

Company Registration No. 01867013

FUERST DAY LAWSON (U.S.A.) LIMITED

Report and Financial Statements

52 week period from 1 January 2011 to 30 December 2011



FUERST DAY LAWSON (U.S.A.) LIMITED

REPORT AND FINANCIAL STATEMENTS

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FUERST DAY LAWSON (U.S.A) LIMITED

DIRECTORS' REPORT

The directors present their annual report, together with the financial statements and auditor's report, for the 52 week period ended 30 December 2011

ACTIVITIES

The principal activity of the Company is the sale of specialist raw materials

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

In 2011, Company gross profit increased by 41% to £1.4m (2010: £1.0m). Profit before tax was £0.43m (2010: £0.39m). There was a decrease in gross margin to 10.01% (2010: 15.95%).

Whilst the economic climate heralds some uncertainty for the future, present indications are that the Company will make further progress during 2012.

RESULTS AND DIVIDENDS

Details of the results for the period are set out in the profit and loss account on page 6. A dividend of £3.10 per share was declared and paid on 30 December 2011 (period ended 31 Dec 2010: £2.50 per share). The retained profit for the period of £28,543 (period ended 31 Dec 2010: £30,195) has been transferred to reserves.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements.

The Company meets its day to day working capital requirements through committed banking facilities. 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 operations for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and accounts.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks. A significant risk is movements in foreign currency exchange rates on the principal values of forward commodity contracts. It is the Company policy to fully hedge all such contracts with forward currency contracts to reduce this risk.

It is the Company policy that no speculative trading in financial instruments will be undertaken.

DIRECTORS

The directors who served throughout the year were as follows:

Fox Roy Merchants Limited

J C Duffus & Co (London) Limited

G N Humphry-Baker

DIRECTORS INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

FUERST DAY LAWSON (U.S.A) LIMITED

DIRECTORS' REPORT

CHANGE OF ACCOUNTING DATE

The Company's accounting reference date is 31 December. The directors, however, have taken advantage of the provisions under section 390 of the Companies Act 2006

AUDITOR

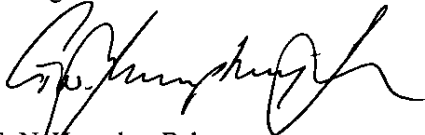
Each person who is a director of the Company at the date when this report was approved confirms that

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Deloitte LLP has expressed its willingness to continue in office as auditor

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



G N Humphry-Baker
Secretary
9 May 2012

FUERST DAY LAWSON (U.S.A) LIMITED

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 and loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 AUDITOR'S REPORT TO THE MEMBERS OF FUERST DAY LAWSON (USA) LIMITED

We have audited the financial statements of Fuerst Day Lawson (USA) Limited for the 52 week period from 1 January 2011 to 30 December 2011 which comprise the Profit and Loss Account, 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 Statement of Directors' Responsibilities, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 December 2011 and of its profit for the 52 week period 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.

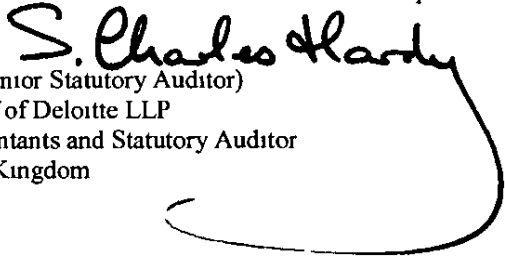
Opinion on other matter prescribed by the Companies Act 2006

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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.


Simon Hardy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
9 May 2012

FUERST DAY LAWSON (U.S.A.) LIMITED
Company Registration No. 1867013

PROFIT AND LOSS ACCOUNT
52 week period ended 30 December 2011

	Notes	Period ended 30 Dec 2011 £	Period ended 31 Dec 2010 £
TURNOVER	1, 3	14,291,753	6,379,809
Cost of sales	1	(12,860,873)	(5,362,155)
Gross profit		1,430,880	1,017,654
Operating charges		(1,000,000)	(625,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES	4	430,880	392,654
Net finance charges		(2,404)	(1,473)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		428,476	391,181
Tax charge on profit on ordinary activities	6	(89,933)	(110,986)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	338,543	280,195
Dividends paid on equity shares	7	(310,000)	(250,000)
Retained profit for the period		<u>28,543</u>	<u>30,195</u>

The Company's turnover and operating profit for both the current and prior period all relate to continuing operations. There were no acquisitions or discontinued operations during the current or preceding period.

All recognised gains or losses and all movements in shareholders' funds in both the period ended 30 December 2011 and the period ended 31 December 2010 are reflected in the profit and loss account. Accordingly no statement of total recognised gains and losses is presented in these financial statements.

FUERST DAY LAWSON (U.S.A.) LIMITED
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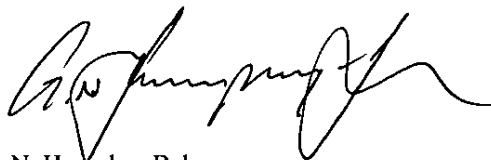
BALANCE SHEET
30 December 2011

	Notes	At 30 Dec 2011 £	At 31 Dec 2010 £
CURRENT ASSETS			
Stocks	1	3,371,686	2,265,681
Debtors	8	1,419,595	955,653
Cash at bank and in hand		522,963	227,366
		<u>5,314,244</u>	<u>3,448,700</u>
CREDITORS: amounts falling due within one year	9	<u>(5,031,576)</u>	<u>(3,194,575)</u>
NET CURRENT ASSETS		<u>282,668</u>	<u>254,125</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,000	1,000
Profit and loss account		281,668	253,125
TOTAL SHAREHOLDERS' FUNDS	11	<u>282,668</u>	<u>254,125</u>

These financial statements were approved by the Board of Directors and authorised for issue on 9 May 2012



M Day Lawson
(signed for and on behalf of Fox Roy Merchants Limited)



G N Humphry-Baker

FUERST DAY LAWSON (U.S.A.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 week period ended 30 December 2011**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The particular accounting policies adopted are described below

Fuerst Day Lawson (USA) Limited is a company incorporated in the United Kingdom under the Companies Act 2006 The address of the registered office is Devon House, 58-60 St Katharine's Way, London, E1W 1JP

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates Transactions in foreign currencies are included in accordance with the policies set out in notes below

Accounting convention

The financial statements are prepared under the historical cost convention and on the going concern basis as disclosed in the Directors' Report

Turnover

Turnover is the total amount (excluding value added tax) invoiced to customers by the Company and, in the case of sales in which the Company acts as agent of a supplier, the Company's commission earnings Turnover is recognised in the accounts at the point of delivery and/or when the contract of sale denotes the passing over of title

Cost of sales

Cost of sales is calculated at the point of invoicing the customer using the average value of stock and includes all costs associated with the contract terms of sale

Stocks and valuation of forward stock contracts

Stocks are stated at the lower of cost and net realisable value and consist of commodities held for resale Net realisable value is based on estimated selling price, less further costs expected to be incurred to disposal

Provision is made where an overall net loss is anticipated on the maturity on forward stock contracts outstanding at the accounting date, overall net profits are not recognised until maturity Provision is also made for losses on forward contracts outstanding at the accounting date arising in respect of specific defaults by counterparties

Foreign currency

Transactions denominated in foreign currencies are translated into sterling at either the forward exchange rates contracted at the bank or at the rates ruling at the date of the transactions Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date or, where relevant, at rates contracted for forward currency contracts Resulting exchange translation differences are dealt with through the profit and loss account

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 to the extent that, 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

FUERST DAY LAWSON (U.S.A.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 week period ended 30 December 2011

1 ACCOUNTING POLICIES (continued)

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis in profit or loss account and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

2 CASH FLOW STATEMENT

The Company has taken advantage of an exemption afforded by Financial Reporting Standard 1 Cash Flow Statements, not to prepare a cash flow statement as more than 90% of the voting rights are controlled within the Group and its cash flows are included within the parent company's consolidated financial statements.

3. TURNOVER AND SEGMENTAL ANALYSIS

No segmental analysis of the activities of the Company is given since, in the opinion of the directors, this would be seriously prejudicial to the interests of the Company.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES

	Period ended 30 Dec 2011 £	Period ended 31 Dec 2010 £
Operating profit is arrived at after charging:		
Auditors' remuneration – audit of annual accounts	8,203	6,473

5 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' remuneration

The directors of the Company were not entitled to any remuneration for their services to the Company in 2011 (period ended 31 Dec 2010 – £nil).

	Period ended 30 Dec 2011	Period ended 31 Dec 2010
Average number of persons employed		
Trading and administration	5	3

An analysis between trading and administrative staff is inappropriate as trading staff are also involved in administrative duties.

	Period ended 30 Dec 2011 £	Period ended 31 Dec 2010 £
Staff costs during the period (including directors)		
Wages and salaries	393,629	327,414
Social security costs	46,914	35,751
Other pension costs	21,918	5,382
	<u>462,461</u>	<u>368,547</u>

FUERST DAY LAWSON (U.S.A.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 week period ended 30 December 2011

6.(A) TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period ended 30 Dec 2011 £	Period ended 31 Dec 2010 £
United Kingdom corporation tax charge at 26.5% (period ended 31 Dec 2010 – 28.0%) based on the profit for the period	113,546	109,531
Adjustments in respect of prior years	(23,613)	1,455
	<hr/>	<hr/>
Double taxation relief	89,933 (38,563)	110,986 (35,327)
	<hr/>	<hr/>
Total UK Corporation tax charge	51,370	75,659
Foreign tax charge on income for the period	38,563	35,327
	<hr/>	<hr/>
Total tax charge on profit on ordinary activities	<u>89,933</u>	<u>110,986</u>

6.(B) FACTORS EFFECTING CURRENT TAX CHARGE FOR THE PERIOD

The current tax charge assessed for the period is the standard rate of corporation tax in the UK of 26.5% (period ended 31 Dec 2010 – 28.0%)

The differences are explained below

	Period ended 30 Dec 2011 £	Period ended 31 Dec 2010 £
Profit on ordinary activities before tax	<u>428,476</u>	<u>391,181</u>
Tax at 26.5% for the period (period ended 31 Dec 2010 – 28.0%)	113,546	109,531
Adjustment in respect of prior years	(23,613)	1,455
	<hr/>	<hr/>
Current tax charge for period	<u>89,933</u>	<u>110,986</u>

7 DIVIDENDS PAID

	Period ended 30 Dec 2011 £	Period ended 31 Dec 2010 £
Dividends paid of £310 per ordinary share (period ended 31 Dec 2010 - £250 per ordinary share)	<u>310,000</u>	<u>250,000</u>

8. DEBTORS

	At 30 Dec 2011 £	At 31 Dec 2010 £
Trade debtors	1,419,142	955,653
Taxation and Social Security	453	-
	<hr/>	<hr/>
	<u>1,419,595</u>	<u>955,653</u>

FUERST DAY LAWSON (U.S.A.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 week period ended 30 December 2011

9. CREDITORS

	At 30 Dec 2011 £	At 31 Dec 2010 £
Bank loans and overdrafts	2,768,311	1,382,006
Trade creditors	476,792	389,918
Corporation tax	80,376	88,062
Amounts due to parent undertakings	1,706,097	1,334,589
	<u>5,031,576</u>	<u>3,194,575</u>

In 2011 the Company has granted a fixed and floating charge on its assets to secure bank loans and overdrafts of £2,768,311

10. CALLED UP SHARE CAPITAL

	At 30 Dec 2011 £	At 31 Dec 2010 £
Authorised, allotted, called up and fully paid:		
1,000 Ordinary shares of £1 each (31 Dec 2010 – 1,000 shares)	<u>1,000</u>	<u>1,000</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Period ended 30 Dec 2011 £	Period ended 31 Dec 2010 £
Profit on ordinary activities after tax	338,543	280,195
Dividends paid on equity shares	(310,000)	(250,000)
Retained profit for the financial period	<u>28,543</u>	<u>30,195</u>
Net addition to shareholders' funds	28,543	30,195
Opening shareholders' funds	254,125	223,930
Closing shareholders' funds	<u>282,668</u>	<u>254,125</u>

12. CONTINGENT LIABILITIES

The Company has entered into guarantees securing certain banking facilities of its parent company and a fellow subsidiary. The funds drawn down by other group companies in respect of such facilities amounted to £15,115,407 (at 31 December 2010 £15,024,315).

Other contingent liabilities which arose in the normal course of business comprised

	At 30 Dec 2011 £	At 31 Dec 2010 £
VAT group election	<u>192,313</u>	<u>188,771</u>

FUERST DAY LAWSON (U.S.A.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 week period ended 30 December 2011**

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of an exemption afforded by Financial Reporting Standard 8 Related Party Disclosures, not to disclose transactions with other wholly owned group companies

During the period the Company had transactions with related parties which are not other wholly owned group companies. These parties, together with the nature of their relationship with the Company and details of the transactions made with the Company, are as follows

1) Fuerst Day Lawson Limited -a fellow subsidiary undertaking

The aggregate amounts of the Company's transactions with Fuerst Day Lawson Limited in the period were

- Sales of raw material of £144,536 (period ended 31 Dec 2010 - £nil) at cost price
- Purchases of raw material of £655,554 (period ended 31 Dec 2010 - £112,782) at cost price
- Operating charges, being management charges payable, £1,000,000 (period ended 31 Dec 2010 - £625,000)

2) Fuerst Day Lawson Inc -a fellow subsidiary undertaking

The aggregate amounts of the Company's transactions with Fuerst Day Lawson Inc in the period were

- Cost of sales, being a management charge payable of £90,084 (period ended 31 Dec 2010 - £76,879) at cost price

14. PARENT COMPANY

The Company's immediate and ultimate parent company is Fuerst Day Lawson Holdings Limited, a company incorporated in Great Britain. The ultimate controlling party is Mr M Day Lawson

Copies of the Group accounts for Fuerst Day Lawson Holdings Limited which heads the shortest and largest group in which these accounts are consolidated, are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

15. WARRANTIES

The Company has entered into an indemnity agreement with its bankers as at 30 December 2011, in respect of guarantees to US Customs Services of \$70,000 - £45,042 (2010 \$60,000 - £38,687)

