Univar Limited

Report and Financial Statements

31 December 2010

Directors
W T Hill
C Jeusse
A Weaver Fisher

Secretary
Pinsent Masons Secretarial Limited
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Leeds LS1 5AB

Auditors
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Directors' report

The directors present their report and the financial statements for the year ended 31 December 2010

Results and dividends

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

Principal activity and review of the business

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

	2010	*2009*	*Change*
	£000	*£000*	*%*
Turnover	257,607	253,039	2
Operating profit	14,138	6,309	124
Profit after tax	10,515	2,502	420
Net assets	55,302	44,787	23
Current assets as % current liabilities	281	250	31

Turnover on contuining activities increased by 10 8% as some of the sectors impacted in 2009 (Construction) operated in a better environment in 2010 Overall Gross profit percentages were diluted slightly as commodity prices continued to increase ~ 5% year on year However, Gross profit per tonne ratios improved resulting in overall Gross profit showing an increase of 6 6% 2010 Operating costs benefited from the reduction in headcount in 2009 on the back of a difficult trading environment and this combined with good costs control delivered a significant year on year operating profit improvement ~ 68%

The taxation charge was £4,317,000 (2009 - £1,871,000) and a reconciliation of the actual tax charge to the standard rate of corporation tax is set out in note 10 to the financial statements

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

Principal activity and review of the business (continued)

On 1 January 2010 Univar Europe Ltd, a fellow group company, acquired the business and assets of the RW Greeff division from the company in return for the issue of share capital On the same day Univar Europe Ltd sold the business and assets of the RW Greeff division to Univar Specialty Consumables Limited, a fellow group company, in return for shares in that company

Directors

The directors who served the company during the year, and thereafter, were as follows

P D Heinz	(resigned 1 December 2010)
W T Hill	
C Jeusse	
A Weaver Fisher	(appointed 1 December 2010)

D L Rothwell resigned as company secretary on 4 June 2010 and was replaced on the same day by Pinsent Masons Secretarial Limited

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

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 2006 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 auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is 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

Directors' report

Employee involvement and employment policies (continued)

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 £4,093 (2009 – £4,334)

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board

C Jeusse – Director

11 July 2011

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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 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 financial statements of Univar Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 28 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Alastair John Richard Nuttall (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)

Leeds
19 July 2011

Profit and loss account

for the year ended 31 December 2010

	Notes	2010 £000	2009 Continuing £000	2009 Discontinued £000	2009 Total £000
Turnover	2	257,607	232,367	20,672	253,039
Cost of sales		(206,321)	(184,270)	(15,920)	(200,190)
Gross profit		51,286	48,097	4,752	52,849
Distribution costs		(3,378)	(3,826)	(499)	(4,325)
Administrative expenses					
– ordinary		(33,770)	(35,871)	(5,675)	(41,546)
– exceptional	3	-	(669)	–	(669)
Operating profit	4	14,138	7,731	(1,422)	6,309
Profit on disposal of discontinued operations	7	2,426			
Interest receivable and similar income	8	169			-
Interest payable and similar charges	9	(1,901)			(1,936)
Profit on ordinary activities before taxation		14,832			4,373
Tax on profit on ordinary activities	10	(4,317)			(1,871)
Profit for the financial year	21	10,515			2,502

All amounts in the current period relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2010

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £10,515,000 in the year ended 31 December 2010 (2009 - £2,502,000)

Balance sheet

at 31 December 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Investments	11	4,565	-
Intangible assets	12	9,670	10,999
Tangible assets	13	13,744	14,168
		27,979	25,167
Current assets			
Stocks	14	17,011	18,975
Debtors amounts falling due within one year	15	44,564	41,841
Debtors amounts falling due after one year	15	8,095	6,051
Cash at bank in hand		44,552	35,551
		114,222	102,418
Creditors: amounts falling due within one year	16	(40,658)	(41,921)
Net current assets		73,564	60,497
Total assets less current liabilities		101,543	85,664
Creditors amounts falling due after more than one year	17	(44,169)	(37,882)
Provisions for liabilities	18	(2,072)	(2,995)
Net assets		55,302	44,787
Capital and reserves			
Called up share capital	20	25,000	25,000
Share premium account	21	826	826
Profit and loss account	21	29,476	18,961
	22	55,302	44,787

The financial statements on pages 8 to 25 were approved for issue by the board of directors and were signed on its behalf by

C Jeusse - Director

11 July 2011

Notes to the financial statements

at 31 December 2010

1. Accounting policies

Basis of preparation

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

Statement of cash flows

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

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management and objectives are described in the Business Review on pages 2 to 3 The company is expected to continue to generate positive cash flows on its own account for the foreseeable future The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Group financial statements

The company has not prepared group financial statements as it is a wholly owned subsidiary undertaking of a company which itself prepares group financial statements and so is exempt by virtue of section 400 of the Companies Act 2006 These financial statements present information about the company as an individual undertaking and not about its group

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

Investments

Investments in subsidiaries are stated in the balance sheet at cost less any provisions for impairment The carrying value of investments is reviewed on an annual basis for any signs of impairment When a provision for impairment is deemed necessary the resulting expense is charged to the profit and loss account

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 The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

Notes to the financial statements

at 31 December 2010

1. Accounting policies (continued)

Tangible fixed assets

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 fellow group company the depreciation charge is determined by reference to the state of ownership of the particular property to the group
Plant and equipment	–	4 to 25 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

Deferred taxation

Deferred taxation 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 right to pay less or to receive more, tax, with following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or 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

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable

- 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 an undiscounted 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

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

Notes to the financial statements

at 31 December 2010

1. Accounting policies (continued)

Pensions

The company participates in a multi-employer defined benefit and defined contribution plan, the Univar Company Pension Scheme (1978) ("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 so in accordance with FRS17 the company accounts for its contributions to the scheme as if it were only 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

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

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

Provision for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past even and it is probable that an outflow of economic benefits will be required to settle the obligation

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

	2010	*2009 Continuing*	*2009 Discontinued*	*2009 Total*
	£000	*£000*	*£000*	
United Kingdom	238,733	217,209	20,011	237,220
Rest of Europe	7,916	6,238	643	6,881
Rest of World	10,958	8,920	18	8,938
	257,607	232,367	20,672	253,039

Notes to the financial statements

at 31 December 2010

3. Administrative expenses - exceptional

	2010	2009
	£000	£000
Environmental costs	-	669
	-	669

The environmental costs relate to remediation work at the company's Cardiff and Glasgow sites

4. Operating profit

This is stated after charging/(crediting)

	2010	2009
	£000	£000
Depreciation of owned assets	1,828	2,032
Amortisation of goodwill	625	903
Amortisation of licences	53	54
Operating lease rentals – plant and machinery	1,785	2,104
– land and buildings	843	1,285
Loss/(gain) on disposal of tangible fixed assets	113	(20)
Foreign exchange loss	107	128
Auditors' remuneration – audit fees	100	144

5. Directors' remuneration

No emoluments were paid to the directors in the current year or preceding year for their services to the company The number of directors accruing benefits under defined benefit schemes was nil (2009 – nil) No directors accrued benefits under money purchase schemes

The directors of the company are also directors of the holding company and/or fellow subsidiaries The directors received remuneration for the year of £192,000 (2009 - £192,000) in relation to qualifying services as directors of this company, all of which was paid by Univar Inc and Univar Benelux SA

Notes to the financial statements

at 31 December 2010

6. Staff costs

	2010	*2009*
	£000	*£000*
Wages and salaries	16,694	18,390
Social security costs	1,486	1,672
Defined benefit pension costs	6,744	7,598
Defined contribution pension costs	562	502
Redundancy costs	220	392
	25,706	28,554

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

	2010	*2009*
	No	*No*
Administrative	129	182
Sales and distribution	485	548
	614	730

7. Profit on disposal of discontinued operations

On 1 January 2010 Univar Europe Ltd, a fellow group company, acquired the business and assets of the RW Greeff division from the company in return for the issue of share capital of £4,564,910 On the same day Univar Europe Ltd sold the business and assets of the RW Greeff division to Univar Specialty Consumables Limited, a fellow group company, in return for share capital of £4,564,910 in that company

8. Interest receivable and similar income

	2010	*2009*
	£000	*£000*
Bank interest	6	-
Other interest	163	-
	169	-

9. Interest payable and similar charges

	2010	*2009*
	£000	*£000*
Group interest payable	1,901	1,900
Bank interest paid	-	36
	1,901	1,936

Notes to the financial statements

at 31 December 2010

10. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2010 £000	2009 £000
Current tax		
UK Corporation tax	2,536	484
Adjustments in respect of prior periods	1,313	84
Total current tax (note 10(b))	3,849	568
Deferred tax		
Origination and reversal of timing differences	799	1,379
Recognition of unrecognised deferred tax asset	-	(76)
Adjustments in respect of prior periods	(331)	-
Total deferred tax	468	1,303
Tax on profit on ordinary activities	4,317	1,871

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2009 – lower) than the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are reconciled below

	2010 £000	2009 £000
Profit on ordinary activities before tax	14,832	4,373
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	4,153	1,224
Effects of		
Expenses not deductible for tax purposes	227	306
Income not taxable for tax purposes	(767)	-
Depreciation in excess of capital allowances	(975)	(1,233)
Adjustments in respect of prior periods	1,313	84
Short term timing differences	(102)	187
Total current tax (note 10(a))	3,849	568

(c) Factors affecting future tax

The Budget on 23 March 2011 announced that the UK corporation tax rate will reduce from 27% to 23% over a period of three years from 1 April 2011 A reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and following the 2011 Budget, the 26% tax rate will be effective from 1 April 2011 This will reduce the company's future current tax charge accordingly Any deferred tax expected to reverse in the year to 31 December 2010 has been calculated using the substantively enacted reduced rate at the balance sheet date of 27%

The aggregate impact of the proposed reductions from 27% to 23% would reduce the deferred tax asset/liability by approximately £366,000

Notes to the financial statements

at 31 December 2010

11. Investments

	Shares in subsidiary undertaking £000
Cost	
At 1 January 2010	-
Additions	4,565
At 31 December 2010	4,565

During the year the company acquired an investment in Univar Europe Ltd as consideration for the trade and assets of its RW Greeff division

The company has taken advantage of Section 405(2) of the Companies Act 2006 and disclosed only those investments whose results or financial position materially affected the figures shown in the company's annual financial statements

The material investments in which the company holds at least 20% of the nominal value of any class of share capital, all of which are unlisted, are as follows

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Univar Europe Limited	Ordinary shares	99 96%	Holding company

12. Intangible fixed assets

	Goodwill £000	*Licences £000*	*Total £000*
Cost			
At 1 January 2010	18,065	420	18,485
Additions	-	16	16
Disposal	(694)	-	(694)
At 31 December 2010	17,371	436	17,807
Amortisation			
At 1 January 2010	7,347	139	7,486
Charge for the year	625	53	678
Disposal	(27)	-	(27)
At 31 December 2010	7,945	192	8,137
Net book value			
At 31 December 2010	9,426	244	9,670
At 31 December 2009	10,718	281	10,999

The goodwill on all acquisitions is being written off over its estimated useful economic life of 20 years
The disposal of goodwill relates to the disposal of RW Greef division and the goodwill created when it acquired its Industrial Solutions business
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 2010

13. Tangible fixed assets

	Buildings	*Plant and equipment*	*Total*
	£000	*£000*	*£000*
Cost			
At 1 January 2010	14,145	39,869	54,014
Additions	683	1,003	1,686
Disposals	(569)	(2,473)	(3,042)
At 31 December 2010	14,259	38,399	52,658
Depreciation			
At 1 January 2010	7,163	32,683	39,846
Charge for the year	470	1,356	1,826
Disposals	(435)	(2,323)	(2,758)
At 31 December 2010	7,198	31,716	38,914
Net book value			
At 31 December 2010	7,061	6,683	13,744
At 1 January 2010	6,982	7,186	14,168

The net book values of buildings comprises	*2010*	*2009*
	£000	*£000*
Freehold	5,420	5,597
Long leasehold	864	528
Short leasehold	777	857
	7,061	6,982

14. Stocks

	2010	*2009*
	£000	*£000*
Inventory held for resale	16,435	18,528
Containers and consumables	576	447
	17,011	18,975

Notes to the financial statements

at 31 December 2010

15. Debtors

	2010	2009
	£000	£000
Amounts due within one year		
Trade debtors	42,914	39,670
Amounts owed by fellow group undertakings	692	639
Other debtors	182	434
Prepayments and accrued income	776	1,098
	44,564	41,841
Amounts due after one year		
Amounts owed by fellow group undertakings	5,628	3,085
Deferred tax (note 18)	2,467	2,966
	8,095	6,051
	52,659	47,892

16. Creditors: amounts falling due within one year

	2010	2009
	£000	£000
Bank overdraft	-	1,643
Trade creditors	21,942	23,548
Amounts owed to fellow group undertakings	9,781	9,682
Other taxes and social security	3,234	1,309
Other creditors	1,968	2,032
Accruals and deferred income	3,733	3,707
	40,658	41,921

The bank overdraft is secured against the group's cash balances as the company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries

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

	2010	2009
	£000	£000
Amounts owed to fellow group undertakings	42,286	35,876
Accruals and deferred income	1,883	2,006
	44,169	37,882

Notes to the financial statements

at 31 December 2010

18. Provisions for liabilities

	Environmental cost	*Reorganisation costs*	*Total*
	£000	*£000*	*£000*
At 1 January 2010	1,900	1,095	2,995
Expenditure during the year	(339)	(464)	(803)
Increase in provision	-	274	274
Disposal of division	-	(394)	(394)
At 31 December 2010	1,561	511	2,072

The environmental provision relates to the cost of reducing the impact of the company's activities on the environment at certain sites The provision is based upon reports prepared by third party environmental consultants and is reviewed on a regular basis by local management

The reorganisation costs relate to various restructuring projects that are currently ongoing throughout the business These are the closure of the company's Grimsby and Basildon sites and the ongoing costs in relation to the, now unused, Bradford head office The increase in the provision relates to rental payments at these three locations

19. Deferred taxation

The elements of deferred taxation are as follows

	2010	*2009*
	£000	*£000*
Difference between accumulated depreciation and amortisation and capital allowances	(3,752)	(4,755)
Derecognised asset	1,720	2,209
Timing differences	(435)	(420)
Deferred tax asset (note 15)	(2,467)	(2,966)

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

	£000
At 1 January 2010	(2,966)
Deferred tax charge in profit and loss account (note 9)	468
Disposal of division	31
At 31 December 2010	(2,467)

Notes to the financial statements

at 31 December 2010

20. Issued share capital

Allotted, called up and fully paid	*2010* *£000*	*2009* *£000*
Ordinary shares of £1 each	25,000	25,000

21. Reserves

	Share capital *£000*	*Share premium* *£000*	*Profit and loss account* *£000*	*Total shareholders' funds* *£000*
At 1 January 2010	25,000	826	18,961	44,787
Profit for the year	-	-	10,515	10,515
At 31 December 2010	25,000	826	29,476	55,302

22. Reconciliation of shareholders' funds and movements on reserves

	2010 *£000*	*2009* *£000*
Opening shareholders' funds	44,787	42,285
Profit for the year	10,515	2,502
Closing shareholders' funds	55,302	44,787

23. Commitments

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

	2010 *£000*	*2009* *£000*
Contracted	274	575

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

Land and buildings	*2010* *£000*	*2009* *£000*
Leases expiring		
Within one year	-	19
Within two to five years	236	403
Thereafter	999	678
	1,235	1,100

Notes to the financial statements

at 31 December 2010

23. Commitments (continued)

	2010	*2009*
	£000	*£000*
Other operating leases		
Leases expiring		
Within one year	375	661
Within two to five years	1,088	1,270
Thereafter	63	62
	1,526	1,993

Of the land and buildings commitment £1,136,000 (2009 - £1,001,000) is payable to a fellow group undertaking

24. Pensions

The company is a member of the Univar Company Pension Scheme (1978) ("the '78 Scheme") The '78 Scheme is a multi-employer defined benefit and defined contribution plan This plan operates on a basis which means that it is unable to identify individual group companies' 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 this scheme as if it were only a defined contribution plan The details of the deficit for the '78 Scheme are provided in this note

The assets of the scheme are held separate to the assets of the Company in separate independently administered funds

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

The overall expected rate of return on assets is established by combining the proportions held in each major asset class with expected returns for each class derived from market yields and consideration of inflation and economic growth expectations

The defined benefit section was closed to future accrual on 30 November 2010 All active members of the section transferred to the defined contribution section of the scheme at this date for future service

The key financial assumptions, actuarial method and results of these valuations at 31 December 2010 and 31 December 2009 are set out below

		'78 Scheme	*'78 Scheme*
		2010	*2009*
Actuarial method used		Projected Unit	Projected Unit
Market value of assets	£m	119 8	108 0
Level of funding*	%	70	64
Main assumptions			
Discount rate	%	5 50	5 70
Wages and salaries increases p a	%	n/a	4 95
Return on assets Equities	%	7 90	7 70
Return on assets Bonds/Gilts/Cash	%	4 20	4 70
RPI inflation p a	%	3 50	3 60
CPI inflation p a	%	2 80	n/a
Average life expectancy			
Current female pensioners		23 8	23 8
Current male pensioners		21 2	21 2
Future female pensioners		25 7	25 7
Future male pensioners		23 1	23 1

Notes to the financial statements

at 31 December 2010

24. Pensions (continued)

* 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

Pension increases have been allowed for as appropriate under the scheme rules Pension increases on benefits from service before April 1997 for the '78 Scheme are discretionary No advance allowance for future discretionary increases has been made in the FRS17 liabilities

Employer contributions

For the Defined Benefit section company contributions, prior to the closure of the scheme, were as follows

- 29 5% of pensionable salaries less member contributions for Senior Staff
- 20 0% of pensionable salaries less member contributions for other members

In addition, payments of £354,712 per month to 30 November 2010 followed by a payment of £945,288 in December 2010

For the Defined Contribution section

- 20% of pensionable salaries for non-contributory Senior Staff
- 13-15% of pensionable salaries for contributory Senior Staff
- 6-12% of pensionable salaries for other members

Employee Contributions

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
- 3-5% of pensionable salaries for contributory Senior Staff
- 3-6% of pensionable salaries for other members

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

The latest formal valuation of the Scheme was as at 30 June 2009 The liabilities for the Scheme have been calculated based on the individual membership data at 30 June 2009, and rolled forward to 31 December 2010, taking account of benefits accruals and payments since the valuation date

Notes to the financial statements

at 31 December 2010

24. Pensions (continued)

	2010	*2009*
	£000	*£000*
Total market value of assets	119,816	108,000
Present value of the scheme's liabilities	(170,223)	(168,500)
Deficit in the scheme	(50,407)	(60,500)
Deferred tax asset	13,610	16,940
Net pension liability	(36,797)	(43,560)

The assets of the scheme and the expected rates of return at 31 December 2010 and 31 December 2009 were

		2010		*2009*
	Expected rate of return		*Expected rate of return*	
	%	*£000*	*%*	*£000*
Equities	7 90	68,612	7 70	66,077
Bonds/Gilts/Cash	4 20	51,204	4 70	41,923
		19,816		108,000

An analysis of the defined benefit cost for the years ended 31 December 2010 and 31 December 2009 are as follows

	2010	*2009*
	£000	*£000*
Service cost	2,944	2,816
Past service cost	-	218
Gain on curtailments	(4,632)	(842)
Total operating charge	(1,688)	2,192
Expected return on pension scheme assets	(7,174)	(6,410)
Interest on pension liabilities	9,354	9,595
Net charge to other finance income	2,180	3,185
Total profit and loss charge before deduction for tax	492	5,377

Notes to the financial statements

at 31 December 2010

24. Pensions (continued)

Analysis of movement in scheme's assets and liabilities for years ended 31 December 2010 and 31 December 2009 are as follows

	2010	*2009*
	£000	*£000*
Actual gain on scheme assets	11,328	17,196
Expected return on scheme assets	(7,174)	(6,410)
Loss on changes of assumptions	(386)	(497)
Total actuarial gain	3,768	10,289

Analysis of movement in scheme liabilities during the year

	2010	*2009*
	£000	*£000*
Scheme liabilities at 1 January	168,500	160,753
Movement in year		
Service cost	2,944	2,816
Interest cost	9,354	9,595
Past service costs	-	218
Curtailment cost	(4,632)	(842)
Contributions paid by the employee	39	53
Benefits paid	(6,368)	(4,590)
Loss/(gain) recognised in STRGL	386	497
Scheme liabilities at 31 December	170,223	168,500

Analysis of movement in scheme assets during the year

	2010	*2009*
	£000	*£000*
Scheme assets at 1 January	108,000	88,266
Movement in year		
Expected return on scheme assets	7,174	6,410
Contributions paid by the company	6,817	7,075
Contributions paid by the employee	39	53
Benefits paid	(6,368)	(4,590)
Gain/(loss) recognised in STRGL	4,154	10,786
Scheme assets at 31 December	119,816	108,000

Notes to the financial statements

at 31 December 2010

24. Pensions (continued)

History of assets, liabilities, surplus/(deficit) and experience gains and losses in the years ended 31 December 2010, 31 December 2009, 31 December 2008, 31 December 2007 and 31 December 2006

	2010	*2009*	*2008*	*2007*	*2006*
	£000	*£000*	*£000*	*£000*	*£000*
Scheme assets	119,816	108,000	88,266	92,290	91,068
Scheme liabilities	(170,223)	(168,500)	(160,753)	(120,130)	(121,760)
Scheme deficit	(50,407)	(60,500)	(72,487)	(27,840)	(30,692)
Gain/(Loss) on scheme assets	4,154	10,786	(34,875)	(6,954)	1,063
Experience gain on scheme liabilities	-	–	–	–	315

25. 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

	2010	*2009*
	£000	*£000*
Forward foreign currency contract (liabilities)/assets	30	(27)

26. Related party transactions

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

27. Guarantees and debenture

The Group credit facilities are secured by a debenture over the assets of the Group, including the assets of Univar Limited Univar Limited acts as one of the guarantors for the Group borrowings from Bank of America, N A The guaranteed borrowings were $1,607,490,000 at 31 December 2010 This was released on 31 March 2011

28. Ultimate parent undertaking and controlling party

Ulixes Cooperative U A , a company ultimately controlled jointly by funds advised and managed by CVC Capital Partners Advisory (US) inc and Clayton, Dubilier & Rice LLP, is the ultimate parent undertaking

Group accounts, incorporating Univar Limited, for year ending 31 December 2010 were drawn up by Ulixes Holding B V , a company incorporated in The Netherlands Accounts are publicly available from 333 The Blaak, 11th Floor, 3011 GB Rotterdam, The Netherlands

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