

BRENNTAG UK HOLDING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

BRENNTAG UK HOLDING LIMITED

COMPANY INFORMATION

DIRECTORS

R Argo (appointed 1 January 2014)
D M O'Connell
M Gratton
S E Holland
Y Merolle
C M Waters (resigned 31 March 2015)

COMPANY SECRETARY

M Gratton

REGISTERED NUMBER

05777067

REGISTERED OFFICE

Albion House
Rawdon Park
Green Lane, Yeadon
Leeds
West Yorkshire
LS19 7XX

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Benson House
33 Wellington Street
Leeds
West Yorkshire
LS1 4JP

BANKERS

HSBC Plc
City Branch
33, Park Row
Leeds
West Yorkshire
LS1 1LD

BRENNTAG UK HOLDING LIMITED

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BRENNTAG UK HOLDING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

BUSINESS REVIEW

The company is the UK parent company of the Brenntag UK & Ireland and Multisol group of companies.

The group continued its project to streamline its organisational structure and dissolve several obsolete companies. As part of this project, the balance sheets of certain subsidiaries were simplified involving capital reductions and distributions of remaining reserves. As a result of this redistribution of value the carrying value of the investment of certain subsidiaries were reconsidered resulting in a £140,806,000 impairment adjustment in the prior year. There are no adverse effects of this project on the consolidated Brenntag UK Holding subgroup financial position, and the removal of obsolete subsidiaries will have ongoing benefits in terms of simplification and reduced administrative burden.

This project also led to the dissolution of Woodland 2 Limited during the year, and of Albion Distillation Services Limited subsequent to the year end. As a result of this, the value of the company's investments decreased by £3,552,000, offset by a corresponding decrease in creditors, thereby maintaining the company's net asset position.

Following the resolution of certain matters arising from the acquisition of the Multisol Group in 2011, the company was able to reduce its remaining acquisition liabilities in the year by £85,000 (2013 - £943,000).

The directors are satisfied with the net asset position of the company at the year end, as disclosed on page 8. The company has access to considerable financial resources and has rigorous procedures for identifying, quantifying and mitigating all aspects of risk relevant to the business. In light of these factors the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the company would be a deterioration in the performance of its investments. The company closely monitors its investments and addresses any aspect of risk where identified.

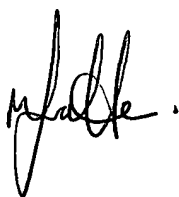
The company's financial risks are mainly managed by the treasury department at the head office of the Brenntag Group. The group hedge financing risks by using derivative instruments, such as foreign exchange forwards, interest rate and currency swaps or combined instruments. This permits a balancing of risks throughout the group.

USE OF KEY PERFORMANCE INDICATORS

The directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The principal measure used for monitoring performance is profit on ordinary activities before taxation.

This report was approved by the board on 13 July 2015 and signed on its behalf.

**M Gratton
Director**



BRENNTAG UK HOLDING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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

RESULTS

The financial results are summarised on page 7.

A dividend of £23,000,000 was paid on 31 December 2014 (2013 - £9,500,000). The loss for the financial year, amounted to £2,608,000 (2013 - £98,360,000).

DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements are given below:

R Argo (appointed 1 January 2014)
D M O'Connell
M Gratton
S E Holland
Y Merolle
C M Waters (resigned 31 March 2015)

FUTURE DEVELOPMENTS

The directors are satisfied with the company's result and are confident of the company's future prospects. As a result there are no plans to change the company's activities in the foreseeable future.

FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Currency Risk:

Currency risk at a transactional level is managed through the regular forecasting of future currency flows, Group hedge these flows by using derivative instruments, such as foreign exchange forwards and currency swaps or combined instruments where applicable.

Liquidity Risk:

Management control liquidity risk through the careful management of all aspects of the company's cash flows and the safe investment of cash assets.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Qualifying third party indemnity insurance was in place for the benefit of all the directors of the company during the year and up to the date of signing the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BRENNTAG UK HOLDING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 July 2015 and signed on its behalf.

M Gratton
Director



BRENNTAG UK HOLDING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors are responsible for preparing the Strategic Report, Directors' 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 prepared 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 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 accounting 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;
- 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.

BRENNTAG UK HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRENNTAG UK HOLDING LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- 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.
-

What we have audited

The financial statements, which are prepared by Brenntag UK Holding Limited, comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

BRENNTAG UK HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRENNTAG UK HOLDING LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

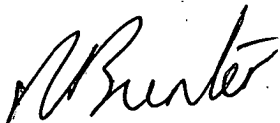
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Richard Bunter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Leeds

13 July 2015

BRENNTAG UK HOLDING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £000	2013 £000
Other operating income	2	600	600
Other external charges		(15)	(15)
OPERATING PROFIT		585	585
Exceptional items	5	85	(139,863)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		670	(139,278)
Income from other fixed asset investments		3,606	53,287
Interest receivable and similar income	6	1,574	1,589
Interest payable and similar charges	7	(8,458)	(13,958)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,608)	(98,360)
Tax on loss on ordinary activities	8	-	-
LOSS FOR THE FINANCIAL YEAR	14	(2,608)	(98,360)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

The notes on pages 9 to 15 form part of these financial statements.

BRENNTAG UK HOLDING LIMITED
REGISTERED NUMBER: 05777067

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£000	2014 £000	2013 £000
FIXED ASSETS				
Investments	9		251,834	255,386
CURRENT ASSETS				
Debtors	10	43,294		42,786
Cash at bank and in hand		129		136
		<u>43,423</u>		<u>42,922</u>
CREDITORS: amounts falling due within one year	11	<u>(2,450)</u>		<u>(2,483)</u>
NET CURRENT ASSETS			40,973	40,439
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>292,807</u>	<u>295,825</u>
CREDITORS: amounts falling due after more than one year	12		<u>(231,196)</u>	<u>(208,606)</u>
NET ASSETS			<u>61,611</u>	<u>87,219</u>
CAPITAL AND RESERVES				
Called up share capital	13		1	1
Share premium account	14		20,582	20,582
Profit and loss account	14		<u>41,028</u>	<u>66,636</u>
TOTAL SHAREHOLDERS' FUNDS	15		<u>61,611</u>	<u>87,219</u>

The financial statements on pages 7 to 15 were approved by the board of directors on 13 July 2015 and were signed on its behalf by:

M Gratton
 Director



BRENNTAG UK HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies are set out below and have been applied consistently throughout the year.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The company has access to considerable financial resources and has rigorous procedures for identifying, quantifying and mitigating all aspects of risk relevant to the business.

In light of these factors the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Borrowing costs

Costs directly incurred in the issue of new debt finance instruments are accounted for as a reduction in net debt and are charged to the profit and loss account as interest over the anticipated life of the instrument in accordance with FRS4, Capital Instruments.

2. OTHER OPERATING INCOME

	2014	2013
	£000	£000
Sundry income	600	600

3. AUDITORS' REMUNERATION

All audit costs for this company are borne by a fellow group company.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

5. EXCEPTIONAL ITEMS

	2014 £000	2013 £000
Restructuring impairment	-	140,806
Reduction in acquisition liabilities	(85)	(943)
	<u>(85)</u>	<u>139,863</u>

During 2013 the Brenntag UK & Ireland group undertook a project to streamline its group structure and dissolve several obsolete companies. As part of this project, the balance sheets of certain subsidiaries of the group were simplified involving capital reductions and distributions of remaining reserves. As a result of this redistribution of value the carrying value of the investment of certain subsidiaries were reconsidered resulting in a £140,806,000 impairment adjustment in the prior year.

Following the resolution of certain matters arising from the acquisition of the Multisol Group in 2011, the company was able to reduce its remaining acquisition liabilities in the year by £85,000 (2013 - £943,000).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	2013 £000
Interest receivable from group companies	<u>1,574</u>	<u>1,589</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
On loans from group undertakings	<u>8,458</u>	<u>13,958</u>

BRENNTAG UK HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	2014 £000	2013 £000
UK corporation tax charge on loss for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard effective rate of corporation tax in the UK of 21.50% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Loss on ordinary activities before taxation	(2,608)	(98,360)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%)	(561)	(22,869)
Effects of:		
Non-tax deductible impairment	-	32,737
Non-taxable income	(18)	(219)
Dividends from UK companies	(775)	(12,389)
Imputed interest charges	-	(49)
Group relief	1,354	2,789
Current tax charge for the year	-	-

9. INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2014	255,386
Disposals	(3,552)
At 31 December 2014	251,834
Net book value	
At 31 December 2014	251,834
At 31 December 2013	255,386

The directors believe that the carrying value of investments is supported by their underlying assets and expected future cash flows.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. INVESTMENTS (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Albion Distillation Services Limited *	£1 ordinary	100%
Brenntag Chemicals Distribution (Ireland) Limited	€1.27 ordinary	100%
Brenntag Colours Limited	£1 ordinary	100%
Brenntag Inorganic Chemicals Limited	£1 ordinary	100%
Brenntag Inorganic Chemicals (Thetford) Limited	£1 ordinary	100%
Brenntag UK Limited	£1 ordinary	100%
Brenntag UK Group Limited	£1 ordinary	100%
Multisol Group Limited	10p ordinary	100%
Water Treatment Solutions Limited	£1 ordinary	100%
Woodland 2 Limited **	£1 ordinary	100%

Name	Business	Registered office
Albion Distillation Services Limited *	Non trading	England & Wales
Brenntag Chemicals Distribution (Ireland) Limited	Chemical distribution	Republic of Ireland
Brenntag Colours Limited	Production / distribution of pigments & dyestuffs	England & Wales
Brenntag Inorganic Chemicals Limited	Intermediate holding company	England & Wales
Brenntag Inorganic Chemicals (Thetford) Limited	Production / distribution of bulk inorganic chemicals	England & Wales
Brenntag UK Limited	Chemical distribution	England & Wales
Brenntag UK Group Limited	Intermediate holding company	England & Wales
Multisol Group Limited	Intermediate holding company	England & Wales
Water Treatment Solutions Limited	Non trading	England & Wales
Woodland 2 Limited **	Non trading	England & Wales

During the year, the group continued its project to streamline its organisational structure and dissolve several obsolete subsidiaries;

* Albion Distillation Services Limited was placed into liquidation on 18 November 2013. The company realised in full its investment in this company on 16 September 2014 when it received a distribution in specie of the remaining capital, amounting to £3,552,136. The final meeting of the members of Albion Distillation Services Limited was held on 5 January 2015 and formal dissolution took place on 16 April 2015.

** The company also realised in full its investment of £1 in Woodland 2 Limited on 5 August 2014, when this subsidiary was struck off.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. DEBTORS

	2014 £000	2013 £000
Amounts falling due after more than one year		
Amounts owed by group undertakings	38,860	38,670
Other debtors	1,036	1,500
Amounts falling due within one year		
Amounts owed by group undertakings	2,187	1,468
Other debtors	1,211	1,148
	<u>43,294</u>	<u>42,786</u>

Amounts due from group undertakings are unsecured, interest is charged at market rate and repayment terms are as stated in the respective loan agreements.

11. CREDITORS:

Amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to group undertakings	1,239	1,335
Other creditors	1,211	1,148
	<u>2,450</u>	<u>2,483</u>

Amounts due to group undertakings are unsecured, interest is charged at market rate and repayment terms are as stated in the respective loan agreements.

12. CREDITORS:

Amounts falling due after more than one year

	2014 £000	2013 £000
Amounts owed to group undertakings	230,031	206,187
Other creditors	1,165	2,419
	<u>231,196</u>	<u>208,606</u>

Amounts due to group undertakings are unsecured, interest is charged at market rate and repayment terms are as stated in the respective loan agreements

13. CALLED UP SHARE CAPITAL

	2014 £000	2013 £000
Allotted, called up and fully paid		
1,000 (2013: 1,000) ordinary shares £1 each	<u>1</u>	<u>1</u>

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. RESERVES

	Share premium account £000	Profit and loss account £000
At 1 January 2014	20,582	66,636
Loss for the financial year	-	(2,608)
Dividends: Equity capital	-	(23,000)
At 31 December 2014	<u>20,582</u>	<u>41,028</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £000	2013 £000
Opening shareholders' funds	87,219	195,079
Loss for the financial year	(2,608)	(98,360)
Dividends (note 16)	(23,000)	(9,500)
Closing shareholders' funds	<u>61,611</u>	<u>87,219</u>

16. DIVIDENDS

	2014 £000	2013 £000
Equity - Ordinary		
Dividend paid £23,000 (2013: £9,500) per £1 ordinary share	<u>23,000</u>	<u>9,500</u>

17. CONTINGENT LIABILITIES

The company is party to a gross composite borrowing facility for the Brenntag Group of companies of up to €1,132m (2013 - €1,539m). Under this facility the company has given cross guarantees in respect of the borrowings of certain fellow group companies.

In addition the company has provided cross guarantees in relation to a bond which was issued on 19 July 2011 by Brenntag Finance B.V. The outstanding debt under the bond amounts to €400m and the maturity date is 19 July 2018.

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3 of FRS 8 not to disclose related party transactions with other Brenntag AG group companies. There have been no other related party transactions.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Brenntag Investissements S.A.S. which is registered in France.

The company's ultimate parent company and controlling entity is Brenntag AG which is incorporated in Germany.

Brenntag AG is the parent undertaking of the smallest and largest group to consolidate these financial statements at 31 December 2014. The consolidated financial statements of Brenntag AG are available from their registered office, at Stinnes-Platz, 45472 Mulheim an der Ruhr, Germany.