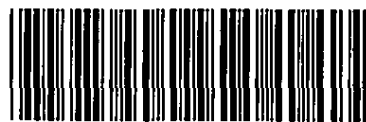


Univar Limited

Report and Financial Statements

31 December 2008

FRIDAY



ACI4LEJQ

A96

30/10/2009

369

COMPANIES HOUSE

Registered No: 139876

Directors

D C Jukes (resigned 30 April 2008)
P D Heinz
W T Hill (appointed 30 April 2008)
C Jousse (appointed 21 August 2009)
M I Latham (resigned 30 April 2008)
B J McNamara (resigned 14 April 2009)
C J Morley (resigned 30 April 2008)
J N Phillpotts (resigned 30 April 2008)
M R Pugh (resigned 30 April 2008)
T R Taylor (appointed 14 April 2009, resigned 21 August 2009)

Secretary

D L Rothwell

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 2008.

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:

	2008 £000	2007 £000	Change %
Turnover	311,192	313,682	(1)
Operating profit	8,182	9,157	(11)
Profit after tax	3,755	4,513	(17)
Net assets	42,285	35,774	18
Current assets as % current liabilities	208%	194%	14

Turnover remained fairly static overall but the mix of business was significantly different as throughout 2008 there were significant commodity price increases. Univar benefited from this and the business widened margins by 1.5 percentage points improving Gross Profit year on year by over £4m on similar level sales to 2007. Distribution costs came under increasing pressure as rising fuel prices impacted the business but greater efficiencies resulted in these costs remaining more or less flat year on year. Administrative expenses increased significantly year on year largely due to increased pension contributions and costs as well as a requirement to make environmental provision for one of the distribution centres.

The taxation charge was £2,531,000 (2008 - £3,088,000 charge) and a reconciliation of the actual tax charge to the standard rate of corporation tax is set out in note 9 to the financial statements.

Net current assets improved by 12% 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.

On 1 April 2008 the three pension schemes provided by the company, the Univar Company Pension Scheme (1978), the Univar Pension & Life Assurance Scheme and the Berk Group Pension Scheme were

Directors' report

Principal activity and review of the business (continued)

merged into one, the Univar Company Pension Scheme (1978). Further detail on this merger can be found in note 21.

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 with closures of the London site, the relocation of the Scotland sales office function and the reorganization of the RW Greeff division.

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 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 make 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.

Directors' report

Political and charitable donations

During the year the company made no political donations and various charitable contributions totalling £5,617 (2007 - £19,548).

Auditors

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

On behalf of the board



D L Rothwell
Secretary

30 October 2009

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 2008 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 25. 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 2008 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

20 October 2009

Profit and loss account

for the year ended 31 December 2008

	Notes	2008 £000	2007 £000
Turnover	2	311,192	313,682
Cost of sales		(257,161)	(263,924)
Gross profit		54,031	49,758
Distribution costs		(5,105)	(5,196)
Administrative expenses - ordinary		(40,037)	(35,405)
Administrative expenses – exceptional	3	(707)	-
Operating profit	4	8,182	9,157
Interest receivable and similar income	7	-	357
Interest payable and similar charges	8	(1,906)	(1,842)
Net finance credit/(costs) in respect of defined benefit pension schemes		10	(71)
Profit on ordinary activities before taxation		6,286	7,601
Tax on profit on ordinary activities	9	(2,531)	(3,088)
Profit for year	19	3,755	4,513

All results are derived from continuing activities.

Statement of total recognised gains and losses

for the year ended 31 December 2008

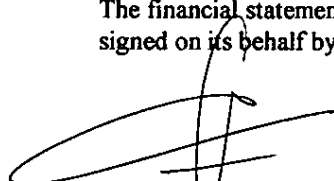
	2008 £000	2007 £000
Profit for the financial year	3,755	4,513
Gain on derecognition of gross pension deficit	3,552	-
Loss on derecognition of deferred tax asset on pension deficit	(994)	-
Actuarial gains in respect of defined benefit pension schemes	275	1,251
Tax on actuarial gains in respect of defined benefit pension schemes	(77)	(375)
Total recognised gains and losses relating to the year	6,511	5,389

Balance sheet

at 31 December 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Intangible assets	10	11,909	12,847
Tangible assets	11	15,194	15,419
		<u>27,103</u>	<u>28,266</u>
Current assets			
Stocks	12	23,090	26,979
Debtors: amounts falling due within one year	13	48,897	57,724
Debtors: amounts falling due after one year	13	7,351	7,712
Cash at bank in hand		22,663	5,085
		<u>102,001</u>	<u>97,500</u>
Creditors: amounts falling due within one year	14	(49,112)	(50,296)
Net current assets		<u>52,889</u>	<u>47,204</u>
Total assets less current liabilities		<u>79,992</u>	<u>75,470</u>
Creditors: amounts falling due after more than one year	15	(35,663)	(35,695)
Provisions for liabilities	16	(2,044)	(1,099)
Net assets excluding pension liability		<u>42,285</u>	<u>38,676</u>
Pension liability (net of deferred tax)	21	-	(2,902)
Net assets including pension liability		<u>42,285</u>	<u>35,774</u>
Capital and reserves			
Called up share capital	18	25,000	25,000
Share premium account	19	826	826
Profit and loss account	19	16,459	9,948
	19	<u>42,285</u>	<u>35,774</u>

The financial statements on pages 8 to 36 were approved for issue by the board of directors and were signed on its behalf by:


C Jousse - Director
30 October 2009

Notes to the financial statements

at 31 December 2008

1. Accounting policies

Basis of preparation and change in accounting policy

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

In preparing the financial statements for the current year, the company has adopted the amendment to FRS 17 'Retirement Benefits'. The adoption of the amendment to FRS 17 has resulted in a change in accounting policy for the valuation of quoted securities included in plan assets. The fair values of these securities are now based on the current bid price, rather than the mid market value as previously used by the company. Consequently the defined benefit pension liability net of deferred taxation disclosed only in note 21 in relation to the Univar Company Pension Scheme (1978) has been increased by £290,000 as at 1 January 2007. This had only a disclosure impact in the financial statements. There was no material impact on the profit and loss account and there was no material impact on the disclosures for the Berk Group Pension Scheme and the Univar Limited Pension and Life Assurance Scheme. The amendment to FRS 17 also aligns the disclosures in the standard to with those of the equivalent International Accounting Standard 19.

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. 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 2008

1. Accounting policies (continued)

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.

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

On 1 April 2008 the three pension schemes provided by the company, 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") were merged into one, the Univar Company Pension Scheme (1978).

The '78 Scheme prior to the merger was a multi-employer defined benefit and defined contribution plan. This plan was operated on a basis which meant that it could not enable individual group 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 accounted for its contributions to the scheme as if it were only a defined contribution plan.

Notes to the financial statements

at 31 December 2008

1. Accounting policies (continued)

Pensions (continued)

The PLAS Scheme and the Berk Scheme which were also operated by the company were both defined benefit pension schemes were the sole responsibility of Univar Limited alone. Contributions to these two schemes were made to a separately administered fund until the three schemes were merged as at 1 April 2008. Pension scheme assets until this date were measured at fair value and scheme liabilities were 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 deficits relating to these two schemes, the Univar Pension & Life Assurance Scheme and the Berk Group Pension Scheme are recognised and, at the date of merger, 1 April 2008, will not continue to be reflected in the balance sheet. Going forward the company will account for its contributions to the newly merged scheme, the '78 Scheme, as if it were only a defined contribution plan due to the fact that the individual group companies cannot identify their share of the underlying assets and liabilities on a consistent and reasonable basis.

For the PLAS and BERK schemes 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.

For the PLAS Scheme and Berk Scheme up to 31 March 2008 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. As a result of the three schemes merging, the previously identifiable deficits were no longer able to be separately measured. Consequently the deficit has been derecognised as at the date of merger.

For the '78 Scheme, both prior to and post the merger, 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.

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.

Notes to the financial statements

at 31 December 2008

1. Accounting policies (continued)

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:

	2008 £000	2007 £000
United Kingdom	296,096	299,401
Rest of Europe	6,601	5,077
Rest of World	8,495	9,204
	<u>311,192</u>	<u>313,682</u>

3. Administrative expenses - exceptional

	2008 £000	2007 £000
Environmental costs	707	-
	<u>707</u>	<u>-</u>

The environmental costs relate to remediation work at the company's Exeter site.

Notes to the financial statements

at 31 December 2008

4. Operating profit

This is stated after charging/(crediting):

	2008 £000	2007 £000
Auditors' remuneration – audit fees	126	115
Depreciation of owned assets	2,225	2,411
Amortisation of goodwill	904	892
Amortisation of licences	54	31
Operating lease rentals – plant and machinery	1,934	1,730
– land and buildings	1,810	1,900
Gain on disposal of tangible fixed assets	(135)	(114)
Foreign exchange gains	(68)	(38)
	<u> </u>	<u> </u>

5. Staff costs

	2008 £000	2007 £000
Wages and salaries	22,514	23,050
Social security costs	1,900	1,954
Defined benefit pension costs	5,540	4,315
Defined contribution pension costs	465	290
Redundancy costs	380	232
	<u>30,799</u>	<u>29,841</u>

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

	2008 No.	2007 No.
Administrative	264	281
Sales and distribution	544	575
	<u>808</u>	<u>856</u>

Notes to the financial statements

at 31 December 2008

6. Directors' emoluments

	2008 £000	2007 £000
Emoluments	73	268
Aggregate amount receivable under long term incentive plans	-	-
Number of directors who received shares in respect of qualifying services	-	1
Number of directors who exercised share options	-	1

The number of directors accruing benefits under defined benefit schemes was 1 (2007 - 4). No directors accrued benefits under money purchase schemes.

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

	2008 £000	2007 £000
Emoluments	41	109

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

	2008 £000	2007 £000
Accrued pension under defined benefit pension scheme	-	20

7. Interest receivable and similar income

	2008 £000	2007 £000
Group interest receivable	-	357

8. Interest payable and similar charges

	2008 £000	2007 £000
Group interest payable	1,906	1,842

Notes to the financial statements

at 31 December 2008

9. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2008 £000	2007 £000
<i>Current tax</i>		
UK Corporation tax	2,764	1,323
Adjustments in respect of prior periods	(728)	56
Total current tax (note 9(b))	2,036	1,379
<i>Deferred tax</i>		
Origination and reversal of timing differences	(700)	1,497
Pension liability	134	212
Derecognition of deferred tax asset	2,285	-
Adjustments in respect of prior periods	(1,224)	-
Total deferred tax	495	1,709
Tax on profit on ordinary activities	2,531	3,088

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28.5% (2007 - 30%). The differences are reconciled below:

	2008 £000	2007 £000
Profit on ordinary activities before tax	6,286	7,601
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	1,792	2,280
Expenses not deductible for tax purposes	218	469
Depreciation in excess of capital allowances	541	(1,395)
Adjustments in respect of prior periods	(728)	56
Short term timing differences	213	(31)
Total current tax (note 9(a))	2,036	1,379

Taxation is paid under the group payment arrangement and as a result the taxation payable of £3,081,000 (2007 - £3,874,000) is included under amounts owed to fellow group undertakings within Creditors: amounts falling due within one year.

Notes to the financial statements

at 31 December 2008

9. Tax on profit on ordinary activities (continued)

(c) Factors affecting future charges

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.

10. Intangible fixed assets

	<i>Goodwill</i> <i>£000</i>	<i>Licences</i> <i>£000</i>	<i>Total</i> <i>£000</i>
Cost:			
At 1 January 2008	18,065	353	18,418
Additions	-	20	20
At 31 December 2008	18,065	373	18,438
Amortisation:			
At 1 January 2008	5,540	31	5,571
Charge for the year	904	54	958
At 31 December 2008	6,444	85	6,529
Net book value:			
At 31 December 2008	11,621	288	11,909
At 31 December 2007	12,525	322	12,847

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 2008

11. Tangible fixed assets

	<i>Buildings</i> £000	<i>Plant and equipment</i> £000	<i>Total</i> £000
Cost:			
At 1 January 2008	12,775	41,295	54,070
Additions	624	1,463	2,087
Disposals	-	(1,501)	(1,501)
At 31 December 2008	13,399	41,257	54,656
Depreciation:			
At 1 January 2008	6,505	32,146	38,651
Charge for the year	498	1,727	2,225
Disposals	-	(1,414)	(1,414)
At 31 December 2008	7,003	32,459	39,462
Net book value:			
At 31 December 2008	6,396	8,798	15,194
At 31 December 2007	6,270	9,149	15,419

The net book value of buildings comprises:

	<i>2008</i> £000	<i>2007</i> £000
Freehold	14	14
Long leasehold	1,247	1,356
Short leasehold	5,135	4,900
	6,396	6,270

12. Stocks

	<i>2008</i> £000	<i>2007</i> £000
Inventory held for resale	22,192	25,774
Containers and consumables	898	1,205
	23,090	26,979

Notes to the financial statements

at 31 December 2008

13. Debtors

	2008 £000	2007 £000
<i>Amounts due within one year:</i>		
Trade debtors	45,722	55,581
Amounts owed by fellow group undertakings	1,055	784
Other debtors	494	164
Prepayments and accrued income	1,626	1,195
	<u>48,897</u>	<u>57,724</u>
<i>Amounts due after one year:</i>		
Amounts owed by fellow group undertakings	3,082	3,082
Deferred tax (note 17)	4,269	4,630
	<u>7,351</u>	<u>7,712</u>
	<u>56,248</u>	<u>65,436</u>

14. Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank overdraft	7,444	246
Trade creditors	23,140	29,613
Amounts owed to fellow group undertakings	10,912	11,860
Other taxes and social security	1,908	2,665
Other creditors	1,655	1,337
Accruals and deferred income	4,053	4,575
	<u>49,112</u>	<u>50,296</u>

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

	2008 £000	2007 £000
Amounts owed to fellow group undertakings	33,535	33,443
Accruals and deferred income	2,128	2,252
	<u>35,663</u>	<u>35,695</u>

Notes to the financial statements

at 31 December 2008

16. Provisions for liabilities

	<i>Environmental cost £000</i>	<i>Reorganisation costs £000</i>	<i>Total £000</i>
At 31 December 2007	865	234	1,099
Expenditure during the year	-	(138)	(138)
Charged to profit in the year	707	376	1,083
31 December 2008	<u>1,572</u>	<u>472</u>	<u>2,044</u>

The environmental provisions relate to the costs of reducing the impact on the environment at certain sites and are discounted where appropriate. 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. An additional provision of £707,000 has been put in place for remediation work at the company's Exeter site during the year with the work due to be completed over the next three years.

The reorganisation provision created in the year relates to the costs of closure of the London site and relocation of its 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 Scotland sales office function to the North West. All of these reorganisations were fully committed for at the year end and, for the most part, were completed by April 2009 with the costs incurred not significantly different to those provided for. An element of the prior year provision remains in place for Grimsby site where costs associated with the vacant property are still to come.

17. Deferred taxation

The elements of deferred taxation are as follows:

	<i>2008 £000</i>	<i>2007 £000</i>
Difference between accumulated depreciation and amortisation and capital allowances	(6,322)	(4,342)
Derecognised asset	2,285	-
Timing differences	(232)	(288)
Deferred tax asset (note 13)	<u>(4,269)</u>	<u>(4,630)</u>

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

	<i>£000</i>
At 1 January 2008	(4,630)
Deferred tax charge in profit and loss account (note 9)	(1,790)
Derecognition of deferred tax asset	2,285
Deferred tax to pension liability	(134)
At 31 December 2008	<u>(4,269)</u>

Notes to the financial statements

at 31 December 2008

18. Share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>No.</i>	<i>No.</i>	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	25,000,000	25,000,000	25,000	25,000

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

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
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
Profit for the year	-	-	3,755	3,755
Gain on derecognition of gross pension deficit	-	-	3,552	3,552
Loss on derecognition of deferred tax asset on pension deficit	-	-	(994)	(994)
Changes in actuarial values of retirement benefits	-	-	275	275
Tax on changes in actuarial values of retirement benefits	-	-	(77)	(77)
At 31 December 2008	25,000	826	16,459	42,285

The amounts transferred to the profit and loss account reserve in relation to the derecognition of the pension deficit and associated deferred tax asset are non distributable.

20. Commitments

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

	<i>2008 £000</i>	<i>2007 £000</i>
Contracted	389	203

Notes to the financial statements

at 31 December 2008

20. Commitments (continued)

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

	2008 £000	2007 £000
<i>Land and buildings</i>		
Leases expiring:		
Within one year	-	326
Within two to five years	422	78
Thereafter	841	1,055
	<u>1,263</u>	<u>1,459</u>
<i>Other operating leases</i>		
Leases expiring:		
Within one year	570	592
Within two to five years	1,504	1,179
Thereafter	13	26
	<u>2,087</u>	<u>1,797</u>

Of the land and buildings commitment £1,164,000 (2007 - £1,379,000) is payable to a fellow group undertaking.

21. Pensions

The company provided 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") up until 1 April 2008 when the three schemes were merged into the '78 Scheme.

The '78 Scheme prior to the merger was a multi-employer defined benefit and defined contribution plan. This plan was operated on a basis which meant that it could not enable individual group 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 accounted for its contributions to the 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 PLAS Scheme and the Berk Scheme which were also operated by the company were both defined benefit pension schemes. Contributions to these two schemes were made to a separately administered fund until the three schemes were merged as at 1 April 2008. For these two schemes the pension scheme assets until this date were measured at fair value and scheme liabilities were 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. In accordance with FRS17 and due to the fact that the assets and liabilities of both the Berk and PLAS schemes were solely the responsibility of Univar Limited the deficits for both these schemes had been reflected in previous financial statements. As a result of the three schemes merging, the previously identifiable deficits were no longer able to be separately measured. Consequently the deficit has been derecognised as at the date of merger.

From 1 April 2008 the company accounts for its contributions to the newly merged scheme, the '78 Scheme, as if it were only a defined contribution plan due to the fact that the individual group companies cannot identify their share of the underlying assets and liabilities on a consistent and reasonable basis.

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

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

There has been no accrual of new benefits in either the PLAS Scheme or the Berk Scheme up to the merger date. 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.

The ongoing funding arrangements of the 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 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 key financial assumptions, actuarial method and results of these valuations at 31 December 2008 and 31 December 2007 are set out below:

		2008	2007	2007	2007
		'78 Scheme	'78 Scheme	PLAS	Berk Scheme
Actuarial method used		Projected Unit	Projected Unit	Projected Accrued Benefit	Projected Accrued Bene
Market value of assets	£'m	88.3	92.3	15.0	7.0
Level of funding*	%	55	77	83	86
Main assumptions					
Wages and salaries increases p.a.	%	4.95	4.6	N/A	N/A
Return on assets: Equities	%	8.00	7.80	7.80	N/A
Return on assets: Bonds/Gilts/Cash	%	6.10	5.50	5.25	5.90
Price inflation p.a.	%	3.60	3.25	3.25	3.25
Average life expectancy:					
Current female pensioners		23.3	23.3	23.3	23.3
Current male pensioners		20.3	20.3	20.3	20.3
Future female pensioners		24.2	24.2	24.2	24.2
Future male pensioners		21.2	21.2	21.2	21.2

*

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.

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

The assumed rate of real earnings growth has been estimated by the company to be 1.35% per annum and this, when combined with the assumed rate of inflation, leads to an assumption for earnings growth of 4.95%.

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. Allowance has been made for discretionary pension increases in payment in line with inflation.

There were no outstanding or prepaid contributions at 31 December 2008 and 31 December 2007.

Employer Contributions:

Berk Scheme:

Company contributions of £22,200 per month to 31 March 2008.

PLAS:

Company contributions of £42,150 per month to 31 March 2008.

'78 Scheme:

For the Defined Benefit section Company contributions are 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 £270,000 per month to 31 March 2008 followed by payments of £334,350 per month thereafter. The level of monthly contributions to be paid in will increase by 3% per annum on 1 July each year, with the first increase being made on 1 July 2008.

The expected employer contributions for the year ending 31 December 2009 are £6,889,000.

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.

The expected employee contributions for the year ending 31 December 2009 are £54,000.

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.

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

Univar Company Pension Scheme (1978): FRS 17 Disclosures

The valuations at 31 December 2008 and at 31 December 2007 used for FRS 17 disclosures have been based on the actuarial valuation at 30 June 2006 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.

	2008	Restated 2007
	£000	£000
Total market value of assets	88,266	92,580
Present value of the scheme's liabilities	(160,753)	(120,130)
Deficit in the scheme	(72,487)	(27,550)
Deferred tax asset	20,296	7,714
Net pension liability	(52,191)	(19,836)

In addition to the net pension liability shown above additional pensions maybe due to members because of the way in which retirement ages were equalised in the past. The Company is currently investigating this and a reliable estimate can not be made at this time due to the complexity of the issue.

The assets of the scheme and the expected rates of return at 31 December 2008 and 31 December 2007 were:

	Expected rate of return %	2008 £000	Expected rate of return %	Restated 2007 £000
Equities	8.00	51,018	7.80	68,636
Bonds/Gilts/Cash	6.10	37,248	5.50	23,944
		88,266		92,580

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

Univar Company Pension Scheme (1978): FRS 17 Disclosures (continued)

An analysis of the defined benefit cost for the years ended 31 December 2008 and 31 December 2007 are as follows:

	2008 £000	2007 £000
Service cost	2,992	3,122
Past service cost	641	430
Total operating charge	3,633	3,552
Expected return on pension scheme assets	(7,883)	(6,118)
Interest on pension liabilities	8,240	6,327
Net charge to other finance income	357	209
Total profit and loss charge before deduction for tax	3,990	3,761

Analysis of amounts recognised in the Statement of Total Recognised Gains and Losses for years ended 31 December 2008 and 31 December 2007 are as follows:

	2008 £000	Restated 2007 £000
Actual loss on scheme assets	(26,992)	(836)
Expected return on scheme assets	(7,883)	(6,118)
(Loss)/gain on changes of assumptions	(9,504)	9,165
Total actuarial (loss)/gain recognised in the STRGL	(44,379)	2,211

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

Univar Company Pension Scheme (1978): FRS 17 Disclosures (continued)

Analysis of movement in scheme liabilities during the year:

	2008 £000	2007 £000
Scheme liabilities at 1 January	120,130	121,760
Current service cost	2,992	3,122
Interest cost	8,240	6,327
Past service costs	641	430
Contributions paid by employees	62	77
Benefits paid	(5,150)	(2,421)
Loss/(gain) on changes of assumptions	9,504	(9,165)
Univar Ltd Pension and Life Assurance Scheme transfer of liability	16,944	-
Berk Group Pension Scheme transfer of liability	7,390	-
Scheme liabilities at 31 December	160,753	120,130

Analysis of movement in scheme assets during the year:

	2008 £000	Restated 2007 £000
Scheme assets at 1 January	92,580	91,068
Expected return on scheme assets	7,883	6,118
Contributions paid by the company	6,984	4,692
Contributions paid by the employee	62	77
Benefits paid	(5,150)	(2,421)
Plan combination	20,782	-
Loss recognised in STRGL	(34,875)	(6,954)
Scheme assets at 31 December	88,266	92,580

History of assets, liabilities, surplus/(deficit) and experience gains and losses in the years ended 31 December 2008, 31 December 2007, 31 December 2006, 31 December 2005 and 31 December 2004:

	2008 £000	Restated 2007 £000	2006 £000	2005 £000	2004 £000
Scheme assets	88,266	92,580	91,068	79,945	61,489
Scheme liabilities	(160,753)	(120,130)	(121,760)	(115,036)	(95,888)
Scheme deficit	(72,487)	(27,550)	(30,692)	(35,091)	(34,399)
(Loss)/gain on scheme assets	(34,875)	(6,954)	1,063	7,603	(151)
Experience gain on scheme liabilities	-	-	315	-	-

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

Univar Limited Pension and Life Assurance Scheme: FRS 17 Disclosures

The valuations at 31 December 2008 and 31 December 2007 used for FRS 17 disclosures have been based on the actuarial valuation at 30 June 2006 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.

	2008 £000	2007 £000
Total market value of assets	-	15,027
Present value of the scheme's liabilities	-	(17,918)
Deficit in the scheme	-	(2,891)
Deferred tax asset	-	809
Net pension liability	-	(2,082)

The assets of the scheme and the expected rates of return at 31 December 2008 and 31 December 2007 were:

	Expected rate of return %	2008 £000	Expected rate of return %	2007 £000
Equities	-	-	7.80	10,374
Bonds/Gilts/Cash	-	-	5.25	4,653
		-		15,027

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

Univar Limited Pension and Life Assurance Scheme: FRS 17 Disclosures (continued)

An analysis of the defined benefit cost for the years ended 31 December 2008 and 31 December 2007 are as follows:

	2008 £000	2007 £000
Service cost	-	-
Past service cost	-	-
Total operating charge	-	-
Expected return on pension scheme assets	(269)	(958)
Interest on pension liabilities	264	923
Net credit to other finance income	(5)	(35)
Total profit and loss credit before deduction for tax	(5)	(35)

Analysis of amounts recognised in the Statement of Total Recognised Gains and Losses for years ended 31 December 2008 and 31 December 2007 are as follows:

	2008 £000	2007 £000
Actual (loss)/gain on scheme assets	(1,101)	772
Expected return on scheme assets	(269)	(958)
Gain on changes of assumptions	1,144	880
Total actuarial (loss)/gain	(226)	694
Gain on derecognition of pension deficit	2,986	-
Loss on derecognition of deferred tax asset on pension deficit	(836)	-
Total gains recognised in STRGL	1,924	694

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

Univar Limited Pension and Life Assurance Scheme: FRS 17 Disclosures (continued)

Analysis of movement in scheme liabilities during the year:

	2008 £000	2007 £000
Scheme liabilities at 1 January	17,918	18,308
Interest cost	264	923
Benefits paid	(94)	(433)
Gain on changes of assumptions	(1,144)	(880)
Transfer of liability to Univar Company Pension Scheme (1978)	(16,944)	-
Scheme liabilities at 31 December	-	17,918

Analysis of movement in scheme assets during the year:

	2008 £000	2007 £000
Scheme assets at 1 January	15,027	14,353
Expected return on scheme assets	269	958
Contributions paid by the company	126	335
Contributions paid by the employee	-	-
Benefits paid	(94)	(433)
Plan combination	(13,958)	-
Loss recognised in STRGL	(1,370)	(186)
Scheme assets at 31 December	-	15,027

History of assets, liabilities, surplus/(deficit) and experience gains and losses in the years ended 31 December 2008, 31 December 2007, 31 December 2006, 31 December 2005 and 31 December 2004:

	2008 £000	2007 £000	2006 £000	2005 £000	2004 £000
Scheme assets	-	15,027	14,353	13,343	11,231
Scheme liabilities	-	(17,918)	(18,308)	(19,319)	(16,611)
Scheme deficit	-	(2,891)	(3,955)	(5,976)	(5,380)
(Loss)/gain on scheme assets	(1,370)	(186)	273	1,443	91
Experience gain on scheme liabilities	-	-	1,802	-	-

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

The Berk Group Pension Scheme: FRS 17 Disclosures

The valuations at 31 December 2008 and 31 December 2007 used for FRS 17 disclosures have been based on the actuarial valuation at 30 June 2006 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:

	2008 £000	2007 £000
Total market value of assets	-	6,988
Present value of the scheme's liabilities	-	(8,127)
Deficit in the scheme	-	(1,139)
Deferred tax asset	-	319
Net pension liability	-	(820)

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

	2008		2007	
	Expected rate of return %	£000	Expected rate of return %	£000
Bonds	-	-	5.90	6,988
		-		6,988

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

The Berk Group Pension Scheme: FRS 17 Disclosures (continued)

An analysis of the defined benefit cost for the years ended 31 December 2008 and 31 December 2007 are as follows:

	2008 £000	2007 £000
Service cost	-	-
Past service cost	-	-
Total operating charge	-	-
Expected return on pension scheme assets	(125)	(322)
Interest on pension liabilities	120	428
Net (credit)/charge to other finance income	(5)	106
Total profit and loss (credit)/charge before deduction for tax	(5)	106

Analysis of amounts recognised in the Statement of Total Recognised Gains and Losses for years ended 31 December 2008 and 31 December 2007 are as follows:

	2008 £000	2007 £000
Actual (loss)/gain on scheme assets	(199)	273
Expected return on scheme assets	(125)	(322)
Gain on changes of assumptions	825	606
Total actuarial (loss)/gain	501	557
Gain on derecognition of pension deficit	566	-
Loss on derecognition of deferred tax asset on pension deficit	(158)	-
Total gain recognised in STRGL	909	557

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

The Berk Group Pension Scheme: FRS 17 Disclosures (continued)

Analysis of movement in scheme liabilities during the year:

	2008 £000	2007 £000
Scheme liabilities at 1 January	8,127	8,508
Interest cost	120	428
Benefits paid	(32)	(203)
Gain recognised in STRGL	(825)	(606)
Transfer of liability to Univar Company Pension Scheme (1978)	(7,390)	-
Scheme liabilities at 31 December	-	8,127

Analysis of movement in scheme assets during the year:

	2008 £000	2007 £000
Scheme assets at 1 January	6,988	6,747
Expected return on scheme assets	125	322
Contributions paid by the company	67	171
Contributions paid by the employee	-	-
Benefits paid	(32)	(203)
Plan combination	(6,824)	-
Loss recognised in STRGL	(324)	(49)
Scheme assets at 31 December	-	6,988

History of assets, liabilities, surplus/(deficit) and experience gains and losses in the years ended 31 December 2008, 31 December 2007, 31 December 2006, 31 December 2005 and 31 December 2004:

	2008 £000	2007 £000	2006 £000	2005 £000	2004 £000
Scheme assets	-	6,988	6,747	7,113	6,701
Scheme liabilities	-	(8,127)	(8,508)	(10,784)	(9,699)
Scheme deficit	-	(1,139)	(1,761)	(3,671)	(2,998)
(Loss)/gain on scheme assets	(324)	(49)	(621)	(204)	4
Experience gain on scheme liabilities	-	-	2,550	-	-

Notes to the financial statements

at 31 December 2008

21. Pensions (continued)

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 additional financial assumptions have been used:

	31 December 2008	31 December 2007
Discount rate	6.0% p.a	6.0% p.a.
Pensionable salary growth	4.95% p.a.	4.60% 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.

22. Parent undertaking and ultimate parent company

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

Group accounts, incorporating Univar Limited, for year ending 31 December 2008 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.

23. 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.

24. 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:

	2008	2007
	£000	£000
Forward foreign currency contract assets	538	151

Notes to the financial statements

at 31 December 2008

25. 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.