Registered No 139876

Univar Limited

Report and Financial Statements

31 December 2007

Registered No: 139876

Directors
D C Jukes (resigned 30 April 2008)
P D Heinz (appointed 10 October 2007)
W T Hill (appointed 30 April 2008)
M I Latham (resigned 30 April 2008)
B J McNamara (appointed 10 October 2007)
C J Morley (resigned 30 April 2008)
J N Phillpotts (resigned 30 April 2008)
M R Pugh (resigned 30 April 2008)

Secretary
N Simpson

Auditors
Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Registered Office
46 Peckover Street
Bradford
West Yorkshire
BD1 5BD

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2007.

Principal activity and review of the business

On 11 October 2007 Ulixes BV, a company ultimately controlled by funds advised and managed by CVC Capital Partners, acquired substantially all of the outstanding ordinary shares of Univar NV, the former ultimate parent company. There has been no direct change to the Univar Limited business as a result of this change in ownership.

The company's principal activity during the year continued to be the sales, marketing and distribution of chemicals.

The past year has seen a continuation of the need to expand sourcing strategies beyond the historic territories into Far East lower cost manufacturers. Improvements in quality have meant the markets available for these products have also expanded. The longer lead times and greater volumes necessary to maintain economic cost of supply have brought their own challenges however the financial strength and stability of the group has allowed Univar to exploit these opportunities.

The company's key financial indicators in the period were:

	2007	*2006*	*Change*
	£000	*£000*	*%*
Turnover	313,682	312,000	1
Operating profit	9,157	6,139	49
Profit after tax	4,595	3,029	52
Net assets	35,856	30,385	18
Current assets as % current liabilities	192%	220%	(10)

Turnover increased by just 1% as the business focused on profitable volume rather than chase tonnes. As a consequence of this activity gross profit increased by 5%. The continuing management of costs resulted in a small decrease on 2006 ignoring the additional pension contribution last year. The margin improvement therefore dropped through to profit which increased by 52%.

The taxation charge was £3,006k (2006: £1,820k charge) and a reconciliation of the actual tax charge to the standard rate of corporation tax is set out in note 8 to the financial statements.

Net assets improved by 18% through improved working capital and cash control.

The principal risks and uncertainties affecting the company's trading activities arise through the long term decline of the UK manufacturing base, new sourcing territories and price volatility of products for resale.

With the manufacturing sector under increasing pressure in the current climate there are still many examples of companies deciding to relocate to lower cost economies. This has the effect of increasing competition in the market, and ultimately increasing pressure on selling prices and service demands. Part of the response to this is to offer alternative, cost competitive products from new suppliers. The company continues to utilise the facilities of the Univar Group to access a wide range of product sources. Univar also values its commercial relationships with market leaders in chemical manufacturing throughout the world allowing an unrivalled portfolio of products for all applications.

Internal organisation structures ensure key staff have early access to market information and exposure to price and supply issues allowing informed purchasing decisions to be made to both protect the company and obtain further competitive advantage.

Internal communication structures allow the dissemination of this information to those requiring it.

Directors' report

Results and dividends

The results for the year are set out in the profit and loss account on page 8. No dividends were paid or proposed in the year.

Directors

The directors who served during the year are shown on page 1.

Future developments

The directors believe the improvements made to date can be further developed, and continue to investigate all opportunities to grow the profitability of the business. Further synergies within the UK are apparent and are currently in progress.

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he is obliged to take as a director in order to made himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Employee involvement and employment policies

Information concerning employees and their remuneration is given in the notes to the financial statements.

The company is committed to the principle of equal opportunity in employment. It seeks to ensure that no applicant or employee receives less favourable treatment on the grounds of gender, marital status, race, colour, ethnic origin, disability or religious beliefs or is disadvantaged by conditions that cannot be objectively justified. Furthermore, the harassment of one employee by another is strictly forbidden and a matter for disciplinary action. It is also the company's policy to comply with best practice on employment of disabled people. Full and fair consideration is given for employment, training and career development. Wherever possible this includes the retraining and retention of staff who become disabled during their employment.

Management of the company is decentralised and a framework of human resource policies and an extensive communications network support this. There is regular communication and consultation with employees on matters of concern to them and participation and involvement in the development of the business is encouraged. We recognise the importance of a well-educated and highly trained workforce and employees are encouraged and assisted in undertaking continuous personal development. The group supports and invests in training programmes aimed at achieving the highest standards of personal performance, safe working practices and customer service.

Independent trustees including employee and pensioner representatives administer the pension funds within the company. In the UK, contact with and between retired employees is maintained through a Pensioners' Consultative Committee that also administers a hardship relief fund.

Political and charitable donations

During the year the company made no political donations and various charitable contributions totalling £19,548 (2006: £5,056).

Directors' report

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be proposed at the annual general meeting.

By order of the board

N Simpson
Secretary
10th December 2008

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Univar Limited

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the Statement of Total Recognised Gains and Losses and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' 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).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

Independent auditors' report

to the members of Univar Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
Leeds

12 December 2008

Profit and loss account

for the year ended 31 December 2007

	Notes	2007 £000	2006 £000
Turnover	2	313,682	312,000
Cost of sales		(263,924)	(264,655)
Gross profit		49,758	47,345
Distribution costs		(5,196)	(5,951)
Administrative expenses		(35,405)	(35,255)
Operating profit	3	9,157	6,139
Interest receivable and similar income	6	357	304
Interest payable and similar charges	7	(1,842)	(1,334)
Net finance costs in respect of defined benefit pension schemes		(71)	(260)
Profit on ordinary activities before taxation		7,601	4,849
Tax charge on profit on ordinary activities	8	(3,088)	(1,820)
Net profit for year	18	4,513	3,029

Statement of total recognised gains and losses

for the year ended 31 December 2007

	2007 £000	2006 £000
Profit for the financial year	4,513	3,029
Actuarial gains in respect of defined benefit pension schemes	1,251	3,728
Tax on actuarial gains in respect of defined benefit pension schemes	(375)	(1,118)
Total recognised gains and losses relating to the year	5,389	5,639

Balance sheet

at 31 December 2007

	Notes	2007 £000	2006 £000
Fixed assets			
Intangible assets	9	12,847	13,417
Tangible assets	10	15,419	15,554
		28,266	28,971
Current assets			
Stocks	11	26,979	27,809
Debtors: amounts falling due within one year	12	57,724	62,050
Debtors: amounts falling due after one year	12	7,712	15,617
Cash at bank in hand		5,085	3,985
		97,500	109,461
Creditors: amounts falling due within one year	13	(50,296)	(49,683)
Net current assets		47,204	59,778
Total assets less current liabilities		75,470	88,749
Creditors: amounts falling due after more than one year	14	(35,695)	(53,498)
Provisions for liabilities	15	(1,099)	(865)
Net assets excluding pension liability		38,676	34,386
Pension liability (net of deferred tax)	20	(2,902)	(4,001)
Net assets including pension liability		35,774	30,385
Capital and reserves			
Called up share capital	17	25,000	25,000
Share premium account	18	826	826
Profit and loss account	18	9,948	4,559
	18	35,774	30,385

The financial statements on pages 8 to 31 were approved for issue by the board of directors and were signed on its behalf by:

B. McNamara

B J McNamara - Director

10 December 2008

Notes to the financial statements

at 31 December 2007

1. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

Under Financial Reporting Standard No. 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and consolidated financial statements in which the company is included are publicly available.

Goodwill

Goodwill arising on acquisitions prior to 31 December 1997 was set off directly against reserves. Goodwill previously eliminated against reserves was not reinstated on implementation of FRS 10.

Positive goodwill arising on acquisitions since 1 January 1998 is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Intangible assets

Intangible assets are capitalised at cost and amortised on a straight-line basis over their useful economic lives, up to a presumed maximum of 20 years. Licences are amortised over 10 years. They are reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation

Depreciation is provided on tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write off their cost or valuation, less their estimated residual value, on a straight line basis over the following estimated useful lives:

Freehold buildings	-	25 to 50 years.
Leasehold properties	-	the unexpired period of the lease or such shorter period as is considered appropriate. Where a property is leased from a fellow group company the depreciation charge is determined by reference to the state of ownership of the particular property to the group.
Ancillary building work	-	10 to 25 years.
Storage tanks and other fixed plant	-	7 to 15 years.
Fixtures and fittings	-	5 years.
Vehicles	-	4 to 6 years.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 December 2007

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Pensions

The company participates in a multi-employer defined benefit and defined contribution plan, the '78 Scheme. This plan is operated on a basis which means that it cannot enable individual companies to identify their share of the underlying assets and liabilities on a consistent and reasonable basis and so, in accordance with FRS17, the company accounts for its contributions to the scheme as if it were only a defined contribution plan.

The company also operates two further defined benefit pension schemes which are the sole responsibility of Univar Limited. Contributions are made to a separately administered fund. Pension scheme assets are measured at fair value and scheme liabilities are measured on an actuarial basis using the projected unit method and discounted at an interest rate equivalent to the current rate of return on a high quality corporate bond.

The service cost of providing pension and other post-retirement benefits to employees for the year is charged to the operating profit or loss in the year. The full cost of providing amendments to benefits in respect of past service is also charged to the operating profit or loss in the year.

The expected return on defined benefit pension scheme assets based on the market value of scheme assets at the start of the financial year is included within finance charges (pensions). This also includes a charge representing the expected increase in liabilities of the scheme during the year, arising from the liabilities being one year closer to payment. Differences between actual and expected returns on assets during the year are recognised in the statement of recognised gains and losses in the year, together with differences from changes in assumptions. The net deficit on defined benefit schemes is reported on the balance sheet within the pension liability. This is net of related deferred tax.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as accruals or prepayments in the balance sheet.

Stocks

Stocks are stated at the lower of cost and net realisable value using the FIFO basis. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements

at 31 December 2007

1. Accounting policies (continued)

Returnable containers

Where customers have been charged for returnable containers, a provision is deducted from debtors for the amount by which the estimated amount of credits to be granted exceeds the stock value of the containers to be returned.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

Turnover, which is stated net of value added tax, is wholly attributable to the company's continuing principal activity.

The company recognises sales when all of the following conditions have been satisfied:

- the significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the company retains neither continuing managerial involvement nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred with respect to the transaction can be measured reliably.

An analysis of turnover by geographical market is given below:

	2007	*2006*
	£000	*£000*
United Kingdom	299,401	298,365
Rest of Europe	5,077	4,645
Rest of World	9,204	8,990
	313,682	312,000

Notes to the financial statements

at 31 December 2007

3. Operating profit

This is stated after charging/(crediting):

	2007	*2006*
	£000	*£000*
Auditors' remuneration – audit fees	115	115
Depreciation of owned assets	2,411	2,644
Amortisation of goodwill	892	917
Amortisation of licences	31	-
Operating lease rentals – plant and machinery	1,730	1,458
– land and buildings	1,900	1,527
Gain on disposal of tangible fixed assets	(114)	(13)
Foreign exchange (gains)/losses	(38)	188

4. Staff costs

	2007	*2006*
	£000	*£000*
Wages and salaries	23,507	22,969
Social security costs	1,497	1,734
Pension costs	3,873	5,116
Redundancy costs	232	259
	29,109	30,078

The average number of monthly employees, including directors, during the year was as follows:

	2007	*2006*
	No.	*No.*
Administrative	281	287
Sales and distribution	575	585
	856	872

Notes to the financial statements

at 31 December 2007

5. Directors' emoluments

	2007 *£000*	*2006* *£000*
Emoluments	268	373
Aggregate amount receivable under long term incentive plans	-	-
Number of directors who received shares in respect of qualifying services	1	1
Number of directors who exercised share options	1	1

The number of directors accruing benefits under defined benefit schemes was 4 (2006: 4). No directors accrued benefits under money purchase schemes.

The amounts in respect of the highest paid director are as follows:

	2007 *£000*	*2006* *£000*
Emoluments	109	148

At 31 December the highest paid director was entitled to the following benefits:

	2007 *£000*	*2006* *£000*
Accrued pension under defined benefit pension scheme	20	18

6. Interest receivable and similar income

	2007 *£000*	*2006* *£000*
Group interest receivable	357	304

7. Interest payable and similar charges

	2007 *£000*	*2006* *£000*
Group interest payable	1,842	1,334

Notes to the financial statements

at 31 December 2007

8. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2007	*2006*
	£000	*£000*
Current tax		
UK Corporation tax	1,323	1,442
Adjustments in respect of prior periods	56	24
Total current tax (note 8(b))	1,379	1,466
Deferred tax		
Origination and reversal of timing differences	1,497	313
Pension liability	212	61
Adjustments in respect of prior periods	-	(20)
Total deferred tax	1,709	354
Tax on profit on ordinary activities	3,088	1,820

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2006:higher) than the standard rate of 30% corporation tax in the UK of 30% (2006: 30%). The differences are reconciled below:

	2007	*2006*
	£000	*£000*
Profit on ordinary activities before tax	7,601	4,849
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	2,280	1,455
Expenses not deductible for tax purposes	469	301
Depreciation in excess of capital allowances	(1,395)	(241)
Adjustments in respect of prior periods	56	24
Short term timing differences	(31)	(73)
Total current tax (note 8(a))	1,379	1,466

Notes to the financial statements

at 31 December 2007

8. Tax on profit on ordinary activities (continued)

With effect from the 1 April 2008 the main rate of corporation tax was reduced from 30% to 28%. Deferred tax liabilities which were previously provided at 30% have now been provided at 28%. With effect from 20 March 2007, on the disposal of an industrial building, no balancing adjustments will arise. As a consequence, all deferred tax provided in respect of potential balancing adjustments have been released. Industrial building allowances claimed since 21 March 2007 have been treated as permanent differences and we do not expect the impact to be significant. Following substantive enactment of Finance Bill 2008 we note that the annual writing down allowance for capital allowances will reduce from 25% to 20% from 1 April 2008. Also, Industrial buildings annual writing down allowances will reduce from 4% to 3% from 1 April 2008 and this allowance will be reduced by 1% per annum until it is phased out in 2012.

9. Intangible fixed assets

	Goodwill	*Licences*	*Total*
	£000	*£000*	*£000*
Cost:			
At 1 January 2007	18,065	-	18,065
Transferred from fixed assets	-	353	353
At 31 December 2007	18,065	353	18,418
Amortisation:			
At 1 January 2007	4,648	-	4,648
Charge for the year	892	31	923
At 31 December 2007	5,540	31	5,571
Net book value:			
At 31 December 2007	12,525	322	12,847
At 31 December 2006	13,417	-	13,417

The goodwill on all acquisitions is being written off over its estimated useful economic life of 20 years.

The licences allow Univar Ltd to manufacture and distribute Trientine Dihydrochloride and are being written off on a straight line basis over their useful economic lives of 10 years.

Notes to the financial statements

at 31 December 2007

10. Tangible fixed assets

	Buildings *£000*	*Plant and equipment* *£000*	*Total* *£000*
Cost:			
At 1 January 2007	12,740	40,806	53,546
Additions	427	2,469	2,896
Disposals	(392)	(1,627)	(2,019)
Transferred to intangible assets	-	(353)	(353)
At 31 December 2007	12,775	41,295	54,070
Depreciation:			
At 1 January 2007	6,239	31,753	37,992
Charge for the year	489	1,922	2,411
Disposals	(223)	(1,529)	(1,752)
At 31 December 2007	6,505	32,146	38,651
Net book value:			
At 31 December 2007	6,270	9,149	15,419
At 31 December 2006	6,501	9,053	15,554

The net book value of buildings comprises:

	2007 *£000*	*2006* *£000*
Freehold	14	14
Long leasehold	1,356	1,548
Short leasehold	4,900	4,939
	6,270	6,501

11. Stocks

	2007 *£000*	*2006* *£000*
Inventory held for resale	25,774	26,217
Containers and consumables	1,205	1,592
	26,979	27,809

Notes to the financial statements

at 31 December 2007

12. Debtors

	2007 £000	2006 £000
Amounts due within one year:		
Trade debtors	55,581	55,595
Amounts owed by fellow group undertakings	784	4,915
Other debtors	164	500
Prepayments and accrued income	1,195	1,040
	57,724	62,050
Amounts due after one year:		
Amounts owed by fellow group undertakings	3,082	9,490
Deferred tax (note 16)	4,630	6,127
	7,712	15,617
	65,436	77,667

13. Creditors: amounts falling due within one year

	2007 £000	2006 £000
Bank overdraft	246	-
Trade creditors	29,613	28,305
Amounts owed to fellow group undertakings	11,860	13,620
Other taxes and social security	2,665	2,517
Other creditors	1,337	1,641
Accruals and deferred income	4,575	3,600
	50,296	49,683

14. Creditors: amounts falling due after more than one year

	2007 £000	2006 £000
Amounts owed to fellow group undertakings	33,443	51,125
Accruals and deferred income	2,252	2,373
	35,695	53,498

Notes to the financial statements

at 31 December 2007

15. Provisions for liabilities

	Environmental Costs	*Reorganisation Costs*	*Total*
	£000	*£000*	*£000*
At 31 December 2006	865	-	865
Charged to profit in the year	-	234	234
31 December 2007	865	234	1,099

The environmental provision relates to the costs of reducing the impact on the environment at certain sites. The requirement to clean the sites would be driven by the local enforcement authorities and could happen at any time. The provision necessary was calculated by professional environmental consultants in 1997 and its adequacy has since been reviewed on a regular basis by local management.

The reorganisation provision created in the year relates to the costs of closure of the Grimsby site and relocation of it's facilities to other sites within the business. These costs include redundancies, professional charges and costs associated with the empty property. The provision also includes redundancy costs as a result of the relocation of the Midlands sales office function to the South West. Both of these reorganisations were fully committed for at the year end and, for the most part, were completed by April 2008 with the costs incurred not significantly different to those provided for. An element of the provision remains in place for Grimsby site where costs associated with the vacant property are still to come.

16. Deferred taxation

The elements of deferred taxation are as follows:

	2007	*2006*
	£000	*£000*
Difference between accumulated depreciation and amortisation and capital allowances	(4,342)	(5,865)
Timing differences	(288)	(262)
Deferred tax asset (note 12)	(4,630)	(6,127)

The movements in deferred taxation during the current year are as follows:

	£000
At 1 January 2007	(6,127)
Deferred tax charge in profit and loss account (note 8)	1,497
At 31 December 2007	(4,630)

Notes to the financial statements

at 31 December 2007

17. Share capital

	Authorised		Allotted, called up and fully paid	
	2007 No.	2006 No.	2007 £000	2006 £000
Ordinary shares of £1 each	25,000,000	25,000,000	25,000	25,000

18. Reconciliation of movement in shareholders' funds and movement on reserves

	Share capital £000	Share premium £000	Profit and loss account £000	Total share-holders' funds £000
At 1 January 2006	25,000	826	(1,080)	24,746
Profit for the year	-	-	3,029	3,029
Changes in actuarial values of retirement benefits	-	-	3,728	3,728
Tax on changes in actuarial values of retirement benefits	-	-	(1,118)	(1,118)
At 31 December 2006	25,000	826	4,559	30,385
Profit for the year	-	-	4,513	4,513
Changes in actuarial values of retirement benefits	-	-	1,251	1,251
Tax on changes in actuarial values of retirement benefits	-	-	(375)	(375)
At 31 December 2007	25,000	826	9,948	35,774

19. Commitments

(a) Capital commitments at the end of the year for which no provision has been made:

	2007 £000	2006 £000
Contracted	203	827

Notes to the financial statements

at 31 December 2007

19. Commitments (continued)

(b) Annual commitment under non-cancellable operating leases is as follows:

	2007	*2006*
	£000	*£000*
Land and buildings		
Leases expiring:		
Within one year	326	72
Within two to five years	78	355
Thereafter	1,055	1,069
	1,459	1,496
Other operating leases		
Leases expiring:		
Within one year	592	696
Within two to five years	1,179	1,216
Thereafter	26	79
	1,797	1,991

Of the land and buildings commitment, £1,379,000 (2006: £1,402,000) is payable to a fellow group undertaking.

20. Pensions

The pension cost figures used in these accounts comply with the current pension cost accounting standard FRS 17.

The company provides three defined benefit pension schemes, the Univar Company Pension Scheme (1978) ("the '78 Scheme"), the Univar Pension & Life Assurance Scheme ("the PLAS Scheme") and the Berk Group Pension Scheme ("the Berk Scheme"). The assets of the schemes are held separate to the assets of the Company in separate independently administered funds.

The '78 Scheme covers the majority of the employees of the company and of other UK companies in the Group. Its defined benefit section closed to new entrants with effect from 1 July 2002 and a defined contribution section was introduced to the Scheme for those joining on or after that date. This plan is operated on a basis which means that it cannot enable individual companies to identify their share of the underlying assets and liabilities on a consistent and reasonable basis so in accordance with FRS17 the company accounts for its contributions to the scheme as if it were a defined contribution plan. Contributions to defined contribution plans are charged to the profit and loss account in the year in which they are payable. The details of the deficit for the '78 Scheme are provided in this note.

There is no accrual of new benefits in either the PLAS Scheme or the Berk Scheme. Former active members of the PLAS Scheme transferred to the '78 Scheme with effect from 1 May 2002 for accrual of new benefits. They retained an entitlement to deferred pensions from the PLAS Scheme. In accordance with FRS17 and due to the fact that the assets and liabilities of both the Berk and PLAS schemes are solely the responsibility of Univar Limited the deficits for both these schemes have been reflected in these financial statements.

With effect from 1 April 2008 the three schemes were merged into one, however for the purposes of these accounts they continue to be treated as three separate schemes.

Notes to the financial statements

at 31 December 2007

20. Pensions (continued)

The ongoing funding arrangements of each scheme, in place to meet their long term pension liabilities, are governed by the individual scheme documentation and national legislation. The accounting and disclosure requirements of FRS 17 do not affect these funding requirements.

The latest formal valuations of the schemes were performed at 30 June 2006 by a qualified independent actuary. These results have then been extrapolated to 31 December 2007. The key financial assumptions, actuarial method and results of these valuations at 31 December 2007 are set out below:

		'78 Scheme	PLAS	Berk Scheme
Actuarial method used		Projected Unit	Projected Accrued Benefit	Projected Accrued Benefit
Market value of assets	£'m	92.3	15.0	7.0
Level of funding*	%	77	83	86
Main assumptions				
Wages and salaries increases p.a.	%	4.6	N/A	N/A
Return on assets: Equities	%	7.80	7.80	N/A
Return on assets: Bonds	%	5.90	5.90	5.90
Return on assets: Gilts	%	5.00	5.00	N/A
Price inflation p.a.	%	3.25	3.25	3.25

* The level of funding is the value of assets expressed as a percentage of the actuarial value of the accrued benefits after allowing for expected future increases in pay and pension

Deferred pensions are revalued to retirement age in line with the Scheme's rules and statutory requirements.

Pension increases have been allowed for as appropriate under the three schemes. Pension increases on benefits from service before April 1997 for the '78 Scheme are discretionary. Allowance has been made for discretionary pension increases in payment in line with inflation.

There were no outstanding or prepaid contributions at 31 December 2007 and 31 December 2006 for all three schemes.

Employer Contributions:

Berk Scheme:

Company contributions of £13,924 per month to June 2007 followed by contributions of £14,550 per month thereafter. The level of contributions to be paid in each following year will increase by 4.5% on each 19 July.

PLAS:

Company contributions of £25,000 per month to September 2007, followed by £36,667 per month thereafter.

Notes to the financial statements

at 31 December 2007

20. Pensions (continued)

Employer Contributions (continued):

'78 Scheme:

For the Defined Benefit section Company contributions are as follows:

27.8% of pensionable salaries less member contributions for Senior Staff
20.7% of pensionable salaries less member contributions for other members

In addition, payments of £154,704 per month to June 2007 followed by payments of £161,666 per month thereafter were made during the year, totalling over the course of the year £1,898,220. The level of monthly contributions to be paid in each following year will increase by 4.5% on each 19 July.

For the Defined Contribution section:

20% of pensionable salaries for non-contributory Senior Staff
15% of pensionable salaries for contributory Senior Staff
7% of pensionable salaries for other members

Employee Contributions:

'78 Scheme:

For the Defined Benefit section:

The members shall pay contributions monthly as required by the Rules of the Scheme.

For the Defined Contribution section:

Nil for non-contributory senior staff
5% of pensionable salaries for Contributory Senior Staff and other members

The rates paid to the schemes are subject to minimum rates imposed by the MFR legislation.

Univar Company Pension Scheme (1978): FRS 17 Disclosures

The valuations at 31 December 2007 and at 31 December 2006 used for FRS 17 disclosures have been based on the actuarial valuations at 30 June 2006 and 30 June 2003 respectively and projected by the actuary to take account of the requirements of FRS 17. Scheme assets are stated at their market values at the respective balance sheet dates.

	2007	*2006*
	£000	*£000*
Total market value of assets	92,290	91,068
Present value of the scheme's liabilities	(120,130)	(121,760)
Deficit in the scheme	(27,840)	(30,692)
Deferred tax asset	7,795	9,208
Net pension liability	(20,045)	(21,484)

Notes to the financial statements

at 31 December 2007

20. Pensions (continued)

Univar Company Pension Scheme (1978): FRS 17 Disclosures (cont'd)

The assets of the scheme and the expected rates of return at 31 December 2007, 31 December 2006 and 31 December 2005 were:

		2007		*2006*		*2005*
	Expected rate of return		*Expected rate of return*		*Expected rate of return*	
	%	*£000*	*%*	*£000*	*%*	*£000*
Equities	7.80	68,346	7.30	71,038	7.20	63,057
Bonds, gilts, cash	5.50	23,944	4.50	20,030	3.95	16,888
Total value of market assets		92,290		91,068		79,945

An analysis of the defined benefit cost for the years ended 31 December 2007 and 31 December 2006 are as follows:

	2007	*2006*
	£000	*£000*
Service cost	3,122	3,841
Past service cost	430	250
Total operating charge	3,552	4,091

An analysis of the net return on the pension scheme for the years ended 31 December 2007 and 31 December 2006 is as follows:

	2007	*2006*
	£000	*£000*
Expected return on pension scheme assets	6,118	5,274
Interest on pension liabilities	(6,327)	(5,692)
Total other finance charge	(209)	(418)

Notes to the financial statements

at 31 December 2007

20. Pensions (continued)

Univar Company Pension Scheme (1978): FRS 17 Disclosures (cont'd)

Analysis of amount recognised in statement of total recognised gains and losses for years ended 31 December 2007 and 31 December 2006 are as follows:

	2007	*2006*
	£000	*£000*
Actual return less expected return on assets	(7,244)	1,063
Experience gains on liabilities	-	315
Gain on changes of assumptions	9,165	797
Total gain recognised in statement of total recognised gains and losses	1,921	2,175

Analysis of movement in deficit during the year:

	2007	*2006*
	£000	*£000*
Deficit in scheme at 1 January	(30,692)	(35,091)
Movement in year:		
Current service cost	(3,122)	(3,841)
Contributions	4,692	6,733
Past service cost	(430)	(250)
Other finance costs	(209)	(418)
Actuarial gain	1,921	2,175
Deficit in scheme at 31 December	(27,840)	(30,692)

Notes to the financial statements

at 31 December 2007

20. Pensions (continued)

Univar Company Pension Scheme (1978): FRS 17 Disclosures (cont'd)

History of experience gains and losses in the years ended 31 December 2007 and 31 December 2006 and 31 December 2005 and 31 December 2004 and 31 December 2003:

	2007	*2006*	*2005*	*2004*	*2003*
	£000	*£000*	*£000*	*£000*	*£000*
Difference between expected and actual return on scheme assets	(7,244)	1,063	7,603	(151)	4,929
% of scheme assets	(8)%	1%	10%	0%	9%
Experience gains arising on scheme liabilities	-	315	-	-	2,551
% of liabilities	0%	0%	0%	0%	3%
Total amount recognised in statement of total recognised gains and losses	1,921	2,175	(4,023)	(2056)	3,035
% of liabilities	2%	2%	(3)%	(2)%	4%

Univar Limited Pension and Life Assurance Scheme: FRS 17 Disclosures

The valuations at 31 December 2007 and 31 December 2006 used for FRS 17 disclosures have been based on the actuarial valuations at 30 June 2006 and 30 June 2003 respectively and projected by the actuary to take account of the requirements of FRS 17. Scheme assets are stated at their market values at the respective balance sheet dates.

	2007	*2006*
	£000	*£000*
Total market value of assets	15,027	14,353
Present value of the scheme's liabilities	(17,918)	(18,308)
Deficit in the scheme	(2,891)	(3,955)
Deferred tax asset	809	1,187
Net pension liability	(2,082)	(2,768)

The assets of the scheme and the expected rates of return at 31 December 2007, 31 December 2006 and 31 December 2005 were:

		2007		*2006*		*2005*
	Expected rate of return		*Expected rate of return*		*Expected rate of return*	
	%	*£000*	*%*	*£000*	*%*	*£000*
Equities	7.80	10,374	7.30	10,794	7.20	9,784
Bonds, gilts, cash	5.25	4,653	4.50	3,559	4.10	3,559
Total value of market assets		15,027		14,353		13,343

Notes to the financial statements

at 31 December 2007

20. Pensions (continued)

Univar Limited Pension and Life Assurance Scheme: FRS 17 Disclosures (cont'd)

There is no operating charge for the years ended 31 December 2007, 31 December 2006 or 31 December 2005.

An analysis of the net return on the pension scheme for the years ended 31 December 2007 and 31 December 2006 are as follows:

	2007	*2006*
	£000	*£000*
Expected return on pensions scheme assets	958	852
Interest on pension liabilities	(923)	(918)
Total other finance credit/(charge)	35	(66)

Analysis of amount recognised in statement of total recognised gains and losses for years ended 31 December 2007 and 31 December 2006:

	2007	*2006*
	£000	*£000*
Actual return less expected return on assets	(186)	273
Experience gain on liabilities	-	1,802
Gain/(loss) on changes of assumptions	880	(288)
Total gain recognised in statement of total recognised gains and losses	694	1,787

Analysis of movement in deficit during the year:

	2007	*2006*
	£000	*£000*
Deficit in scheme at 1 January	(3,955)	(5,976)
Movement in year:		
Current service cost	-	-
Contributions	335	300
Other finance credit/(costs)	35	(66)
Actuarial gain	694	1,787
Deficit in scheme at 31 December	(2,891)	(3,955)

Notes to the financial statements

at 31 December 2007

20. Pensions (continued)

Univar Limited Pension and Life Assurance Scheme: FRS 17 Disclosures (cont'd)

History of experience gains and losses in the years ended 31 December 2007 and 31 December 2006 and 31 December 2005 and 31 December 2004 and 31 December 2003:

	2007	*2006*	*2005*	*2004*	*2003*
	£000	*£000*	*£000*	*£000*	*£000*
Difference between expected and actual return on scheme assets	(186)	273	1,443	91	1,355
% of scheme assets	(1)%	2%	11%	1%	13%
Experience gains arising on scheme liabilities	-	1,802	-	-	(549)
% of liabilities	0%	10%	0%	0%	(3)%
Total amount recognised in statement of total recognised gains and losses	694	1,787	(750)	(285)	(114)
% of liabilities	4%	10%	(4)%	(2)%	(1)%

The Berk Group Pension Scheme: FRS 17 Disclosures

The valuations at 31 December 2007 and 31 December 2006 used for FRS 17 disclosures have been based on the actuarial valuations at 30 June 2006 and 30 June 2003 respectively and projected by the actuary to take account of the requirements of FRS 17. Scheme assets are stated at their market values at the respective balance sheet dates:

	2007	*2006*
	£000	*£000*
Total market value of assets	6,988	6,747
Present value of the scheme's liabilities	(8,127)	(8,508)
Deficit in the scheme	(1,139)	(1,761)
Deferred tax asset	319	528
Net pension liability	(820)	(1,233)

The assets of the scheme and the expected rates of return at 31 December were:

		2007		*2006*		*2005*
	Expected rate of return %	*£000*	*Expected rate of return %*	*£000*	*Expected rate of return %*	*£000*
Bonds	5.90	6,988	4.80	6,747	4.50	7,113
Total value of market assets		6,988		6,747		7,113

Notes to the financial statements

at 31 December 2007

20. **Pensions** (continued)

The Berk Group Pension Scheme: FRS 17 Disclosures (cont'd)

There is no operating charge for the years ended 31 December 2007, 31 December 2006 or 31 December 2005.

An analysis of the net return on the pension scheme for the years ended 31 December 2007 and 31 December 2006 is as follows:

	2007	*2006*
	£000	*£000*
Expected return on pensions scheme assets	322	317
Interest on pension liabilities	(428)	(511)
Total other finance charge	(106)	(194)

Analysis of amount recognised in statement of total recognised gains and losses for the years ended 31 December 2007 and 31 December 2006:

	2007	*2006*
	£000	*£000*
Actual return less expected return on assets	(49)	(621)
Experience gain on liabilities	-	2,550
Effect of change of assumptions	606	12
Total gain recognised in statement of total recognised gains and losses	557	1,941

Analysis of movement in deficit during the year:

	2007	*2006*
	£000	*£000*
Deficit in scheme at 1 January	(1,761)	(3,671)
Movement in year:		
Current service cost	-	-
Contributions	171	163
Other finance costs	(106)	(194)
Actuarial gain/(loss)	557	1,941
Deficit in scheme at 31 December	(1,139)	(1,761)

Notes to the financial statements

at 31 December 2007

20. Pensions (continued)

The Berk Group Pension Scheme: FRS 17 Disclosures (cont'd)

History of experience gains and losses in the years ended 31 December 2007 and 31 December 2006 and 31 December 2005 and 31 December 2004 and 31 December 2003:

	2007	*2006*	*2005*	*2004*	*2003*
	£000	*£000*	*£000*	*£000*	*£000*
Difference between expected and actual return on scheme assets	(49)	(621)	(204)	(4)	(851)
% of scheme assets	(1)%	(9)%	(3)%	0%	(13)%
Experience gains arising on scheme liabilities	-	2,550	-	-	(611)
% of liabilities	0%	30%	0%	0%	(7)%
Total amount recognised in statement of total recognised gains and losses	557	1,941	(645)	(285)	(1,962)
% of liabilities	4%	23%	(6)%	(3)%	(21)%

Assumptions used in FRS 17 valuations of all three schemes:

FRS 17 gives the present value of pension liabilities by discounting pension commitments, including future pensionable salary growth, at an AA corporate bond yield. In calculating the liabilities of the Scheme, the following financial assumptions have been used:

	31 December 2007	31 December 2006	31 December 2005
Discount rate	6.0% p.a.	5.1% p.a.	4.8% p.a.
Pensionable salary growth	4.60% p.a.	4.25% p.a.	4.25% p.a.
RPI	3.25% p.a.	2.90% p.a.	2.70% p.a.

Deferred pensions are revalued to retirement age in line with the Scheme's rules and statutory requirements.

Pension increases have been allowed for as appropriate under the three schemes. Pension increases on benefits from service before April 1997 for the '78 Scheme are discretionary. A past service cost for the '78 Scheme in respect of the discretionary increases paid in 2006 has been included. No allowance has been made for future discretionary pension increases in payment.

21. Parent undertaking and ultimate parent company

Ulixes B.V., a company ultimately controlled by funds advised and managed by CVC Capital Partners is the ultimate parent company.

Group accounts, incorporating Univar Limited, for year ending 31 December 2007 were drawn up by Univar N.V. Univar N.V. is a company registered in The Netherlands.

The immediate parent undertaking remains Ellis & Everard (UK Holdings) Limited, which is registered in England and Wales.

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at 31 December 2007

22. Related parties

The directors have taken advantage of the exemption in Financial Reporting Standard 8, paragraph 3(c), and have not disclosed related party transactions with parent and fellow subsidiary undertakings.

23. Derivatives

The company purchases forward currency contracts to hedge currency exposure on firm future commitments. The fair values of the derivatives held at the balance sheet date, determined by reference to their market values, are as follows:

	2007	*2006*
	£000	*£000*
Forward foreign currency contracts	151	(33)

24. Guarantees and debenture

Univar Limited acts as one of the guarantors for the Group borrowings from Bank of America, N.A.

The Group credit facilities are secured by a debenture over the assets of the Group, including the assets of Univar Limited.