to/from Unilever at 31 March 2009.

Schedule of Contributions

1. Introduction

This schedule of contributions has been prepared by the Trustee to satisfy the requirements of Section 227 of the Pensions Act 2004, after obtaining the advice of Richard Whitelam, the Scheme Actuary, and after obtaining the agreement of Unilever PLC, the Principal Company. It comes into effect on the date it is certified by the Scheme Actuary and covers a five-year period from the date it is certified.

Words and expressions used in this schedule have the same meaning as in the Trust Deed and Rules of the Unilever UK Pension Fund (the UUKPF).

2. Participating Employers

This schedule covers contributions to the UUKPF from all employers who participate in the UUKPF from time to time.

3. Employer Contributions

Each participating employer will contribute in respect of its employees to the UUKPF at the rate of:

- a. From 1 February 2008, 24.1% of Pensionable Pay of active Final Salary Members less any Employee Contributions as set out in 7.a.;
- b. From 1 April 2008, 1.5% of Contribution Pay for Final Salary members who have elected to pay 5% LPI Buyback contributions under Part C Rule C1A;
- c. From 1 February 2008, 1.9% of Pensionable Pay of members of the UUKPF who are active members of the Unilever Protection Benefit Plan (UPB);
- d. From 1 February 2008, 20.5% of Covered CARE Earnings of active CARE/DC Members, plus 12.5%, or such other percentage as is provided for under the Trust Deed, Part E (the Defined Contribution Section Rules), Rule C1, of Covered DC Earnings;
- e. Contributions required in accordance with Part D, Rule H1(a) (Additional life cover for a CARE/DC member);
- f. Contributions payable in respect of members who are in Pensionable UCA Service who would otherwise be paying Voluntary contributions under Rule C2 of Part E;

- g. Whatever contributions as the Principal Company so decides in respect of Rule C1(b)(ii)(A) of Part E.

The above rates include all expenses of the UUKPF, but exclude the PPF levy, for which Unilever UK Central Resources Limited, or as the Principal Company otherwise directs, will make an additional contribution within 30 days of the Trustee requesting such payment once the levy invoice has been agreed each year.

For members seconded overseas who continue in pensionable service, contributions will be based on the most recent notional home pensionable pay figure at 1 April reported to Unilever UK Pensions Department except for members whose UUKPF benefits are materially offset by benefits earned overseas in which case no contributions are payable. Payment of contributions in respect of certain members seconded overseas may be delayed with the agreement of the Scheme Actuary.

For weekly paid members, changes in contribution rates will be introduced from the first full week of the relevant calendar year, or fund year, as the case may be.

Each participating employer will ensure that the trustees receive its contributions within 19 days of the end of the calendar month to which the contributions relate except for members seconded overseas where the contributions are quarterly and the deadline is within 19 days of the end of the calendar quarter to which the contributions relate. The date of receipt will be taken as the date on which the contributions become available for the Trustee to use.

4. Adjustments to Employer Contributions under agreed Annual Update and Re-assessment (AUR) approach

Following the UUKPF's actuarial valuation as at 31 March 2007, and in advance of the next formal valuation, the Trustee will obtain an actuarial report on developments affecting the funding level as at each intermediate anniversary of the valuation date. As well as conforming with Part 3 Pensions Act 2004, the annual update and re-assessment (AUR) may give rise to adjustments to the required employer contributions under this AUR approach, as agreed between the Principal Company and Trustee. Under this AUR approach:

- additional contributions (over and above those set out in 3 above) are payable if there is an IAS19 deficit as determined using the principles and assumptions of the Unilever group in relation to the UUKPF at the date in question, with the exception of the allowance for expenses, of up to 1/8th of the IAS19 deficit. In the event that the IAS accounting standard is revised, the AUR approach will continue to operate under the accounting standard operating as at 31 December 2007, unless agreed otherwise by the Trustees and the Principal Company.
- If an annual review shows a surplus on the IAS19 basis, but a deficit on the technical provisions basis, then the employer contributions set out in 3 above will continue to be payable, but there will be no additional contributions.
- If an annual review shows a surplus on both the IAS19 and technical provisions bases, the employer contributions set out in 3 above will be reduced or suspended.
- The timing of changes in contributions arising from the AUR, as set out above, will be agreed between the Principal Company and the Trustees and reflected in a revised Schedule of Contributions.

5. Payments to Cover Augmentations or Benefits Granted Under Part B Rule C2.

The participating employers will pay additional amounts to cover the costs of benefit augmentations or benefits granted under Part B Rule C2 as advised by the Scheme Actuary. The amounts will be paid in accordance with timescales advised by the Scheme Actuary.

6. Section 75 Debts

Where an “employer cessation event” occurs in relation to an employer participating in the UUKPF, legislation provides that the employer is liable for its share of the buy-out deficiency, determined in accordance with Section 75 of the Pensions Act 1995, at that time. This is known as a Section 75 debt and is specified in Section 75 of the Pensions Act 1995 and corresponding regulations. If an amount is determined to be payable under the application of Section 75 and the corresponding regulations, then:

- a. where it arises as a result of internal reorganisation (ie where the employees concerned remain employed by a company somewhere within the Unilever Group), the amount payable will be considered (but only for the purposes of calculating the employers’ future liability for contributions under this schedule) as advance payment of the employer contributions set out in 3 above or any additional contributions envisaged by 4 above and not an additional amount.
- b. where it arises as a result of a disposal of the employer by the Unilever Group such that the employer ceases to be within any part of the Unilever Group, the amount payable will be in addition to the employer contributions set out in 3 above or any additional contributions envisaged by 4 above.

The employer in relation to which the “employer cessation event” occurs will pay the amount payable within 30 days of being notified by the Scheme Actuary of the amount after it has been determined in accordance with Section 75 of the Pensions Act 1995.

7. Employee Contributions

Employees who are active members of the UUKPF will contribute to the UUKPF at the rate of:

- a. 5% of Contribution Pay for the period from 1 January 2008 to 31 March 2008, and 7% of Contribution Pay from 1 April 2008 for Final Salary Members, or such higher rate as the Principal Company agrees with the Contributor in question under Part C Rule C1(a);
- b. an additional 1.5% of Contribution Pay for the period from 1 January 2008 to 31 March 2008 for Final Salary Members who have elected to pay 5% LPI Buyback Contributions under Part C Rule C1A which will be deducted in the second quarter of 2008; and

Employee contributions for members set out in Rule C1(a)(iv) of either Part C or Part D (ie members who participate in the Unilever Contribution Arrangement) and members seconded overseas will be nil.

For weekly paid members, changes in contribution rates will be introduced from the first full week of the relevant calendar year or Fund year, as the case may be.

These amounts do not include members' Additional Voluntary Contributions.

The participating employers will ensure that the Trustees receive the contributions payable by their employees within 19 days of the end of the calendar month in which the contributions were deducted from the employees' salaries.

Signed on behalf of the Employers

G B St L Anderson

Capacity: Assistant Secretary

Date: 5 February 2008

Note: Unilever PLC is acting as the representative of all participating employers in this matter.

Signed on behalf of the Scheme's Trustees

A Rowell

Capacity: Secretary

Date: 5 February 2008

Date of schedule: 5 February 2008

Actuarial Certification

of the Schedule of Contributions

Name of scheme: Unilever (UK) Pension Fund (UUKPF)

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2007 to be met by the end of the period specified in the recovery plan dated 5 February 2008.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 5 February 2008.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were wound up.

R J Whitelam

Date: 5 February 2008

Qualification: Fellow of the Institute of Actuaries

Address: 6 More London Place, London SE1 2DA

Name of employer: Hewitt Bacon & Woodrow Ltd

Independent Auditors' Statement

about Contributions to the Trustees of the Unilever UK Pension Fund

We have examined the Summary of Contributions to the Unilever UK Pension Fund for the year ended 31 March 2009 that is set out on the following page.

Respective responsibilities of Trustees and auditors

The Trustees' responsibilities for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to provide a statement about contributions to the Fund in accordance with relevant legislation and to report our opinion to you. This report, including the statement about contributions, has been prepared for and only for the Fund's Trustees as a body in accordance with Section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this statement, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Basis of statement about contributions

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that contributions reported in the summary on the following page have been paid in accordance with the relevant requirements. For this purpose the work that we carried out included examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund and the timing of those payments under the Schedule of Contributions. Our statement about contributions is required to refer to those breaches of the Schedule of Contributions that we consider to be material for this statement and which come to our attention in the course of our work.

Statement about contributions to the Fund

In our opinion, the contributions payable to the Fund required by the Schedule of Contributions during the year ended 31 March 2009 as reported in the Summary of Contributions on the following page have in all material respects been paid in accordance with the Schedule of Contributions certified by the Actuary on 5 February 2008.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

October 2009

Summary of Contributions payable

for the year ended 31 March 2009

During the year, the contributions payable to the Fund were as follows:

	Members £ million	Employer £ million
<i>Required by the Schedule of Contributions</i>		
Normal	0.3	59.3
Deficit contributions	–	110.0
Deficit contributions – Part time workers	–	1.9
Deficit contributions – Section 75	–	0.2
Additional contributions	–	8.2
Augmentation	–	1.8
Total	0.3	181.4
<i>Other contributions payable</i>		
Additional	–	200.0
Additional voluntary contributions	1.8	–
Total reported in Fund Account	2.1	381.4

Signed on behalf of the Trustees:

E Airey
Chairman

A Rowell
Secretary

October 2009

Membership statistics

	2008/09	2007/08
Final salary ordinary active members:		
Normal contributory members at 1 April	6,817	7,193
(Less)/plus adjustments from opening position ¹	(32)	18
New members	7	431
New members (returning from the EU)	17	25
Members becoming EU expats	(9)	(13)
Members leaving service taking a refund of contributions	(62)	(114)
Members leaving service or opting-out and preserving benefits	(531)	(546)
Members becoming Career average active	(52)	–
Members becoming UPB active	(5)	(3)
Retirements at or before normal retirement age	(288)	(165)
Deaths	(4)	(9)
Number at 31 March	5,858	6,817
Final salary UPB active members:		
UPB active members at 1 April	40	46
Normal contributory members who became UPB active members	5	3
New members returning from the EU	1	4
New members	4	–
Members leaving service and preserving benefits	(1)	(2)
Retirements at or before normal retirement age	(8)	(8)
Deaths	(1)	–
Other adjustments ²	–	(3)
Number at 31 March	40	40
Career average active members:		
Career average Active members at 1 April	82	–
Plus adjustments from opening position ¹	21	–
New members	536	83
New members from Final salary plan	52	–
Members leaving service taking a refund of contributions	(24)	(1)
Members leaving service and preserving benefits	(9)	–
Number at 31 March	658	82

Membership statistics continued

	2008/09	2007/08
Final salary ordinary deferred pensioners:		
Deferred pensioners at 1 April	41,331	42,999
Less adjustments from opening position ¹	(55)	–
New leavers with preserved benefits	531	546
Transfers out	(74)	(67)
Retirements	(1,611)	(1,855)
Deaths	(67)	(65)
Commutations and refunds	(2)	–
Active members becoming deferred when became EU expats	9	13
Deferred members returning to active status on leaving the EU	(17)	(25)
Deferred members returning to/becoming UPB active status on leaving the EU	(1)	(4)
Other adjustments ²	–	(211)
Number at 31 March	40,044	41,331
Final salary UPB deferred pensioners:		
UPB deferred pensioners at 1 April	4	2
New leavers with preserved benefits	1	2
Other adjustments ²	1	–
Number at 31 March	6	4
Career average deferred pensioners:		
Deferred pensioners at 1 April	–	–
New leavers with preserved benefits	9	–
Number at 31 March	9	–

	2008/09	2007/08
Final salary and Career average pensioners:		
Pensioners at 1 April	44,271	44,418
Less adjustments from opening position ¹	–	–
New retirements	1,907	2,028
New spouses	628	622
New dependants	6	6
New children	18	26
Deaths	(2,047)	(2,025)
Termination of child pensions	(37)	(37)
Other terminations / cessations	(656)	(716)
Other adjustments ²	(10)	(51)
Number at 31 March	44,080	44,271

¹ These relate to movements with an effective date before 1 April 2007, but because of pipeline delays they were processed after the accounts for last year were finalised.

² These adjustments are mainly the result of a data tidying exercise that was carried out during the year.



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