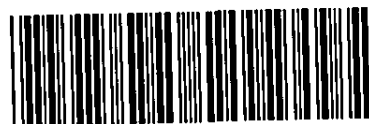


REGISTERED NUMBER: 2987168 (England and Wales)

SCHULKE AND MAYR UK LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

WEDNESDAY



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COMPANIES HOUSE

SCHULKE AND MAYR UK LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10
Trading and Profit and Loss Account	17

SCHULKE AND MAYR UK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2007

DIRECTORS

J Charlet
P Leonard

SECRETARY

P Leonard

REGISTERED OFFICE.

Cygnat House
1 Jenkin Road
Meadowhall
Sheffield
South Yorkshire
S9 1AT

REGISTERED NUMBER:

2987168 (England and Wales)

AUDITORS:

Smith Craven
Chartered Accountants
Registered Auditors
Kelham House
Kelham Street
Doncaster
DN1 3RE

BANKERS:

HSBC Bank plc
55 Whitefriargate
Hull
Humberside
HU1 2HX

SCHULKE AND MAYR UK LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2007

The directors present their report with the financial statements of the company for the year ended 31st December 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the distribution of chemical preservatives and disinfectants

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

DIVIDENDS

An interim dividend of £280,000 was paid during the year

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2007 to the date of this report

J Charlet
P Leonard

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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,
- 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 which 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

SCHULKE AND MAYR UK LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2007

AUDITORS

The auditors, Smith Craven, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD



P Leonard - Secretary

Date

11/03/2008

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF SCHULKE AND MAYR UK LIMITED

We have audited the financial statements of Schulke and Mayr Uk Limited for the year ended 31st December 2007 on pages six to sixteen. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 Report of the Directors 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 Report of the Directors 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 judgements 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.

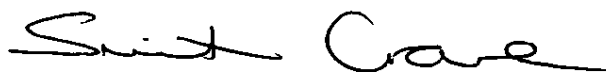
We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available to Small Entities, in the circumstances set out in note nineteen to the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
SCHULKE AND MAYR UK 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 31st December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Smith Craven
Chartered Accountants
Registered Auditors
Kelham House
Kelham Street
Doncaster
DN1 3RE

Date 11/3/08

SCHULKE AND MAYR UK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2007

	Notes	2007 £	£	2006 £	£
TURNOVER	2		6,893,583		6,081,865
Cost of sales			<u>3,667,912</u>		<u>3,248,808</u>
GROSS PROFIT			3,225,671		2,833,057
Distribution costs		319,823		242,704	
Administrative expenses		<u>2,530,974</u>		<u>2,268,472</u>	
			<u>2,850,797</u>		<u>2,511,176</u>
			374,874		321,881
Other operating income			<u>96,770</u>		<u>96,915</u>
OPERATING PROFIT	4		471,644		418,796
Interest receivable and similar income	5		<u>44,933</u>		<u>33,899</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			516,577		452,695
Tax on profit on ordinary activities	6		<u>151,250</u>		<u>172,632</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			<u>365,327</u>		<u>280,063</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year


The notes form part of these financial statements

SCHULKE AND MAYR UK LIMITED

**BALANCE SHEET
31ST DECEMBER 2007**

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	<u>41,340</u>	<u>55,384</u>
		41,340	55,384
CURRENT ASSETS			
Stocks	10	822,588	786,884
Debtors	11	1,086,700	1,164,679
Cash at bank and in hand		<u>803,732</u>	<u>449,787</u>
		2,713,020	2,401,350
CREDITORS			
Amounts falling due within one year	12	<u>1,148,990</u>	<u>936,691</u>
NET CURRENT ASSETS		<u>1,564,030</u>	<u>1,464,659</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,605,370</u>	<u>1,520,043</u>
CAPITAL AND RESERVES			
Called up share capital	14	100,000	2
Profit and loss account	15	<u>1,505,370</u>	<u>1,520,041</u>
SHAREHOLDERS' FUNDS	20	<u>1,605,370</u>	<u>1,520,043</u>

The financial statements were approved by the Board of Directors on its behalf by



P Leonard - Director

11/03/2008

and were signed on

The notes form part of these financial statements

SCHULKE AND MAYR UK LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2007

	Notes	2007 £	2006 £
Net cash inflow from operating activities	1	773,661	487,519
Returns on investments and servicing of finance	2	44,933	33,899
Taxation		(172,595)	(212,305)
Capital expenditure	2	(12,054)	(48,331)
Equity dividends paid		(280,000)	(306,000)
Increase/(Decrease) in cash in the period		<u>353,945</u>	<u>(45,218)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase/(Decrease) in cash in the period		<u>353,945</u>	<u>(45,218)</u>
Change in net funds resulting from cash flows		<u>353,945</u>	<u>(45,218)</u>
Movement in net funds in the period		353,945	(45,218)
Net funds at 1st January		<u>449,787</u>	<u>495,005</u>
Net funds at 31st December		<u>803,732</u>	<u>449,787</u>

The notes form part of these financial statements

SCHULKE AND MAYR UK LIMITED
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating profit	471,644	418,796
Depreciation charges	26,098	16,624
(Increase)/Decrease in stocks	(35,704)	23,518
Decrease/(Increase) in debtors	77,979	(214,364)
Increase in creditors	<u>233,644</u>	<u>242,945</u>
Net cash inflow from operating activities	<u>773,661</u>	<u>487,519</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	<u>44,933</u>	<u>33,899</u>
Net cash inflow for returns on investments and servicing of finance	<u>44,933</u>	<u>33,899</u>
 Capital expenditure		
Purchase of tangible fixed assets	<u>(12,054)</u>	<u>(48,331)</u>
Net cash outflow for capital expenditure	<u>(12,054)</u>	<u>(48,331)</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/07	Cash flow	At
	£	£	31/12/07
			£
Net cash			
Cash at bank and in hand	<u>449,787</u>	<u>353,945</u>	<u>803,732</u>
	<u>449,787</u>	<u>353,945</u>	<u>803,732</u>
 Total	<u>449,787</u>	<u>353,945</u>	<u>803,732</u>

The notes form part of these financial statements

SCHULKE AND MAYR UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

I ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1995, is being amortised evenly over its estimated useful life of five years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Short leasehold	- 20% on cost
Plant and machinery	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account

Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, 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 taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date

SCHULKE AND MAYR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2007**

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2007 £	2006 £
United Kingdom	6,857,046	6,059,112
Europe	<u>36,537</u>	<u>22,753</u>
	<u><u>6,893,583</u></u>	<u><u>6,081,865</u></u>

3 STAFF COSTS

	2007 £	2006 £
Wages and salaries	1,046,961	924,245
Social security costs	117,812	114,928
Other pension costs	<u>46,530</u>	<u>40,567</u>
	<u><u>1,211,303</u></u>	<u><u>1,079,740</u></u>

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

	2007	2006
Selling and administration	<u>27</u>	<u>27</u>

4 OPERATING PROFIT

The operating profit is stated after charging

	2007 £	2006 £
Other operating leases	119,750	107,288
Depreciation - owned assets	26,098	16,624
Auditors' remuneration	4,845	6,300
Auditors' remuneration for non audit work	<u>23,387</u>	<u>30,453</u>
	<u><u>96,435</u></u>	<u><u>94,019</u></u>
Directors' emoluments	96,435	94,019
Directors' pension contributions to money purchase schemes	<u>8,738</u>	<u>7,649</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

SCHULKE AND MAYR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2007**

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007	2006
	£	£
Deposit account interest	<u>44,933</u>	<u>33,899</u>

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2007	2006
	£	£
Current tax		
UK corporation tax	151,250	161,424
Adjustment in respect of prior periods	<u>-</u>	<u>11,208</u>
Tax on profit on ordinary activities	<u>151,250</u>	<u>172,632</u>

UK corporation tax has been charged at 29.27% (2006 - 35.66%)

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2007	2006
	£	£
Profit on ordinary activities before tax	<u>516,577</u>	<u>452,695</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	154,973	135,809
Effects of		
Expenses not deductible for tax purposes	1,526	26,683
Depreciation for the year in excess of capital allowances	2,383	-
Capital allowances for the year in excess of depreciation	-	(1,068)
Adjustment in respect of prior periods	<u>(7,632)</u>	<u>11,208</u>
Current tax charge	<u>151,250</u>	<u>172,632</u>

7 DIVIDENDS

	2007	2006
	£	£
Interim	<u>280,000</u>	<u>306,000</u>

SCHULKE AND MAYR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2007**

8 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st January 2007	
and 31st December 2007	<u>714,345</u>
AMORTISATION	
At 1st January 2007	
and 31st December 2007	<u>714,345</u>
NET BOOK VALUE	
At 31st December 2007	<u>-</u>
At 31st December 2006	<u>-</u>

9 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1st January 2007	35,803	58,320	106,352	200,475
Additions	<u>-</u>	<u>6,275</u>	<u>5,779</u>	<u>12,054</u>
At 31st December 2007	<u>35,803</u>	<u>64,595</u>	<u>112,131</u>	<u>212,529</u>
DEPRECIATION				
At 1st January 2007	20,171	42,252	82,668	145,091
Charge for year	<u>4,075</u>	<u>9,696</u>	<u>12,327</u>	<u>26,098</u>
At 31st December 2007	<u>24,246</u>	<u>51,948</u>	<u>94,995</u>	<u>171,189</u>
NET BOOK VALUE				
At 31st December 2007	<u>11,557</u>	<u>12,647</u>	<u>17,136</u>	<u>41,340</u>
At 31st December 2006	<u>15,632</u>	<u>16,068</u>	<u>23,684</u>	<u>55,384</u>

The property is classed as short leasehold

10 STOCKS

	2007 £	2006 £
Finished goods	<u>822,588</u>	<u>786,884</u>

SCHULKE AND MAYR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2007**

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade debtors	916,174	944,346
Other debtors	1,670	13,982
Due from group undertakings	15,106	124,662
Prepayments	<u>153,750</u>	<u>81,689</u>
	<u>1,086,700</u>	<u>1,164,679</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade creditors	153,843	117,061
Tax	15,100	36,445
Social security and other taxes	238,142	250,842
Due to group undertakings	395,695	253,727
Accrued expenses	<u>346,210</u>	<u>278,616</u>
	<u>1,148,990</u>	<u>936,691</u>

13 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2007	2006	2007	2006
	£	£	£	£
Expiring				
Within one year	-	-	12,493	25,156
Between one and five years	-	-	39,859	39,151
In more than five years	<u>83,775</u>	<u>83,775</u>	<u>-</u>	<u>-</u>
	<u>83,775</u>	<u>83,775</u>	<u>52,352</u>	<u>64,307</u>

14 CALLED UP SHARE CAPITAL

Authorised			2007	2006
Number	Class	Nominal value	£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted and issued			2007	2006
Number	Class	Nominal value	£	£
100,000	Ordinary	£1	100,000	2
(2006 - 2)			<u> </u>	<u> </u>

SCHULKE AND MAYR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2007**

14 CALLED UP SHARE CAPITAL - continued

A total of 99998 Ordinary shares of £1 were issued during the year as follows

99,998 as a bonus out of reserves

15 RESERVES

	Profit and loss account £
At 1st January 2007	1,520,041
Profit for the year	365,327
Dividends	(280,000)
Bonus share issue	<u>(99,998)</u>
At 31st December 2007	<u><u>1,505,370</u></u>

16 ULTIMATE PARENT COMPANY

The directors consider that the ultimate parent company of this company is Air Liquide SA, which is registered in France. Its immediate parent company is Schulke & Mayr GmbH, which is registered in Germany.

17 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 31st December 2007 and 31st December 2006

	2007 £	2006 £
P Leonard		
Balance outstanding at start of year	1,277	2,755
Balance outstanding at end of year	-	1,277
Maximum balance outstanding during year	<u>1,277</u>	<u>2,755</u>

18 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under Financial Reporting Standard No 8, being a wholly owned subsidiary, not to disclose transactions with other group companies.

The consolidated accounts of the ultimate parent company, Air Liquide SA, can be obtained from 75 Quai D'Orsay, 75321, Paris, Cedex 07, France.

19 APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

SCHULKE AND MAYR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2007**

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	365,327	280,063
Dividends	<u>(280,000)</u>	<u>(306,000)</u>
Net addition/(reduction) to shareholders' funds	85,327	(25,937)
Opening shareholders' funds	<u>1,520,043</u>	<u>1,545,980</u>
Closing shareholders' funds	<u>1,605,370</u>	<u>1,520,043</u>