

Univar UK Limited

Report and Financial Statements

31 December 2014

FRIDAY



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COMPANIES HOUSE

Directors

W T Hill
S Duyfjes
S N Landsman

Secretary

Pinsent Masons Secretarial Limited
1 Park Row
Leeds
LS1 5AB

Auditors

Baker Tilly UK Audit LLP
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

Registered Office

Aquarius House
6 Mid Point Business Park
Thornbury
Bradford
BD3 7AY

Registered No. 4066871

Directors' report

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

The loss for the year after taxation amounted to £11,044,000 (2013 – loss of £19,992,000). The directors do not recommend a final dividend (2013 – £nil).

Principal activity and review of the business

The company is a sub-holding company.

The company's key financial and other performance indicators during the year were as follows:

| | 2014 £000 | 2013 £000 | Change £000 |
|---------------------------|--------------|--------------|----------------|
| Operating (loss) / profit | (1) | 1 | (2) |
| Shareholders' funds | 147,251 | 158,295 | (11,044) |

The reduction in Shareholder's funds reflects the loss for the year. With effect from 30 September 2014 all intercompany loans ceased to accrue interest receivable or payable following amendments to the loan agreements.

Future developments

The directors intend that the company will continue to operate as a sub-holding company.

Principal risks and uncertainties

The principal balances held by the company are all denominated in GBP with fellow group companies and as a result the risks are reduced.

There are risks concerning the carrying value of the investments, however the trading performance of the main trading companies supporting this carrying value, Univar Limited and Distrupol Limited, has been more than sufficient in recent years and is forecast to continue.

Going concern

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors' report (continued)

Directors

The directors who served the company during the year were as follows:

W T Hill
S Duyfjes
S N Landsman

Directors' qualifying third party indemnity provision

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 provisions remain in force as at the date of approving the directors' report.

Disclosure of information to the auditors

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

Auditors

Ernst & Young LLP resigned as auditor during the period, and Baker Tilly UK Audit LLP, Chartered Accountants, were appointed to fill the casual vacancy. In accordance with Section 485 of the Companies Act 2006, a resolution proposing that Baker Tilly UK Audit LLP be reappointed as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



S Duyfjes – Director
29 July 2015

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Univar UK Limited

We have audited the financial statements of Univar UK Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report (continued)

to the members of Univar UK Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report.

Baker Tilly UK Audit LLP

Paul Langhorn (Senior Statutory Auditor)

For and on behalf of Baker Tilly UK Audit LLP (Statutory Auditor)

Chartered Accountants

2 Whitehall Quay, Leeds, LS1 4HG

4/8 2015

Profit and loss account

for the year ended 31 December 2014

| | | 2014 | 2013 |
|--|-------|-----------------|-----------------|
| | Notes | £000 | £000 |
| Admin expenses | | (1) | 1 |
| Operating (loss) / profit | 2 | (1) | 1 |
| Interest receivable and similar income | 4 | 905 | 979 |
| Interest payable and similar charges | 5 | (11,948) | (20,972) |
| Loss on ordinary activities before taxation | | (11,044) | (19,992) |
| Tax | 6 | – | – |
| Loss for the financial year | 12 | <u>(11,044)</u> | <u>(19,992)</u> |

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 31 December 2014

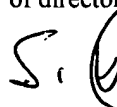
There are no recognised gains or losses other than the loss of the company of £11,044,000 in the year ended 31 December 2014 (2013 – loss of £19,992,000).

Balance sheet

at 31 December 2014

| | Notes | 2014 £000 | 2013 £000 |
|--|-------|--------------|--------------|
| Fixed assets | | | |
| Investments | 7 | 326,318 | 326,318 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 8 | 79,223 | 45,472 |
| Debtors: amounts falling due after more than one year | 8 | 17,950 | 59,863 |
| Cash at bank | | 2,602 | — |
| | | 99,775 | 105,335 |
| Creditors: amounts falling due within one year | 9 | — | (6,464) |
| Net current assets | | 99,775 | 98,871 |
| Total assets less current liabilities | | 426,093 | 425,189 |
| Creditors: amounts falling due after more than one year | 10 | (278,842) | (266,894) |
| Net assets | | 147,251 | 158,295 |
| Capital and reserves | | | |
| Called up share capital | 11 | 250,000 | 250,000 |
| Capital reserve | 12 | 92,774 | 92,774 |
| Profit and loss account | 12 | (195,523) | (184,479) |
| Shareholders' funds | 13 | 147,251 | 158,295 |

The financial statements of Univar UK Limited (registered number 4066871) were approved by the board of directors and authorised for issue on 29 July 2015. They were signed on its behalf by:



S Duyfjes
Director

29 July 2015

Notes to the financial statements

at 31 December 2014

1. Accounting policies

Basis of preparation

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

Going concern

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Group financial statements

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

Statement of cash flows

Under FRS 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 of Univar Inc and group financial statements in which the company were included are publicly available.

Investments

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

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Interest income – revenue is recognised as interest accrues using the effective interest method.

Deferred taxation

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

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements

at 31 December 2014

1. Accounting policies (continued)

Deferred taxation (continued)

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

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period. Finance costs are allocated over the term of the debt at a constant rate on the carrying amount.

2. Operating (loss) / profit

This is stated after charging/(crediting):

| | 2014 £000 | 2013 £000 |
|-------------------------------------|--------------|--------------|
| Auditors' remuneration – audit fees | – | – |
| Foreign exchange gain | – | (1) |

Auditors' remuneration of £1,700 in the current year was borne by a fellow group company (2013: £1,585).

3. Directors' remuneration and staff costs

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

The directors of the company are also directors of the holding company and/or fellow subsidiaries. The directors received remuneration for the year of £3,000 (2013 – £3,000) in relation to qualifying services as directors of this company, all of which was paid by Univar Inc and Univar Benelux SA.

4. Interest receivable and similar income

| | 2014 £000 | 2013 £000 |
|------------------------------------|--------------|--------------|
| Receivable from group undertakings | 905 | 979 |
| | <u>905</u> | <u>979</u> |

5. Interest payable and similar charges

| | 2014 £000 | 2013 £000 |
|---|---------------|---------------|
| Interest payable to group undertakings | 11,948 | 15,798 |
| Cumulative convertible redeemable preference shares | – | 5,174 |
| | <u>11,948</u> | <u>20,972</u> |

Notes to the financial statements

at 31 December 2014

6. Tax

(a) Tax on loss on ordinary activities

The tax credit is made up as follows:

| | 2014 £000 | 2013 £000 |
|---|--------------|--------------|
| Current tax: | | |
| UK Corporation tax at 21.5% (2013 – 23.25%) | - | - |
| Adjustments in respect of prior years | - | - |
| Total current tax (note 6(b)) | - | - |
| Deferred tax: | | |
| Adjustments in respect of previous years | - | - |
| Tax on loss on ordinary activities | - | - |

(b) Factors affecting tax credit for the year

The tax assessed for the year differs from that at the standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%). The differences are explained below:

| | 2014 £000 | 2013 £000 |
|---|--------------|--------------|
| Loss on ordinary activities before tax | (11,044) | (19,992) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%) | (2,374) | (4,648) |
| Effects of: | | |
| Cumulative convertible redeemable preference shares financing costs | - | 1,203 |
| UK transfer pricing adjustments | - | 140 |
| Group loss relief surrendered for no consideration | 2,374 | 3,305 |
| Current tax for the year (note 6(a)) | - | - |

(c) Factors that may affect future tax charges

The standard rate of corporation tax in the United Kingdom for the year is 21.5% (2013: 23.25%). The Finance Act 2013 received Royal Assent on 17 July 2013 and enacted a reduction in the main rate of corporation tax to 21% with effect from 1 April 2014 and a further reduction of 1% to be applied to bring the main rate of corporation tax to 20% from 1 April 2015. Deferred tax has been provided at the balance sheet date at 20%.

Notes to the financial statements

at 31 December 2014

7. Investments

*Subsidiary
undertakings
£000*

Cost:

At 1 January 2014 and 31 December 2014 390,418

Provisions:

At 1 January 2014 and 31 December 2014 64,100

Net book value:

At 1 January 2014 and 31 December 2014 326,318

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

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

| <i>Name of company</i> | <i>Holding</i> | <i>Proportion of voting rights and shares held</i> | <i>Nature of business</i> |
|--|--------------------|--|-------------------------------|
| Univar UK Holdings Limited | Ordinary shares | 100% | Holding company |
| Ellis & Everard (UK Holdings) Limited* | Ordinary shares | 100% | Holding company |
| Distrupol Limited * | Ordinary shares | 100% | Chemical distribution |
| Univar Limited* | Ordinary shares | 100% | Chemical distribution |
| Univar Speciality Consumables Limited* | Ordinary shares | 100% | Consumables distribution |

*Investment held by subsidiary undertaking.

8. Debtors

*2014 2013
£000 £000*

Amounts due within one year:

Amounts owed by group undertakings 79,223 45,472

Amounts due after more than one year:

Amounts owed by group undertakings 17,950 59,863
97,173 105,335

Notes to the financial statements

at 31 December 2014

9. Creditors: amounts falling due within one year

| | 2014 £000 | 2013 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | - | 6,464 |

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

| | 2014 £000 | 2013 £000 |
|-----------------------------------|--------------|--------------|
| Amounts due to group undertakings | 278,842 | 266,894 |

The amounts owed to group undertakings of £278,842,000 are unsecured and denominated in GBP. Interest was accrued at a rate of 5.85% up to 30 September 2014 but ceased to accrue thereafter following an amendment to the loan agreement.

11. Issued share capital

| <i>Allotted, called up and fully paid</i> | No. | 2014 £000 | No. | 2013 £000 |
|---|-------------|--------------|-------------|--------------|
| Ordinary shares of £1 each | 250,000,001 | 250,000 | 250,000,001 | 250,000 |

12. Movement on reserves

| | Profit and loss account £000 | Capital reserve £000 |
|---------------------|------------------------------------|----------------------------|
| At 1 January 2014 | (184,479) | 92,774 |
| Loss for the year | (11,044) | - |
| At 31 December 2014 | (195,523) | 92,774 |

13. Reconciliation of shareholders' funds and movements on reserves

| | 2014 £000 | 2013 £000 |
|------------------------------------|--------------|--------------|
| Opening shareholders' funds: | 158,295 | 88,287 |
| Increase in ordinary share capital | - | 90,000 |
| Loss for the year | (11,044) | (19,992) |
| Closing shareholders' funds | 147,251 | 158,295 |

Notes to the financial statements

at 31 December 2014

14. Related party transactions

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

15. Ultimate parent undertaking and controlling party

Univar Inc is the ultimate parent undertaking and controlling party.

Group financial statements, incorporating Univar UK Limited, for year ended 31 December 2014 were drawn up by Univar Inc, a company incorporated in the USA. The consolidated financial statements of Univar Inc have been filed at Companies House in conjunction with the financial statements of the ultimate UK parent company, Ulixes Limited.

The immediate parent undertaking is Ulixes Limited, which is registered in England and Wales.