Unilever United States, Inc.

Non-Consolidated Financial Statements

December 31, 2013 and 2012 and January 1, 2012

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Independent Auditor's Report

To the Management of Unilever United States, Inc.

We have audited the accompanying non-consolidated financial statements of Unilever United States, Inc., which comprise the non-consolidated statements of financial position as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related non-consolidated statements of income (loss), of comprehensive income (loss), of changes in equity and of cash flows for the years ended December 31, 2013 and December 31, 2012.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the non-consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of Unilever United States, Inc. at December 31, 2013, December 31, 2012 and January 1, 2012, and the results of its operations and its cash flows for the years ended December 31, 2013 and December 31, 2012, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

PricewaterhouseCoopers LLP

April 4, 2014

Unilever United States, Inc.
Non-Consolidated Statements of Financial Position
December 31, 2013 and 2012 and January 1, 2012

	$ thousands		
	December 31,		January 1,
	2013	**2012**	2012
Assets			
Non-current assets:			
Prepaid expenses (12)	1,701	3,581	7,252
Investments in subsidiaries (3)	29,374,753	29,229,392	29,106,647
Funds in escrow (9,15)	-	6,544	6,544
Deferred taxes (7)	46,601	55,415	53,022
Total non-current assets	29,423,055	29,294,932	29,173,465
Current assets:			
Cash and cash equivalents (9)	130	221	344
Investment in equity shares of Ultimate Parent (9,10)	1,675	272	937
Prepaid expenses (12)	15,563	15,087	3,223
Net amounts due from Unilever Group affiliates (8)	9,594	9,542	16,433
Other current assets	29	881	219
Total current assets	26,991	26,003	21,156
Total assets	29,450,046	29,320,935	29,194,621
Liabilities and Equity			
Equity: (13)			
Called up share capital	1	1	1
Share premium	1,341,561	1,341,561	1,341,561
Retained earnings	20,243,048	21,845,410	23,141,646
Total equity	21,584,610	23,186,972	24,483,208
Non-current Liabilities:			
Liabilities to employee benefit plans (5)	70,522	86,348	87,828
Liabilities for share-based compensation (6)	38,583	44,825	29,340
Other	6	1,367	1,366
Total non-current liabilities	109,111	132,540	118,534
Current liabilities:			
Trade and other payables (14)	45,308	46,823	17,591
Provisions (15)	2,575	847	1,013
Liabilities to employee benefit plans (5)	8,171	7,933	11,202
Other payables	506	908	510
Liabilities for share-based compensation (6)	17,586	20,758	28,649
Net amounts due to Unilever Group affiliates (8)	5,629	3,401	3,743
Net amounts due to UNUS Group affiliates (8)	7,676,550	5,920,753	4,530,171
Total current liabilities	7,756,325	6,001,423	4,592,879
Total liabilities and equity	29,450,046	29,320,935	29,194,621

The accompanying notes form an integral part of these financial statements.

Unilever United States, Inc.
Non-Consolidated Statements of Income (Loss)
Years Ended December 31, 2013 and 2012

	$ thousands	
	2013	**2012**
Management operations:		
Income (expense), net of rebilling (8)	(9,164)	(10,288)
Finance income (expense):		
Interest on intercompany debt (8)	(252,156)	(141,619)
Dividend income from affiliate (8)	-	884,418
Other investment income	9	33
Interest on benefit plans (5)	(3,628)	(3,339)
Other interest expense	(546)	-
	(256,321)	739,493
(Loss) income before taxes	(265,485)	729,205
Income tax expense (benefit) (7)	(99,995)	(57,659)
Net (loss) income	(165,490)	786,864

The accompanying notes form an integral part of these financial statements.

Unilever United States, Inc.
Non-Consolidated Statements of Comprehensive Income (Loss)
Years Ended December 31, 2013 and 2012

	$ thousands	
	2013	**2012**
Net (loss) income	(165,490)	786,864
Items that will not be reclassified to income:		
Actuarial gains on benefit programs, net of tax of $5.1 million in 2013 and $.79 million in 2012	8,828	1,318
Comprehensive (loss) income	(156,662)	788,182

The accompanying notes form an integral part of these financial statements.

Unilever United States, Inc.
Non-Consolidated Statements of Changes In Equity
Years Ended December 31, 2013 and 2012

	$ thousands			
	Total	Share Capital	Share Premium	Retained Earnings
Equity, January 1, 2012	24,483,208	1	1,341,561	23,141,646
Comprehensive income	788,182	-	-	788,182
Dividends declared	(2,084,418)	-	-	(2,084,418)
Equity, December 31, 2012	23,186,972	1	1,341,561	21,845,410
Comprehensive loss	(156,662)	-	-	(156,662)
Dividends declared	(1,445,700)	-	-	(1,445,700)
Equity, December 31, 2013	21,584,610	1	1,341,561	20,243,048

The accompanying notes form an integral part of these financial statements.

Unilever United States, Inc.

Non-Consolidated Statements of Cash Flows

Years Ended December 31, 2013 and 2012

	$ thousands	
	2013	**2012**
Cash flows from operating activities:		
Net (loss) income	(165,490)	786,864
Dividend income	-	(884,418)
Income tax (benefit)	(99,995)	(57,659)
Post employment benefits	6,337	8,560
Share-based payments	10,700	24,300
Interest expense	256,330	144,958
Interest paid	(546)	-
Changes in assets and liabilities:		
Prepaid expenses	1,404	(8,193)
Net amounts due from Unilever Group affiliates	2,176	6,549
Other current assets	852	(661)
Accounts payable	(969)	29,232
Provisions	1,728	(166)
Liabilities for share-based compensation	(20,114)	(16,706)
Other payables	(1,761)	399
Liabilities to employee benefit plans	(7,932)	(11,203)
Cash (used) provided by operating activities	(17,280)	21,856
Cash flows from investing activities:		
Investment in equity securities of Ultimate Parent	(42,946)	(67,603)
Funds in escrow	6,544	-
Dividend income	-	884,418
Cash (used) provided by investing activities	(36,402)	816,815
Cash flows from financing activities:		
Dividend to Unilever Group	(1,445,700)	(2,084,418)
Net borrowings from UNUS Group affiliates	1,499,291	1,245,624
Cash provided (used) by financing activities	53,591	(838,794)
Net change in cash and cash equivalents	(91)	(123)
Cash and cash equivalents:		
Beginning of year	221	344
End of year	130	221

The accompanying notes form an integral part of these financial statements.

1. Presentation and Organization

The accompanying financial statements of Unilever United States, Inc. ("UNUS" or the "Company") represent the separate (non-consolidated) financial statements of the Company pursuant to the exemption afforded under paragraph 4a of International Financial Reporting Standard ("IFRS") 10 – *Consolidated financial statements*.

The Company is a wholly owned subsidiary of UNUS Holding BV (incorporated in the Netherlands) which itself is an indirect, wholly-owned, joint subsidiary of Unilever N.V. (incorporated in the Netherlands) and Unilever PLC (incorporated in the United Kingdom) (collectively referred to as the "Unilever Group" or "Ultimate Parent") whose consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are available at Unilever N.V. Investor Relations Department, Weena 455, PO Box 760, 3000 DK Rotterdam, The Netherlands. The Company is incorporated and domiciled in the United States.

The Unilever Group is one of the world's largest suppliers of fast moving consumer goods. It manufactures, markets and sells products in the food, personal care and household products industries throughout the world. The Unilever Group conducts its business in the United States primarily through Conopco, Inc. ("Conopco"), an entity wholly-owned by UNUS. Unilever Capital Corporation ("UCC"), another wholly owned subsidiary of the Company, provides financing for Unilever Group's United States operations.

As a holding company, UNUS provides management services to its operating subsidiaries (collectively the "UNUS Group") and facilitates communications and the flow of information between those subsidiaries and other entities within the Unilever Group.

These separate financial statements have been prepared in accordance with IFRS 1 – *First-time Adoption of International Financial Reporting Standards* (Note 2.)

2. Accounting Information and Policies

Accounting standards

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The functional and reporting currency is the United States dollar.

Basis of preparation

The separate financial statements have been prepared on the historical cost basis unless otherwise indicated.

Dividend income

The Company's primary source of income is dividends from Conopco. These are recognized in the statement of income (loss) when the Company's right to receive payment has been established, which is generally when the dividend has been declared. However, to the extent a distribution is considered a return of capital the carrying value of the Company's investment is reduced. There were no distributions in 2013 or 2012 that represent a return of capital.

Financial asset
The Company's financial asset consists of an investment in shares of the Ultimate Parent. The Company acquires Unilever N.V. shares and Unilever PLC American Depository Receipts ("ADRs") to satisfy obligations under share-based compensation programs in the near term. These equity securities are classified at fair value through profit and loss.

Cash and cash equivalents
Cash and cash equivalents are financial assets and include deposits, investments in money market funds and highly liquid investments that have are the following characteristics:

- Are readily convertible into cash
- Have an insignificant risk of change in value and
- Have a maturity of three months or less at acquisition

Estimates
The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, and expenses and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and judgments are evaluated continuously and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in applicable subsequent periods.

Significant estimates and judgments involved in the preparation of these financial statements include the following:

- the measurement of defined benefit obligations and assets and the allocation thereof to subsidiaries
- allocation of income tax obligations to subsidiaries
- the fair value measurement of the investment in Conopco
- the measurement of share-based compensation and the allocation thereof to subsidiaries

Share-based compensation
The Company purchases shares of its Ultimate Parent (Unilever N.V. shares and Unilever PLC ADRs) to settle share based compensation awards and therefore considers its award programs to be cash-settled plans in these separate financial statements. Accordingly, compensation expense determined under share-based compensation plans is adjusted at the end of each reporting period through profit and loss to reflect the fair value of the related liability.

Pensions and similar obligations
The Company sponsors one funded defined benefit pension plan and several unfunded defined pension and welfare benefit plans for its employees and the employees of its subsidiaries. The most significant plans are open to substantially all employees and are subject to the provisions of the Employment and Retirement Services Act of 1974 ("ERISA"). ERISA sets general and specific standards regarding requirements including, but not limited to plan participation, minimum funding, and participant vesting. In addition, the significant plans are subject to provisions of the Internal Revenue Code governing deductibility of plan contributions and the exemption of plan trusts from income tax.

The operating and financing components related to defined benefit plans are recognized separately in the statement of income (loss). Operating costs (service costs) represent the cost of accruing benefits to employees during the year plus the cost of other events such as plan amendments involving enhanced benefits for prior service or termination and curtailments. The amount charged or credited to finance costs is a net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset. Differences between the interest on assets and return actually achieved and any changes in the liabilities over the year due to changes in assumptions or experience within the plans are recognized immediately in the statement of comprehensive income (loss).

The liabilities to employee benefit plans in the statement of financial position are comprised of the present value of the defined benefit plan obligation (determined using the projected unit credit method) allocable to UNUS. That liability is discounted using rates based on high quality corporate bonds less the fair value of plan assets allocable to UNUS. All of the Company's defined benefit plans are subject to annual independent actuarial valuations prepared as of the reporting date.

With respect to defined contribution plans, the Company records an expense in the statement of income (loss) equal to its contribution payable to each plan. The Company's obligation under defined contribution plans is limited to the amounts required to be contributed each year. The assets and liabilities of defined contribution plans are not reflected in these financial statements.

Income taxes

The Company files its tax returns on a consolidated basis with the UNUS Group for federal purposes. Income taxes reflected in these financial statements are determined using the separate return method. Under this method, the Company is assumed to file a separate return with the taxing authorities. The Company's current provision is the amount of tax payable or refundable based on its hypothetical, current-year separate return. The rules followed by the Company in computing its tax or refund are the same as those it would follow when filing a separate return with the taxing authorities.

Income taxes are comprised of current and deferred tax. Current taxes are based on the enacted and substantially enacted tax rates and are recognized in the statement of income (loss) except to the extent that they relate to items recognized directly in equity. Current tax benefit may also include adjustments to amounts recorded for tax assets and liabilities in prior years.

The Company recognizes deferred taxes on its temporary differences and on any carryforwards that it could claim on its hypothetical return except to the extent benefits are not expected to be utilized by the consolidated UNUS Group. The Company also assesses the need for a valuation allowance on the basis of its projected separate return results. Deferred taxes are based on the expected manner of realization or settlement using tax rates enacted as of the fiscal year end. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax is related to the same regulatory authority. Deferred taxes are not provided on temporary differences related to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation is available. Provisions are discounted if the effect is material to the financial statements. No provisions were discounted in these financial statements.

New accounting pronouncements

IAS 19 – *Employee Benefits (revised)* is effective January 1, 2013. This accounting pronouncement changes certain disclosure requirements for post-employment benefit plans and restricts the number of accounting options available to defined benefit pension plans. The return on pension plan assets and finance charge have been replaced by a net interest expense or income calculated by applying the liability discount rate to the net defined benefit liability. Administration costs by pension funds will now be recognized as an expense when the administrative services are performed. These changes haves been incorporated into the December 31, 2012 pension liability amounts and the pension expense for the year then ended.

IAS 1 – *Presentation of Financial Statements* - was amended effective January 1, 2013 to require that items of other comprehensive income that will likely reverse in future periods be presented separately from those items that will not reverse in future periods. This change has been incorporated into the financial statements.

IFRS 12 - *Disclosures of Interests in Other Entities*, effective January 1, 2013, requires enhanced disclosures of the nature, risks and financial effects associated with interests in subsidiaries. IFRS 12 is not applicable to the Company's separate financial statements.

IFRS 13 - *Fair value measurement* explains how to measure fair value and enhances fair value disclosures. The standard does not significantly change the measurement of fair value but codifies it in one place.

IFRS 10 - *Consolidated financial statements* replaces previous guidance on control and consolidation.

Amendments to IFRS 7 - *Financial instruments: Disclosures* introduces new disclosures of information about the significance of financial instruments to an entity.

Amendments to IAS 16 - *Property, plant and equipment* explains that servicing equipment is not classified as inventory when used for more than one year. IAS 16 is not applicable to the preparation of these financial statements.

IFRS 11 - *Joint arrangements* requires joint arrangements to be accounted for as a joint operation or as a joint venture. IFRS 11 is not applicable to these financial statements.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014 and have not been applied in preparing these separate financial statements. None of these are expected to have a significant effect on the separate financial statements of the Company.

First Time adoption of IFRS
These financial statements reflect the adoption and application of IFRS 1 – *First-time Adoption of International Financial Reporting Standards*. Previously, the Company has not prepared separate financial statements for any period under any financial reporting framework. The Company's transition date to IFRS is January 1, 2012 and its first reporting date is December 31, 2013. All IFRS in effect on the reporting date have been utilized in the preparation of the financial statements for the years ended December 31, 2013 and 2012 and in the opening balance sheet as of January 1, 2012. The Company has utilized the following exemptions, available to it under IFRS 1, to apply certain requirements only with effect from the date of transition:

Investments in subsidiaries
The Company has elected to use fair value as of the date of transition as deemed cost to account for its investment in Conopco.

3. Investments in Subsidiaries

Following is a summary of the Company's investments in wholly-owned subsidiaries as of December 31, 2013 and 2012:

	Country	Principal	$ thousands		
	Of	Place of	December 31,		January 1,
Subsidiary	Incorporation	Business	2013	2012	2012
Conopco, Inc.	U.S.	U.S.	29,371,306	29,225,945	29,103,200
UCC	U.S.	U.S.	3,447	3,447	3,447
			29,374,753	29,229,392	29,106,647

The carrying value of UCC is historical cost. UCC provides financing for all entities within the UNUS Group. It has no other independent operations.

The carrying value of the Company's investment in Conopco is at deemed cost based on its fair value as of January 1, 2012 (date of transition to IFRS). Fair value was determined by management using an independent valuation specialist using both the discounted cash flow and comparable market company approaches with equal weighting given to each technique. The weighted average fair value of the Company so determined ($22.6 billion) was reduced by the carrying value of Conopco's outstanding debt ($12.9 billion) and increased by the fair value of its interest ($19.3 billion) in redeemable preferred shares (the "preferred shares") of Mixhold B.V., a subsidiary of the Ultimate Parent. During the years ended December 31, 2013 and 2012 the Company acquired equity shares of its Ultimate Parent, which were then provided to employees of Conopco, of $41.7 million and $68.3 million, respectively. The contribution of such amounts is not recovered from Conopco, and as such is treated as increases to the Company's investment in Conopco. In addition, during the years ended December 31, 2013 and 2012 the Company generated income tax receivables of $103.6 million and $54.5 million, respectively, which are used to offset income taxes payable by Conopco in the Company's consolidated income tax returns. Those income tax receivables are not recovered from Conopco, and as such are treated as increases to the Company's investment in Conopco.

Conopco is the Company's operating subsidiary; substantially all of the UNUS Group revenues are generated through it. Significant inputs used in the discounted cash flow and market approach to determine the deemed cost as of January 1, 2012 were as follows:

Input	Factor
Discounted cash flows:	
Discount rate	8.50%
Weighted average cost of capital	8.50%
Long-term growth rate	3.00%
Market approach:	
EBITDA multiple	11.0-11.50
Control premium	20%

The significant unobservable inputs in the fair value measurement of Conopco using the discounted cash flow method were the discount rate, the long-term growth rate and the estimated future cash flows. An increase (decrease) in the discount rate would result in a decrease (increase) in the estimate of value. An increase (decrease) in the growth rate and the estimated future cash flows would result in a directionally similar change in the estimate of value.

The significant unobservable inputs in the fair value measurement of Conopco using the market approach are the EBITDA multiple and the control premium. An increase (decrease) in both of these inputs would have a directionally similar change in the estimate of value.

The value of Conopco's investment in various classes of the preferred shares of Mixhold B.V. was determined by applying specific discount rates to the future cash flows of each class of the preferred shares. Discount rates ranged from 3.77% to 4.23% and were determined based on the estimated yield of the preferred stock commensurate with the years to maturity.

During the year ended December 31, 2012 the Company received dividends totaling $884 million from Conopco. No dividends were received in 2013.

4. Compensation

Staff and management costs for the years ended December 31, 2013 and 2012 consist of the following:

	$ thousands	
	2013	2012
Staff costs:		
Remuneration of employees	28,900	32,637
Social Security	2,967	3,183
Post-employment benefits	3,267	2,489
Share-based payments	8,407	21,750
	43,541	60,059
Key management compensation:		
Salaries and short-term benefits	9,633	10,106
Post-employment benefits	199	231
Share-based payments	2,308	2,556
	12,140	12,893

Key management includes members of the Executive leadership team and other (executive and non-executive) company officers. The above compensation is presented in the statement of income (loss) within income (expense), net of rebilling. All compensation, with the exception of share-based payments, is rebilled to affiliates.

5. Post Retirement Benefit Plans

Defined benefit plans

General

The Company sponsors pension and welfare benefit plans for both its employees and the employees of its subsidiaries under six pension plans and two welfare benefit plans. The Company's primary postretirement benefit plan is the Unicare Retirement Plan which is also the only funded postretirement benefit plan. It is the Company's policy is to contribute the minimum required contribution and comply with applicable U.S. law. The Company may increase its contribution above the minimum if appropriate to its tax and cash position and the funded position of the plan. The Company has a stated policy of allocating net defined benefit cost among UNUS Group entities based on the ratio that the pensionable salaries of an individual employer bears to the pensionable salaries of all employers under the plan.

Benefits under pension plans are generally determined based on years of service and pensionable remuneration. Benefits under welfare benefit plans, including post-retirement healthcare plans, are defined in the plan documents.

The Company serves as the entity for the recording of the UNUS Group's defined benefit pension and welfare obligations in order to report the UNUS Group's financial position and results of operations to Unilever Group. For purposes of preparing these separate financial statements, the UNUS Group's pension liabilities as of January 1, 2012 have been allocated to its subsidiaries based on the ratio of the benefit obligations related to the subsidiaries' employees (current and retired), to the total of all benefit obligations under the plan.

For the years ended December 31, 2013 and 2012 the defined benefit cost related to these plans was based on the ratio of pensionable salaries in UNUS to the total of all pensionable salaries in the plans.

Investment strategy

The Company follows Unilever Group policy guidelines with respect to the investment of pension assets. Those guidelines require the allocation of plan assets to various classes of investments with the goal of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost of the plans to the Company. The diversification of plan assets is such that the failure of a single investment would not impact the overall level of plan assets. The plan continues to invest a significant proportion of assets in equities which offer the best returns over the long run commensurate with an acceptable level of risk. The plans expose the Company to investment risk, interest rate risk, and longevity risk. In order to mitigate such risks the plan also has significant investments in bonds and other alternative investments.

Plan assumptions

The following represent the significant assumptions in the determination of the benefit obligation under the Company's pension and other post-retirement plans as of December 31, 2013 and 2012:

	2013	2012
Discount rate	3.80%	3.90%
Inflation	2.30%	2.30%
Rate of salary increase	3.50%	3.50%
Long-term medical care rate	5.00%	5.00%
Number of years a current pensioner is expected to live past 65		
Men	20.40	19.03
Women	22.68	20.93
Number of years a future pensioner currently aged 45 is expected to live past 65		
Men	20.89	20.60
Women	23.22	22.48

Mortality assumptions are based on the table RP-2000.

Valuations of other post-employment benefit plans assume a higher initial level of medical cost inflation, which drops from 7 percent to the long-term rate of 5 percent within 5 years. Healthcare cost trend assumptions can have a significant impact on the amounts reported for healthcare plans. A one percentage point change in the assumed healthcare cost trend rates would have the following impact:

	$ millions	
	1% increase	1% decrease
Effect on total of interest and service cost components	1	(1)
Effect on total benefit obligation	2	(3)

Changes in key assumptions used in the determination of pension liabilities can also significantly impact reported amounts for pension plans. Following is a summary of the effect on reported amounts of a change on key assumptions of a one-half percentage:

	Change in assumptions	Impact on liabilities
Discount rate	Increase/decrease by .05%	Decrease/increase by 5%
Inflation rate	Increase/decrease by .05%	Increase/decrease by 2%

Statement of income (loss)

Net defined benefit cost of the plans charged to the statement of income (loss) for the Company and for the plans as a whole for the years ended December 31, 2013 and 2012 are as follows:

	$ thousands			
	Company		The Plans	
	2013	2012	2013	2012
Charged to operating profit:				
Current service cost	4,109	5,221	51,854	59,707
Special termination benefits	-	-	3,237	-
Past service cost	(1,400)	-	(31,139)	2,599
Settlements/curtailments	-	-	(16,890)	(2,478)
Total operating costs	2,709	5,221	7,062	59,828
Finance costs	3,628	3,339	38,332	23,666

Statement of comprehensive income (loss)
Net defined benefit cost of the plans charged to comprehensive income (loss) for the Company and for the plans as a whole for the years ended December 31, 2013 and 2012 are as follows:

	$ thousands			
	Company		The Plans	
	2013	2012	2013	2012
Return on plan assets excluding amounts included in net finance cost	2,472	6,616	44,509	132,036
Experience gains	867	911	49,601	24,969
Changes in assumptions	10,654	(5,421)	233,054	(148,644)
Net actuarial gain recognized in comprehensive income	13,993	2,106	327,164	8,361

Statement of financial position

The assets, liabilities and deficit position of pension and other post-employment benefit plans at December 31, 2013 and 2012 related to the Company's participation in such plans are as follows:

	$ thousands			
	2013		2012	
	Pension Plans	Other Post-employment Benefit Plans	Pension Plans	Other Post-employment Benefit Plans
Principal plan assets:				
Equities	31,155	-	36,063	-
Bonds	39,221	-	27,766	-
Other	4,472	-	15,876	-
	74,848	-	79,705	-
Present value of liabilities:				
Principal plans	75,695	13,372	90,958	13,748
Other plans	64,474	-	69,280	-
	140,169	13,372	160,238	13,748
Pension liability net of assets	65,321	13,372	80,533	13,748
Funded plans in deficit	847	-	11,253	-
Unfunded Plans	64,474	13,372	69,280	13,748
	65,321	13,372	80,533	13,748

The assets, liabilities and deficit position of pension and other post-employment benefit plans at December 31, 2013 and 2012 related to the Plan as a whole are as follows:

	$ thousands			
	2013		2012	
	Pension Plans	Other Post-employment Benefit Plans	Pension Plans	Other Post-employment Benefit Plans
Principal plan assets:				
Equities	619,563	-	715,108	-
Bonds	779,966	-	550,586	-
Other	88,937	-	314,806	-
	1,488,466	-	1,580,500	-
Present value of liabilities:				
Principal plans	1,505,317	471,171	1,843,985	558,776
Other plans	180,700	7,883	196,807	10,068
	1,686,017	479,054	2,040,792	568,844
Pension liability net of assets	197,551	479,054	460,292	568,844
Funded plans in deficit	16,851	-	263,485	-
Unfunded Plans	180,700	479,054	196,807	568,844
	197,551	479,054	460,292	568,844

The assets, liabilities and deficit position of pension and other post-employment benefit plans at January 1, 2012 related to the Company and the Plan as a whole are as follows:

	$ thousands			
	The Company		The Plans	
	Pension Plans	Other Post-employment Benefit Plans	Pension Plans	Other Post-employment Benefit Plans
Principal plan assets:				
Equities	35,947	-	710,583	-
Bonds	42,103	-	832,268	-
Other	1,055	-	20,843	-
	79,105	-	1,563,694	-
Present value of liabilities:				
Principal plans	91,339	14,911	1,805,524	562,633
Other plans	71,885	-	210,002	9,856
	163,224	14,911	2,015,526	572,489
Pension liability net of assets	84,119	14,911	451,832	572,489
Funded plans in deficit	12,234	-	241,830	-
Unfunded Plans	71,885	14,911	210,002	572,489
	84,119	14,911	451,832	572,489

As of December 31, 2013 the Plan's investment in equity shares of the Ultimate Parent totaled $190 thousand. As of December 31, 2013 the Company's share of the investment in equity shares of the Ultimate Parent totaled $10 thousand. The Plan had no investment in financial instruments of the Ultimate Parent as of December 31, 2012 or January 1, 2012.

Reconciliation of changes in assets and liabilities

Changes in the assets and liabilities of the Plan related to the Company's participation in the plan are as follows:

	$ thousands			
	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Balance, January 1	79,705	173,986	79,105	178,135
Current service cost	-	4,109	-	5,221
Special termination benefits	-	-	-	-
Past service costs	-	(1,400)	-	-
Settlements/curtailments	-	-	-	-
Interest income	2,844	-	3,764	-
Interest costs	-	6,472	-	7,102
Actuarial gain/(loss)	2,472	(11,521)	6,616	4,510
Employer contributions	7,932	-	11,202	-
Benefit payments	(18,105)	(18,105)	(20,982)	(20,982)
Balance, December 31	74,848	153,541	79,705	173,986

Changes in the assets and liabilities of the Plan as a whole are as follows:

	$ thousands			
	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Balance, January 1	1,580,500	2,609,636	1,563,694	2,588,015
Current service cost	-	51,854	-	59,707
Special termination benefits	-	3,237	-	-
Past service costs	-	(31,139)	-	2,599
Settlements/curtailments	-	(16,890)	-	(2,478)
Interest income	56,197	-	73,809	-
Interest costs	-	94,529	-	97,475
Plan mergers	-	-	-	7,733
Actuarial gain/(loss)	44,509	(282,655)	132,036	123,675
Employer contributions	70,761	-	78,051	-
Benefit payments	(263,501)	(263,501)	(267,090)	(267,090)
Balance, December 31	1,488,466	2,165,071	1,580,500	2,609,636

Cash Flow

The Company's cash flow related to pensions and other post–employment benefits includes contributions to its funded plan and benefits paid under unfunded plans. Amounts paid in 2013 and 2012 as well as an estimate for amounts to be paid in 2014 related to the Company's participation in the plans are as follows:

	$ thousands		
	(Estimate) 2014	2013	2012
Company contributions to funded plans:			
Defined benefit	-	-	-
Defined contribution	2,310	2,337	1,948
Benefits paid under unfunded plans	8,171	7,932	11,202
Cash flow	10,481	10,269	13,150

Amounts paid in 2013 and 2012 as well as an estimate for amounts to be paid in 2014 related to the Plan as a whole are as follows:

	$ thousands		
	(Estimate) 2014	2013	2012
Company contributions to funded plans:			
Defined benefit	-	-	-
Defined contribution	50,100	50,100	49,522
Benefits paid under unfunded plans	72,872	70,761	78,051
Cash flow	122,972	120,861	127,573

The Company's principal defined benefit pension plan was closed to new participants in 2007. In 2012 the benefits of certain plan participants were frozen. The benefits of most of the remaining plan participants will be frozen in 2017.

Defined contribution plan

The Company operates the UNICare Savings Plan (the "Plan"), a defined contribution plan open to eligible employees of UNUS Group except employees located in Puerto Rico and employees covered by a collective bargaining agreement. The Plan is a qualified retirement plan under section 401(a) of the Internal Revenue Code of 1986 and is subject to the provisions of the Employee Retirement and Income Security Act of 1974.

Under the Plan the Company matches employee elective deferrals on a sliding scale based on the individual employee's participation status in the Company's primary defined benefit pension plan. In addition, the Company makes a non-elective contribution equal to 4% of compensation for all eligible employees employed after January 1, 2007, whether or not they make elective deferrals to the Plan. The Company's matching and non-elective contributions for the years ended December 31, 2013 and 2012 were $2.5 million and $2.1 million, respectively and as of those dates amounts owed to the Plan, included in accounts payable and accrued expenses, totaled $129 thousand and $154 thousand, respectively. As of January 1, 2012 the amount owed to the Plan was $166 thousand. It is the Company's policy to fund the Plan on a current basis.

6. Share-based Payments

The Company has several share-based programs and one share option program for UNUS Group employees which are covered by the Unilever North America 2002 Omnibus Equity Compensation Plan as amended in November 2012. The Omnibus Plan provides for the granting of options on up to 121.5 million Unilever N.V (New York Registry) shares, 117.9 million shares of Unilever PLC ADRs, 6 million ordinary shares of Unilever N.V and 1.3 million ordinary shares of Unilever PLC (collectively, the "Shares") to key UNUS Group employees. The Company purchases shares of Unilever N.V. and Unilever PLC ADRs to satisfy its share-based compensation program obligations and as of December 31, 2013 held 33.1 thousand Unilever N.V. shares (5.6 thousand shares at December 31, 2012 and 15.4 thousand shares at January 1, 2012) and 8.4 thousand Unilever PLC ADRs (1.5 thousand ADRs at December 31, 2012 and 12.4 thousand ADRs at January 1, 2012.) For the years ended December 31, 2013 and 2012 share-based compensation expense totaled $10.7 million and $24.3 million, respectively. As of December 31, 2013 and 2012 and January 1, 2012 liabilities related to share-based compensation plans totaled $56.2 million, $65.6 million and $58 million, respectively.

Performance share programs

Global Performance Share Program ("GPSP")

The GPSP, together with its predecessor plan, the North American Performance Share Program, provides for the granting of Share awards to qualified employees within certain manager classes which vest over a three year performance period at levels ranging from 0 percent to 200 percent of a target award depending upon the achievement of specific performance conditions. The North American Performance Share Program terminated in 2013.

Generally awards are made annually covering the year of the grant and the subsequent two years. Shares are issued at the end of each three-year performance period based on actual performance versus the pre-established criteria. Individuals receive the shares issued only if they remain eligible at the end of the three year performance period. Performance metrics of the GPSP relate to sales growth, operating cash flow and core operating margin improvement. Certain employees may elect to defer the payment of vested shares until retirement. Awards are settled in Unilever NV shares and Unilever PLC ADRs in the year following the year in which the awards vest. However, the Company may elect to settle awards under the GPSP in cash.

Global Share Incentive Program ("GSIP")
The GSIP, which operates in a manner very similar to the GPSP, is limited to certain executives. Share awards vest over a three year period at levels ranging from 0% to 200% of a target award depending on the achievement of specific performance conditions. Performance metrics for the GSIP program include those of the GPSP program as well as one additional metric – total shareholder return. Under the GSIP employees have more flexibility with respect to selecting the type of Shares to be received. Awards are settled in Unilever NV shares and Unilever PLC ADRs in the year following the year in which the awards vest. However, the Company reserves the right to settle the Shares in cash.

Management Co-Investment Program ("MCIP")
The MCIP, together with its predecessor plan, the Employee Share Bonus Program ("ESBP"), allows certain employees who are eligible to participate in the GPSP and GSIP to invest up to 60 percent of their annual bonus in Shares (the "Investment Shares"), for which they are immediately vested. Under the MCIP the Company matches each Investment Share with up to one additional Share (the "Match Shares"). Each employee's right to receive Match Shares is subject to a three year vesting period and the achievement of specific performance conditions. The number of match Shares awarded can range from 0 percent to 200 percent of the target award.

MCIP participants who either are, or eligible to be, participants of the GPSP are subject to the GPSP performance conditions. MCIP participants who either are or are eligible to be participants of the GSIP are subject to the GSIP performance conditions. Match Shares are distributed at the end of the vesting period based on actual performance versus the pre-established criteria.

The ESBP operates in a manner similar to the MCIP with certain differences. Under the ESBP the Company matches purchased Shares on a one-to-one basis and a participant's right to receive the matching Shares is subject only to a three or five year vesting period without regards to performance criteria.

Compensation expense under the GPSP, GSIP and MCIP, which is charged over the performance period, is initially determined on the date of the award based on the fair value of the target shares awarded and the number of Shares expected to vest; the expense is updated annually for changes in the actual number of Shares expected to vest, changes in the fair value of the underlying Shares and the fair value of the liability to be settled.
Compensation expense under the ESBP is initially determined at the grant date based on the fair value of the matching Shares and adjusted annually over the vesting period based on changes in the current price of the Shares and the value of the liability at each reporting date.

Dividends related to the target award under the GPSP, GSIP and MCIP are credited to each employee and converted into additional target shares which are subject to the same vesting criteria as the original target shares. Dividends on ESBP matching Shares are credited to the employee and converted into additional matching Shares at settlement.
A summary of the status of performance share programs as of December 31, 2013 and 2012 and the changes therein during the years then ended are as follows:

	Number of Shares	
	2013	2012
Outstanding, January 1	1,480,088	1,104,255
Awarded	673,357	681,732
Distributed	(843,782)	(305,782)
Forfeited	(4,817)	(117)
Outstanding, December 31,	1,304,846	1,480,088
Fair value per share award during the year	$ 40.28	$ 35.89

Option award program

Employee share option program ("ESOP")
Under the ESOP certain executives were granted options to acquire Shares at an option price that equals the market value on the date the options are granted. The options became exercisable over a three year period from the date of the grant with a maximum term of 10 years. No options have been awarded under the ESOP since 2005 and all outstanding, unexercised options will expire in 2015.

Compensation expense related to option plans is initially measured on the date of grant using the Black-Scholes option pricing model and current market assumptions. Option pricing models require the use of highly subjective assumptions, including expected stock price volatility, which when changed, can materially affect fair value estimates.

Options are revalued at each reporting period through profit and loss. Following is a summary of the weighted-average inputs to the Black-Scholes option pricing model used to estimate the fair value of options outstanding as of the reporting periods:

	2013	2012	2011
Unilever N.V. shares			
Share price	$ 40.23	$ 38.30	$ 34.37
Exercise price	$ 21.97	$ 21.10	$ 20.51
Expected volatility	16.00%	19.00%	26.84%
Expected option term (years)	0.3	0.93	1.45
Expected dividend yield	3.47%	3.20%	3.61%
Risk-free interest rate	0.08%	0.13%	0.16%
Unilever PLC ADRs			
Share price	$ 41.20	$ 38.72	$ 33.52
Exercise price	$ 21.39	$ 21.01	$ 20.38
Expected volatility	15.00%	18.00%	25.71%
Expected option term (years)	0.3	0.93	1.45
Expected dividend yield	3.39%	3.17%	3.70%
Risk-free interest rate	0.08%	0.13%	0.16%

Stock price volatility is based on the historical volatility of the Ultimate Parent's Shares.

For the years ended December 31, 2013 and 2012 compensation expense under the ESOP (included in total share-based payment compensation above) amounted to $627 thousand and $2.6 million, respectively. As of December 31, 2013 and 2012 and January 1, 2012, liabilities related to the ESOP (included in total share-based payment liabilities above) amounted to $3.6 million, $8.9 million and $20.1 million, respectively.

A summary of the changes in the status of options awarded and outstanding for the years ended December 31, 2013 and 2012 follows:

	2013		2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Unilever N.V. shares				
Outstanding, January 1	274,712	$ 21.10	805,852	$ 20.51
Exercised	(165,017)	20.67	(500,232)	20.22
Forfeited	(9,996)	19.56	(30,908)	19.88
Outstanding, December 31	99,699	$ 21.94	274,712	$ 21.10
Exercisable at December 31:				
Shares	99,699		274,712	
Range of exercise prices	$20.46-$22.27		$19.45-$22.27	
Weighted average life	.3 year		1 year	
Unilever PLC ADRs				
Outstanding, January 1	265,803	$ 21.01	817,149	$ 20.38
Exercised	(161,129)	20.84	(521,307)	20.13
Forfeited	(11,829)	20.34	(30,039)	19.16
Outstanding, December 31	92,845	$ 21.39	265,803	$ 21.01
Exercisable at December 31:				
Shares	92,845		265,803	
Range of exercise prices	$19.72-$21.89		$19.47-$21.89	
Weighted average life	.3 year		1 year	

7. Income Taxes

The Company files taxes in the United States at the Federal level as part of a consolidated group and is able to utilize any losses. The tax expense (benefit) recognized in 2013 and 2012 are as follows:

	$ thousands	
	2013	2012
Current tax :		
Current year (benefit)	(103,644)	(54,477)
Deferred tax:		
Initial/reversal of temporary differences	3,649	(3,182)
Income tax (benefit)	(99,995)	(57,659)

The reconciliation between the statutory tax rates and the effective tax rate charged is as follows:

	%	
	2013	2012
Federal tax rate	35.0	35.0
Differences due to:		
Non-deductible expenses	(0.1)	0.1
State taxes	2.8	(0.5)
Non-taxable dividends	-	(42.4)
Effective tax rate	37.7	(7.8)

Deferred tax movements in 2013 are as follows:

	$ thousands			
	January 1, 2013	Profit and Loss	OCI	December 31, 2013
Pension and similar obligations	30,608	(648)	(5,165)	24,795
Share based compensation	25,477	(3,144)	-	22,333
Other	(670)	143	-	(527)
	55,415	(3,649)	(5,165)	46,601

Deferred tax to be settled after 12 months at December 31, 2013 and 2012 is $46,106 thousand and $55,150 thousand, respectively.

Deferred tax movements in 2012 are as follows:

	$ thousands			
	January 1, 2012	Profit and Loss	OCI	December 31, 2012
Pension and similar obligations	31,822	(425)	(789)	30,608
Share based compensation	21,700	3,777	-	25,477
Other	(500)	(170)	-	(670)
	53,022	3,182	(789)	55,415

In accordance with IAS 12- *Income taxes*, deferred tax liabilities are not recorded with respect to the outside basis differences for investments in subsidiaries, where the Company is in a position to control the timing of the reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future. The Company has determined that it is impractical to determine the amount of taxes that would be payable if the temporary differences were to reverse. Based on the assumption of nominal tax bases in the investments in subsidiaries the deferred tax liabilities related to the outside basis difference would be approximately $11 billion as of December 31, 2013 and 2012.

At December 31, 2013 UNUS had unused state tax losses of $15.9 million. Deferred tax assets have not been recognized on these losses as it is not probable that there will be future taxable profit against which the losses can be utilized. These losses begin to expire in 2033.

8. Related Party Transactions

Related parties include people and entities that have or are subject to the influence or control of the UNUS Group or the Unilever Group.

The Company provides administrative services to entities in the UNUS Group and receives administrative and other services from the Unilever Group. All balances with Unilever Group and UNUS Group entities are uncollateralized and interest bearing. It is Unilever Group's policy to charge interest on all intercompany debt. During each of the years ended December 31, 2013 and 2012 interest on intercompany debt ranged from 1.6 percent to 3.5 percent.

The Company has provided Conopco with two unsecured, non-interest bearing lines of credit totaling $9.5 million to fund the environmental remediation of two sites in New Jersey. The letters of credit automatically renew on an annual basis and can only be terminated by the Company with the permission of the New Jersey Department of Environmental Protection. There were no amounts outstanding under either line of credit as of December 31, 2013 and 2012 and January 1, 2012 or during the years ended December 31, 2013 and 2012.

All balances due to and from affiliates within the UNUS Group are presented as a single net amount in the statements of financial position as the Company has both the legal right and the intent to offset amounts due to and from these affiliates.

Amounts owed to and from different affiliates within the Unilever Group are presented separately in the statement of financial position as these amounts are settled on a current basis. Where the Company has the legal right of offset, amounts due to and from the same affiliate within the Unilever Group but outside the UNUS Group have been presented on a net basis.

Net amounts owed to UNUS Group affiliates at December 31, 2013 and 2012 and January 1, 2012 total $7.7 billion, $5.9 billion and $4.5 billion, respectively. Net amounts owed from Unilever Group affiliates at December 31, 2013 and 2012 and January 1, 2012 total $4.0 million, $6.1 million and $12.7 million, respectively. Net interest expense on affiliate debt totaled $252 million and $142 million for the years ended December 31, 2013 and 2012, respectively.

A summary of amounts comprising the income (expense) net of rebilling for the years ended December 31, 2013 and 2012 follows:

	$ thousands	
	2013	2012
Compensation (Note 4)	55,681	72,952
Non personnel costs	25,417	26,035
	81,098	98,987
Amounts rebilled to affiliates	(71,934)	(88,699)
Expense, net of rebilling	9,164	10,288

Dividends paid to Unilever Group totaled $1.4 billion and $2.1 billion for the years ended December 31, 2013 and 2012, respectively.

The Company is the guarantor of debt issued by Unilever N.V, and Unilever PLC. In addition, the Company guarantees certain debt of its subsidiaries. The guarantees generally require performance in the event of a default under the terms of the debt agreements. The Company considers the possibility of default remote and therefore has not reflected any liabilities associated with these guarantees in the financial statements. The outstanding amounts of these guarantees as of December 31, 2013 and 2012 and January 1, 2012 are summarized following:

	$ thousands		
	December 31,		January 1.
	2013	2012	2012
Debt of subsidiaries	14,262,000	15,283,000	15,370,000
Debt of Ultimate Parent	6,088,000	4,349,000	6,763,000
Total guarantees	20,350,000	19,632,000	22,133,000

9. Financial Assets and Liabilities

Financial assets

Financial assets at December 31, 2013 and 2012 and January 1, 2012 are comprised of the following:

	$ thousands					
	December 31,				January 1,	
	2013		2012		2012	
	Current	Non-current	Current	Non-current	Current	Non-current
Cash in bank	130		221		344	
Funds in escrow	-	-	-	6,544	-	6,544
Equity shares of Ultimate Parent	1,675	-	272	-	937	-
	1,805	-	493	6,544	1,281	6,544

Cash and cash equivalents at December 31, 2013 and 2012 and January 1, 2012 are all considered current assets and consist of cash in bank.

Financial liabilities

The Company's primary financial liabilities consist of trade payables and amounts due to affiliated entities discussed in Notes 14 and 8, respectively.

10. Fair Value of Financial Instruments

The Company's financial instruments subject to fair value reporting on a recurring basis consist of shares of the Ultimate Parent (Unilever N.V and Unilever PLC). The value of such shares as of December 31, 2013 and 2012 and January 1, 2012 totals $1,675 thousand, $272 thousand and $937 thousand, respectively. These assets are classified in the Level 1 fair value hierarchy – quoted prices for identical instruments.

11. Risk Management

Credit Risk

Credit risk is the risk of financial loss if a counter-party fails to meet its contractual obligation. Credit risk related to cash and cash equivalents and funds in escrow is limited since the Company places its deposits in high-quality financial institutions and monitors those institutions on a regular basis. The Company does not require collateral from its financial institutions and has not suffered any losses.

Liquidity Risk
Liquidity risk relates to the Company's ability to meet is financial obligations as they come due. As indicated in Note 1 the Company is a holding entity that provides management services to its subsidiaries. The Company's primary source of income is dividends from these subsidiaries, the timing of which is initiated by management of companies in the UNUS Group. The Company has no line of credit. As such, the Company is dependent upon its subsidiaries to provide it with financing, in the form of inter-company loans, to enable it to satisfy its obligations to unrelated parties as they come due. While amounts due to affiliated entities are considered demand debt, the timing of the settlement of any significant balance would need to be agreed with management of companies in the UNUS Group or the Unilever Group. Substantially all of it is not expected to be settled in the near term. Furthermore, the Company has an unrestricted ability to withdraw funds from its subsidiaries.

Market Risk
Due to the nature UNUS's operations, its direct exposure to market risk is considered minimal. The Company is exposed to limited currency risk related to obligations to foreign, third party vendors. The Company has interest rate risk due to the amount of inter-company debt on its balance sheet. A 50 basis point increase (decrease) in interest rates would result in an increase (decrease) in finance charges on amounts due to affiliated entities by approximately $34 million ($34 million) based on the average amounts outstanding for the year ended December 31, 2013.

The Company does not have any derivative financial instruments.

12. Prepaid expenses

Prepaid expenses are recorded at amortized cost and consist of the following:

	$ thousands		
	December 31,		January 1,
	2013	2012	2012
Non-current:			
Software costs	973	2,637	4,306
Other	728	944	2,946
	1,701	3,581	7,252
Current:			
Insurance	3,970	2,636	2,352
Duty and taxes	8,996	12,387	-
Other	2,597	64	871
	15,563	15,087	3,223
	17,264	18,668	10,475

In 2012 the Company changed its policy for settling payroll tax and other withholdings within the UNUS Group.

13. Equity

The Company considers total equity (share capital, share premium and retained earnings) to be part of managed capital. The primary goal of capital management is to achieve the Ultimate Parent's objectives which include assuring the entity continues as a going concern and optimizing returns to the Ultimate Parent's shareholders. The authorized and issued share amounts of the Company's capital as of December 31, 2013 and 2012 and January 1, 2012 is as follows:

	$ thousands	
	Authorized	Issued
Preferred $73.50 par	7,350	-
Common $.333 par	3	1
	7,353	1

As of December 31, 2013, and 2012 and January 1, 2012 the entity had authorized Preferred and Common shares of 100,000 and 10,000, respectively. At December 31, 2013 and 2012 and January 1, 2012 the Company had 3,155 Common shares outstanding; no preferred shares have been issued.

14. Trade and Other Payables

The following summarizes current trade and other payables which are initially recorded at fair value and subsequently carried at amortized cost:

	$ thousands		
	December 31,		January 1,
	2013	2012	2012
Employee benefits and withholding taxes	32,962	32,242	10,118
Trade payables	5,728	7,127	4,984
Other	6,618	7,454	2,489
	45,308	46,823	17,591

The fair value of trade payables approximates carrying value. The increase in employee benefits and withholding taxes from 2011 to 2012 is due to a change in Company policy for settling payroll tax and other withholdings within the UNUS Group (Note 12.)

15. Legal Proceedings and Provisions

Environmental Remediation

A 1997 stock sale of certain Company subsidiaries triggered the New Jersey Industrial Site Recovery Act ("ISRA"). Pursuant to ISRA and its implementing regulations, the Company was obligated to establish a financial assurance in connection with its ISRA obligations to investigate and, if necessary, remediate the industrial establishments that were sold. As such, the Company established a $7 million "Remediation Trust Fund" to cover numerous sites. At December 31, 2013 and 2012 and January 1, 2012 amounts in the trust fund totaled $0, $6.5 million and $6.5 million, respectively.

The New Jersey Department of Environmental Protection ("NJDEP") is the beneficiary of the Trust and, all earnings of the fund are added to the corpus and are not available to the Company except as determined by the NJDEP and the applicable regulatory provisions.

In light of changes to the regulatory provisions governing financial assurance obligations and, recognizing the degree of remedial work that had been completed at the involved sites, in 2013, the NJDEP authorized the Company to terminate the original Trust Agreement and create two separate Trust Agreements for the two remaining sites requiring remediation. As such, the original Trust was terminated and the funds were returned to the Company. Thereafter, (in 2014) two separate "Remediation Trust Fund Agreements" were created; one funded at $2.275 million and, the second funded at $302 thousand.

The Company reflected a $2.6 million, $.85 million and $1.0 million provision related to these environmental issues as of December 31, 2013 and 2012 and January 1, 2012, respectively included in other non-current liabilities in the statement of financial position. Amounts charged to profit and loss in 2013 and 2012 related to site remediation totaled $2.4 million and $0, respectively. Changes in provisions as of and for the years ended December 31, 2013 and 2012 follow:

	$ thousands	
	2013	2012
Balance, January 1	847	1,013
Current year expense	2,401	-
Payments	(673)	(166)
Balance, December 31	2,575	847

Other matters

The Company is indirectly involved in legal proceedings that have arisen through the normal course of business in its operating subsidiaries. The majority of these matters relate to consumer product liability, allegedly deceptive advertising and environmental remediation liability issues related to Conopco and its subsidiaries' operations. In many of these matters the Company is named as a defendant. While the Company is named as a defendant in such matters, the Company does not believe it is probable that the settlement or other resolution of legal obligations related to such matters will result in an outflow of economic benefits from the Company. Provisions for liabilities related to these matters, if any, are recorded in the financial statements of the individual operating subsidiaries and are not considered material to those entities' operations.

16. Events after the Reporting Period

Subsequent to December 31, 2013 the Company deposited $2.577 million into two escrow accounts for the purpose of remediating an environmental issue (Note 15). No other events have occurred after the reporting period which requires disclosure in or adjustment to the financial statements.

17. Approval of the Financial Statements

The financial statements were approved by management and authorized for release on April 4, 2014.