



Chemical Distribution

**BTC Speciality Chemical  
Distribution Limited**

**Directors' report and financial  
statements**

**Registered number 1241117**

**For the year ended 31 December 2012**

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## Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2012

### Review of activities and future prospects

BTC is a pan European Sales organisation of BASF SE focussed on speciality chemicals and performance polymers. It offers the competence and the continuity of the world's leading chemical company, combined with the flexibility and speed of our regional distribution companies. In 2012 BTC Europe recorded an annual turnover of €525 million. BTC sells and markets the full range of BASF SE's speciality chemicals and performance polymers as well as selected complementary 3<sup>rd</sup> party products. In addition BTC manages logistics activities, provides technical support and a variety of added value services to support customers. BTC Europe consists of 7 operations which are managed locally to ensure they fulfil local market requirement. 10 warehouses across Europe provide the ability to move specialist stock across borders. Each BTC company has an external sales force structured by industry sector and use the same SAP based IT System. All BTC companies are ISO 9001 registered.

In 2012 BTC UK, operating under the Trading name of BTC Speciality Chemical Distribution Limited recorded an annual turnover of £4 million compared to £15 million in 2011. From April 2011 the BTC business model changed as BTC UK became agents of BTC GmbH. All stock was sold to BTC GmbH and all customers became part of BTC GmbH and a commission agreement now operates between BTC GmbH and BTC UK.

Debtors days increased from 56 days in 2011 to 57 days in 2012.

In 2013 as part of the BTC network, the company shall continue to concentrate on the development of speciality chemical distribution within the UK and Ireland.

The main risks and uncertainties for BTC UK are a declining UK Manufacturing market, the inherent risk of product obsolescence due to competitors developing technically superior products and also the risk of a major incident involving a chemical leak and contamination. The current global economic crisis has of course led to heightened risk awareness for the management of our debtors but we believe our processes are strong enough to mitigate the risk of bad debts. The additional business risk should the general economy worsen further and demand for our products fall is difficult to predict, however, the business is optimistic that it is well placed to manage a general downturn in demand or particular sector due to its efficient structures and wide portfolio of products.

### Result and dividend

The profit after taxation for the financial year amounted to £551,000 (2011 £1,426,000).

The directors do not recommend a payment of a final dividend (2011 nil). An interim dividend was not paid during 2012 (2011 £2,121,000).

### Directors and directors' interests

The directors who held office during the year were as follows

T B Jensen	Director
D Budd	Director
S Hatton	Company Secretary

### Employees

The company has continued its policy of maintaining employee awareness by communicating with employees on all matters of concern. In particular, all employees are kept aware of the financial and economic factors affecting the performance of the company.

The company operates a profit sharing scheme for the benefit of employees.

## **Directors' report** *(continued)*

### **Employment of disabled persons**

The company gives full and fair consideration to employment applications from disabled persons, having regard to the aptitudes and abilities of the applicant and the nature of work involved. The company uses all reasonable endeavours to provide continued and any necessary retraining to any employees becoming disabled during employment, and to give all employees equal opportunities for training, career development and promotion.

### **Health and safety at work**

The company gives high priority to providing a safe and healthy environment for all employees and contractors and is determined to maintain its good record for the preservation of health, safety and the environment.

### **Political and charitable contributions**

The Company made no political contributions during the year. Donations to UK charities amounted to £nil (2011 nil).

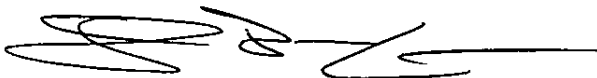
### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors and signed on behalf of the Board



T B Jensen  
Director

### **Registered office**

Earl Road  
Cheadle Hulme  
Cheadle  
Cheshire  
SK8 6QG

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 LLP

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Independent Auditor's Report to the members of BTC Speciality Chemical Distribution Limited**

We have audited the financial statements of BTC Speciality Chemical Distribution Limited for the year ended 31 December 2012 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on 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 2012 and of its profit for the year then ended
- have been properly prepared in accordance with UK 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 Auditor's Report to the members of BTC Speciality Chemical  
Distribution Limited (*continued*)**

**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

 13 Nov 2013

**David Bills (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
St James' Square  
Manchester



**Profit and loss account**  
 for the year ended 31 December 2012

	<i>Note</i>	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
<b>Turnover</b>	<b>2</b>	<b>3,817</b>	<b>15,286</b>
Cost of sales		(11)	(10,462)
		<hr/>	<hr/>
		<b>3,806</b>	<b>4,824</b>
Distribution costs		-	(162)
Administration expenses	<b>3</b>	(3,098)	(2,885)
Other operating income		-	141
		<hr/>	<hr/>
<b>Operating profit</b>		<b>708</b>	<b>1,918</b>
Other interest receivable and similar income	<b>6</b>	<b>31</b>	<b>29</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<b>2-6</b>	<b>739</b>	<b>1,947</b>
Tax on profit on ordinary activities	<b>7</b>	(188)	(521)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>551</b>	<b>1,426</b>
		<hr/>	<hr/>

**Statement of total recognised gains and losses**

There have been no recognised gains and losses other than those passing through the profit and loss account in the current or preceding year

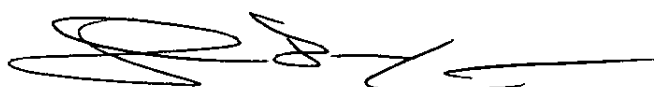
The notes from page 9 to 17 form part of the financial statements



**Balance sheet**  
**At 31 December 2012**

	<i>Note</i>	<b>2012</b> <b>£000</b>	<b>£000</b>	<b>2011</b> <b>£000</b>	<b>£000</b>
<b>Current assets</b>					
Debtors	9	7,619		7,576	
		<u>7,619</u>		<u>7,576</u>	
Creditors amounts falling due within one year	10	(1,892)		(2,400)	
		<u></u>		<u></u>	
<b>Net current assets</b>			<b>5,727</b>		<b>5,176</b>
<b>Total assets less current liabilities</b>			<b>5,727</b>		<b>5,176</b>
Creditors : amount falling due after more than one year	11		(11)		(11)
			<u></u>		<u></u>
<b>Net assets</b>			<b>5,716</b>		<b>5,165</b>
<b>Capital and reserves</b>					
Called up share capital	12		-		-
Profit and loss account	13		5,716		5,165
			<u></u>		<u></u>
<b>Shareholders' funds</b>			<b>5,716</b>		<b>5,165</b>
			<u></u>		<u></u>

These financial statements were approved by the board of directors on **31/5** 2013 and were signed on its behalf by



T B Jensen  
 Director

Company registered number 1241117

The notes from page 9 to 17 form part of the financial statements

**Reconciliation of movements in shareholders' funds  
 for the year ended 31 December 2012**

	<i>Note</i>	<b>2012 £000</b>	<b>2011 £000</b>
<b>Profit for the financial year</b>		<b>551</b>	<b>1,426</b>
Dividends on shares classified in shareholders' funds	8	-	(2,121)
<b>Net increase/(decrease) in shareholders' funds</b>		<b>551</b>	<b>(695)</b>
Opening shareholders' funds		<b>5,165</b>	<b>5,860</b>
<b>Closing shareholders' funds</b>		<b>5,716</b>	<b>5,165</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

The company's accounts are consolidated into the group accounts of BASF SE, a company incorporated in Germany (note 18).

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 1. The company has considerable financial resources and the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. 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 for accounting in preparing the annual financial statements.

#### *Going concern basis*

The company has considerable financial resources and the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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 for accounting in preparing the annual financial statements.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or 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.

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Post-retirement benefits*

The company makes pension contributions to the BASF UK Group Pension Scheme (the Scheme) on behalf of its employees. There are two sub-schemes, one is of the defined benefit type, while the other is a defined contribution plan. The defined benefit scheme is accounted for as a multi-employer scheme under FRS17. Contributions are charged to the profit and loss account as they become payable. The employer's pension costs for the defined contribution plan are charged to the profit and loss account as they become payable.



## Notes (continued)

### *Stocks*

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. Provision is made for obsolete, slow moving or defective items where appropriate.

### *Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### *Classification of financial instruments issued by the Company*

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

### *Employee share schemes*

The cost of awards to employees that take the form of shares or rights to shares in BASF SE are recognised over the period of the employee's related performance. No cost is recognised in respect of SAYE schemes that are offered on similar terms to all or substantially all employees.





## Notes (continued)

### 2 Analysis of turnover and profit on ordinary activities before taxation

	2012 Turnover £000	2011 Turnover £000	2012 Profit before taxation £000	2011 Profit before taxation £000
<i>By activity</i>				
Sales and distribution of chemical products	3,817	15,286	739	1,947

All turnover arises on sales made from the United Kingdom. Turnover of the company by destination is as follows

	2012 £000	2011 £000
<i>By geographical market</i>		
United Kingdom	-	8,858
Germany	3,817	5,652
Other	-	776
	3,817	15,286

### 3 Profit and loss account

	2012 £000	2011 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Rentals under operating lease agreements	92	79
<i>Auditor's remuneration</i>		
Amounts receivable by the auditor and their associates in respect of		
Audit of financial statements of subsidiaries pursuant to legislation	10	11

### 4 Remuneration of directors

	2012 £000	2011 £000
Directors' emoluments	124	140

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	Number of Employees	
	2012	2011
Sales and distribution	30	26
Administration	4	4
	<u>34</u>	<u>30</u>

The aggregate payroll costs of these persons were as follows

	2012 £000	2011 £000
Wages and salaries	1,508	1,413
Social security costs	164	149
Other pension costs	196	132
	<u>1,868</u>	<u>1,694</u>

### 6 Other interest receivable and similar income

	2012 £000	2011 £000
Bank interest receivable	<u>31</u>	<u>29</u>

### 7 Taxation

#### Analysis of charge in period

	2012 £000	£000	2011 £000	£000
<i>UK corporation tax</i>				
Current tax on income for the period	189		525	
Adjustments in respect of prior periods	-		(7)	
	<u>189</u>		<u>518</u>	
Total current tax		189		518
<i>Deferred tax (see note 9)</i>				
Origination/reversal of timing differences	1		2	
Adjustment in respect of previous years	(2)		1	
	<u>(1)</u>		<u>3</u>	
Total deferred tax		(1)		3
Tax on profit on ordinary activities		<u>188</u>		<u>521</u>

## Notes (continued)

### 7 Taxation (continued)

#### Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2011 higher) than the standard rate of corporation tax in the UK (24.5%, 2011 26.5%). The differences are explained below

	2012 £000	2011 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	739	1,947
	<hr/>	<hr/>
Current tax at 24.5% (2011 26.5%)	181	516
	<hr/>	<hr/>
<i>Effects of</i>		
Expenses not deductible for tax purposes	9	11
Capital allowances for period in excess of depreciation	(1)	(2)
Adjustments to tax charge in respect of previous periods	-	(7)
	<hr/>	<hr/>
Total current tax charge	189	518
	<hr/>	<hr/>

The 2012 Autumn Statement on 5 December 2012 announced that the UK corporation tax rate will reduce to 21% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

### 8 Dividends

The aggregate amount of dividends comprises

	2012 £000	2011 £000
Interim dividend paid of £nil (2011 £192.82) per ordinary share paid in respect of the current year	-	2,121
	<hr/>	<hr/>

Notes (continued)

9 Debtors

	2012 £000	2011 £000
Trade debtors	4	14
Amounts owed by group undertakings	483	801
Prepayments and accrued income	2	37
Deferred taxation (see below)	11	10
Taxation and social security	52	75
Other receivables by group undertakings	7,067	6,639
	<u>7,619</u>	<u>7,576</u>

	Deferred Taxation £000
At the beginning of the year	10
Credit to the profit and loss for the year	1
	<u>11</u>
At the end of the year	11

The elements of deferred taxation are as follows	2012 £000	2011 £000
Difference between accumulated depreciation and amortisation and capital allowances	8	10
Other timing differences	3	-
	<u>11</u>	<u>10</u>

10 Creditors: amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	29	21
Amounts owed to other group undertakings	182	353
Corporation Tax	994	1,680
Taxation and social security	34	26
Accruals and deferred income	653	320
	<u>1,892</u>	<u>2,400</u>

**11 Creditors: amount falling due after one year**

Deferred ordinary shares of £1 each

	2012 £000	2011 £000
The deferred ordinary shares of £1 each have the following rights attached		
- 5% fixed non cumulative dividend for any financial year in which the net profits of the company available for dividend exceed £10,000,000	11	11
- an entitlement to receive the capital paid up after a total £1,000 has been distributed in respect of each of the ordinary shares		
- no entitlement to attend or vote at any General Meeting of the company		

**12 Called up share capital**

	2012 £	2011 £
Authorised, 900,000 ordinary shares of 1 pence each	9,000	9,000
Called up, allotted and fully paid 11,000 ordinary shares of 1 pence each	110	110

**13 Reserves**

	Profit and loss account £000
At beginning of year	5,165
Profit for the year	551
At end of year	5,716

**14 Contingent liabilities and assets**

The company is part of a composite guarantee arrangement with other BASF plc UK group companies. The maximum liability at any time is the credit balance on the account with HSBC plc. As at 31 December 2012 and 31 December 2011 no such liability existed.

## Notes (continued)

### 15 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2012 Other £000	2011 Other £000
Operating leases which expire		
Within one year	10	17
In the second to fifth years inclusive	72	42
	<u>82</u>	<u>59</u>

### 16 Pension scheme

The company participates in the BASF (UK) Group Pension Scheme, which all permanent employees of BASF companies in the UK are eligible to join. There are two sub-schemes, one is a defined benefit plan while the other is a defined contribution plan. The company introduced the defined contribution plan on 6 April 1998 for new employees. Employees who were already members of the defined benefit plan were offered the opportunity to transfer to the new defined contribution plan. From 1 April 2012 any remaining members of the defined benefit plan were transferred to the defined contributions plan, and the defined benefit plan was closed to future accrual. Assets are held in separate trustee administered funds.

The charge to the profit and loss account in respect of the pension scheme was £196,000 (2011 £132,000), of which £nil (2011 nil) contributions are outstanding at the balance sheet date.

The BASF (UK) Pension Scheme ("Scheme") is a multi-employer scheme covering the majority of BASF companies in the UK. The Company is unable to identify its share of the underlying assets (and liabilities) of the Scheme because the assets are not separately assigned to the individual members. The assets of the scheme are invested on an aggregated basis with no identification of assets relating to an individual employer. A proportion of the liability within the scheme for deferred and pensioner members relates to employers who no longer participate in the scheme. Contributions are set for the scheme as a whole rather than reflecting the actuarial characteristics of the employees of the individual employer. Splitting the scheme in these circumstances would have to be done in an arbitrary manner and would therefore not reflect a realistic value. As a result the company has taken advantage of the exemption permitted by FRS 17 not to bring the assets and liabilities of the scheme onto the company balance sheet.

FRS17, under the multi-employer accounting rules, requires the company to account for its defined benefit scheme as a defined contribution scheme. The future contributions of the company will be affected by the surplus on the group scheme, details of which are disclosed below.

The BASF (UK) Group Pensions Scheme had a surplus of £0.7 million on a FRS17 basis as at 31 December 2012. The gross liabilities of the scheme are £480.3 million. The main assumptions used in the calculation of this surplus are summarised below.

## Notes (continued)

### 16 Pension Scheme (continued)

	As at 31 December 2012	As at 31 December 2011
Assumptions		
Discount Rate	4.40%pa	4.90%pa
Price inflation	2.20%pa	2.00%pa
Salary increases	3.80%pa	4.00%pa
Pension increases in payment		
Pre April 1997 service – guaranteed *	2.70%pa	2.90%pa
Pre April 1997 service – discretionary *	1.30%pa	1.50%pa
April 1997 – May 2005 service	2.70%pa	2.90%pa
Post May 2005 service	1.80%pa	2.00%pa

\* Some sections of the Pension Scheme provide guaranteed increases on this element of pension, others provide discretionary increases

During the year BASF Plc made a special contribution of £5,800,000 (2011 £2,300,000) to the BASF Group Pension Scheme. This payment was made to address the funding deficit which was identified and agreed with the Trustees of the pension scheme.

Additional contributions to the defined benefit plan were agreed with the Pension Trustees as part of a recovery plan following the last scheme valuation on 31 December 2009. This recovery plan requires additional contributions of £4.0 million per annum up to 2016. The next valuation on behalf of the Trustees will be based on the situation at 31 December 2012.

### 17 Related party disclosures

The directors have taken advantage of the provisions of FRS8 'Related Party Disclosures' not to disclose transaction between subsidiaries of BASF SE.

### 18 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company's immediate parent company is BASF plc, a company incorporated in Great Britain and registered in England and Wales.

BASF Societas Europaea ("BASF SE"), a company incorporated in Germany, is the ultimate parent company and is the parent of the largest group of companies to prepare consolidated financial statements. Copies of BASF SE consolidated financial statements may be obtained from:

Press Offices  
 Dept ZOA/P  
 BASF SE  
 D67056  
 Ludwigshafen  
 Germany

In the opinion of the directors of the company, the company is controlled by BASF SE.