

Ellis & Everard (UK Holdings) Limited

**Directors' report and financial
statements**

Registered Number 3024231

Year ended 31 December 2002



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Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2002.

Principal activity

The company is a sub-holding company, holding investments in certain companies which are members of the Univar N.V. Group.

Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors do not propose the payment of a dividend (2001: £nil).

Change of ultimate holding company

On 17 January 2001, the Ellis & Everard group was acquired by Royal Vopak N.V. On 29 June 2002 Royal Vopak N.V.'s chemical distribution business was split-off into Univar N.V. Consequently, on 29 June 2002, Univar N.V. became the ultimate parent company.

Directors and directors' interests

The directors who held office during the year, or were appointed thereafter, were as follows:


CJ Morley
JN Phillpotts
SB Smith (appointed 10 February 2003)

None of the directors have any interest in the shares of the company.

Auditors

The decision was taken to appoint Ernst & Young as group auditors at the Univar N.V. Annual General Meeting on 25 April 2003. As a result, in due course, KPMG Audit Plc will be replaced as auditors of the company by Ernst & Young.

By order of the Board


Stephen Brian Smith
Secretary

46 Peckover Street
Bradford
West Yorkshire
BD1 5BD

15 August 2003

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

1 The Embankment
Neville Street
Leeds
LS1 4DW

Independent auditors' report to the members of Ellis & Everard (UK Holdings) Limited

We have audited the financial statements on pages 4 to 10.

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 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 auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

15 August 2003

Profit and loss account
for the year ended 31 December 2002

	<i>Note</i>	Year ended 31 December 2002 £000	Year ended 31 December 2001 £000
Administration expenses		(169)	(167)
Operating loss		(169)	(167)
Income from shares in group undertakings	3	-	225
(Loss)/profit on ordinary activities before taxation		(169)	58
Tax credit on (loss)/profit on ordinary activities	4	51	50
(Loss)/profit on ordinary activities after taxation		(118)	108
Retained profit brought forward		324	216
Retained profit carried forward		206	324

There were no recognised gains or losses in the current year or previous year other than those reflected in the profit and loss account.

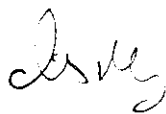
A reconciliation of movements in shareholders' funds is set out in note 11.

Balance sheet

at 31 December 2002

	Note	31 December 2002		31 December 2001	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	5		-		169
Investments	6		159,644		135,444
			<u>159,644</u>		<u>135,613</u>
Current assets					
Debtors	7	165		113	
Creditors: amounts falling due within one year	8	<u>(15,874)</u>		<u>(21,573)</u>	
Net current liabilities			<u>(15,709)</u>		<u>(21,460)</u>
Total assets less current liabilities			<u>143,935</u>		<u>114,153</u>
Creditors: amounts falling due after more than one year	9		<u>(29,900)</u>		<u>-</u>
Net assets			<u>114,035</u>		<u>114,153</u>
Capital and reserves					
Called up equity share capital	10		-		-
Share premium account			113,829		113,829
Profit and loss account			206		324
Shareholders' funds - equity	11		<u>114,035</u>		<u>114,153</u>

These financial statements were approved by the board of directors on 15 August 2003 and were signed on its behalf by:



Chris Morley
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost accounting rules and in accordance with applicable UK accounting standards.

Cash flow statement

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

Consolidation

The company has not prepared consolidated financial statements as it is a wholly owned subsidiary undertaking of a company incorporated in the United Kingdom. In the opinion of the directors the company's investment in its subsidiary undertakings is worth at least the value at which they are stated in these financial statements.

Intangible fixed assets

Costs associated with the purchase of non-compete agreements are capitalised as an intangible fixed asset and are written off over the period of the agreement.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19.

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.

2 Employees

The company had no employees during the current year or preceding year apart from the directors. No emoluments were paid to the directors in the current year or preceding year for their services to the company.

3 Income from shares in group undertakings

	Year ended 31 December 2002 £000	Year ended 31 December 2001 £000
Received from group undertaking	-	225

Notes (continued)

4 Tax credit on loss on ordinary activities

	Year ended 31 December 2002 £000	Year ended 31 December 2001 £000
UK corporation tax credit at 30% (2001: 30%)	(51)	(50)

Factors affecting the tax charge for the current period

The current tax credit for the year is 30% of the loss on ordinary activities before taxation (2001: tax credit arose due to non-taxable dividend income of £225,000).

	2002 £000	2001 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(169)	58
Current tax at 30% (2001: 30%)	51	(17)
<i>Effects of:</i>		
Income from shares in group undertakings	-	67
Total current tax charge (see above)	51	50

5 Intangible fixed assets

	Non-competes agreement £000
31 December 2001	169
Written off in year	(169)
31 December 2002	-

6 Fixed asset investments

On 24 October 2002 the company subscribed for 24.2m ordinary shares of £1 each in E&E Limited at par, thus retaining its 100% shareholding.

	£000
<i>Cost</i>	
At beginning of year	135,444
Additions	24,200
At end of year	159,644

Information regarding principal trading subsidiary undertakings is shown in note 12.

Notes (continued)

7 Debtors

	31 December 2002 £000	31 December 2001 £000
<i>Amounts due within one year:</i>		
Other debtors	165	113

8 Creditors: amounts falling due within one year

	31 December 2002 £000	31 December 2001 £000
Amounts owed to parent company	15,290	15,290
Amounts owed to fellow subsidiary undertakings	574	570
Other creditors	-	271
Bank overdraft	10	5,442
	<u>15,874</u>	<u>21,573</u>

9 Creditors: amounts falling due after more than one year

	31 December 2002 £000	31 December 2001 £000
Amounts owed to immediate parent undertaking	29,900	-

10 Share capital

	31 December 2002 £	31 December 2001 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
4 ordinary shares of £1 each	4	4

Notes (continued)

11 Reconciliation of movements in shareholders' funds

	31 December 2002 £000	31 December 2001 £000
(Loss)/profit for the financial year	(118)	108
Net (decrease)/increase in shareholders' funds	(118)	108
Opening shareholders' funds	114,153	114,045
Closing shareholders' funds	114,035	114,153

12 Principal subsidiary undertakings

Those subsidiary undertakings which are significant in the context of the company's activities are listed below. The entire issued share capital of all subsidiary undertakings is held by the company. The principal country of operation of each subsidiary undertaking is the country of incorporation.

Subsidiary undertaking	Principal activity	Country of incorporation and principal country of operation
E&E Limited	Sales, marketing and distribution of chemicals	England
Ellis + Everard (Northern Ireland) Limited	Sales, marketing and distribution of chemicals	Northern Ireland
Distrupol Limited	Sales, marketing and distribution of polymers	England
Chemitrade (Holdings) Limited	Sub-holding company	England
G Fiske & Co Limited	Dormant company	England
Kent Foods Limited	Sales, marketing and distribution of food ingredients	Scotland
Univar Limited	Dormant company	England

Notes *(continued)*

13 Change in ultimate parent company

On 17 January 2001, the Ellis & Everard Group was acquired by Royal Vopak N.V. On 29 June 2002, Royal Vopak N.V.'s chemical distribution business was split off into Univar N.V. Consequently, on the 29 June 2002, Univar N.V. became the ultimate parent company. The consolidated accounts of this company are available to the public and may be obtained from Univar N.V., 333 Blaak, 3001 GB Rotterdam, The Netherlands. No other group accounts include the results of this company.

The immediate parent undertaking is Univar UK Holdings Limited, a company registered in England and Wales.