

Reports & Accounts

EURORESINS UK LTD

31 December 2007

Company Number : 02225761

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COMPANIES HOUSE

EURORESINS UK LTD

Registered No 02225761

DIRECTORS

J Brule
B Morelissen
R van Wilgenburg

SECRETARY

C L Thompson

AUDITOR

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

BANKER

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Kent ME8 0LS

REGISTERED OFFICE

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EURORESINS UK LTD

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2007

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £1,226,436 [2006 Loss of (£936,534)]

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the distribution of products to the thermoset industry

REVIEW OF THE BUSINESS

On the 29th November 2007 the company sold its Polymerics business to Albion Chemicals Ltd for £1,200,000

The company made a profit for the year before taxation of £1,799,428 this includes the £1,200,000 received for the sale of the Polymerics business

The main KPI's used within the business to monitor performance are, turnover and costs which are set against budget at the beginning of the year. In 2007 the turnover met its target, this was primarily due to the company acquiring a number of customers from the principal in December. Overall costs remained within the target set.

FUTURE DEVELOPMENTS

The expectation for 2008 is that the company will continue within its current markets and will have a profitable year.

DIRECTORS

The directors who held office during the year were as follows -

G de Koning	(Resigned 31 st December 2007)
J Bailey	(Resigned 18 th February 2008)
R Ledent	(Resigned 7 th April 2008)
R van-Wilgenburg	(Appointed 31 st December 2007)
M Toeroek	(Appointed 18 th February 2008, Resigned 1 st August 2008)
B Morelissen	(Appointed 7 th April 2008)
J Brule	(Appointed 1 st August 2008)

Treasury policies

The company does not have a formal treasury team. This function is performed by local management and the parent company. The company finances its activities with internally generated working capital, including cash. Financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities. The company does not enter into interest rate swaps or forward currency contracts. The company does not trade in financial instruments.

EURORESINS UK LTD

DIRECTORS' REPORT (continued)

Risks and Uncertainties

The principal risks and uncertainties facing the company are broadly grouped as:- competitive, legislative, foreign currency, interest rate, credit and liquidity risk

Competitive risk

The UK market is at risk from imports from outside Europe at cheaper prices. Changes in technology also can have an effect on the market. Pricing within the commercial and supply chain can be uncertain due to the nature of some of the raw materials.

Legislative risk

Legislative (compliance) risks concern issues such as health and safety, environmental, trade description, consumer protection, data protection, employment practices and regulatory issues. The Company must identify the risks, assign accountability and allocate the appropriate resources to mitigate the risk. Failure to comply will potentially have a detrimental effect on the Company, ranging from additional costs to possible cessation of operations.

Besides UK and European Standards, the Company is also strictly controlled by its own internal compliance requirements.

Foreign currency risk

The company has operations outside of the UK and it buys and sells goods and services denominated in currencies other than sterling. As a result the value of the company's non-sterling revenues, purchases, financial assets and liabilities and cash flows can be affected significantly by movements in exchange rates in general and in the Euro rate in particular. The company's transactional currency exposure arises from sales or purchases in currencies other than its functional currency. It is the company's policy not to enter into forward contracts.

Interest rate risk

The company does not have any external debt.

Credit risk

The company does not enter into transactions on deferred terms. In agreeing annual budgets, the company sets targets for debtors' days and doubtful debts expense against which performance is monitored.

Liquidity risk

The company mitigates liquidity risk by managing cash generation by its operations, applying cash collection targets and setting authorisation limits for investment. The company funding strategy is not to rely on external finance, but to rely on internally generated working capital.

EURORESINS UK LTD
DIRECTORS' REPORT (continued)

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 group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Ernst & Young LLP will remain as auditors of the company.

BY ORDER OF THE BOARD



C.L. Thompson
Company Secretary

EURORESINS UK LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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). The financial statements are required by law to 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 those 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, 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 EURORESINS UK LIMITED

We have audited the financial statements of Euroresins UK Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 20. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EURORESINS UK LIMITED (CONTINUED)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of the company's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Manchester

11 September 2008

EURORESINS UK LTD
PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31 DECEMBER 2007

	Notes	2007	2006
		£	£
Turnover- Continuing operations		19,061,766	17,707,955
Turnover- Discontinued operations		6,080,492	5,902,832
Turnover	2	25,142,258	23,610,787
Cost of Sales	3	(21,937,418)	(21,129,653)
Gross Profit		3,204,840	2,481,134
Distribution expenses	3	(1,796,014)	(2,926,092)
Administrative expenses	3	(830,185)	(911,406)
Operating Profit/(Loss):			
Continuing Operations		40,185	(1,648,763)
Discontinued Operations		538,456	292,399
Operating Profit/(Loss)	4	578,641	(1,356,364)
Other Operating Income- Discontinued operations	5	1,200,000	0
Interest Payable and Receivable	6	20,787	45,742
Profit/(Loss) on Ordinary Activities before Taxation		1,799,428	(1,310,622)
Tax on Profit/(Loss) on ordinary activities	7	(572,992)	374,088
Profit/(Loss) on Ordinary Activities for the Year	16	1,226,436	(936,534)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses in the company other than those reported above

EURORESINS UK LTD
BALANCE SHEET FOR YEAR ENDED 31 DECEMBER 2007

	Notes	2007	2006
		£	£
FIXED ASSETS			
- Intangible Assets	9	0	0
- Tangible assets	10	86,925	105,138
- Total		86,925	105,138
CURRENT ASSETS			
- Stocks	11	1,781,698	2,238,620
- Debtors	12	4,977,808	4,992,548
- Cash at bank and in hand		2,382,299	882,597
- Total		9,141,805	8,113,765
CURRENT LIABILITIES			
Creditors : amounts falling due within one year	13	4,730,346	4,946,955
NET CURRENT ASSETS		4,411,459	3,166,810
TOTAL ASSETS LESS CURRENT LIABILITIES		4,498,384	3,271,948
CAPITAL AND RESERVES			
- Called up share capital	15	4,300,002	4,300,002
- Profit & loss account	16	198,382	(1,028,054)
EQUITY SHAREHOLDERS' FUNDS	16	4,498,384	3,271,948

Approved by the Board on 10 September 2008


 J Brule

EURORESINS UK LTD
NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

(b) Revenue Recognition

Turnover represents amounts invoiced by the Company in respect of the goods sold and services provided during the period excluding any applicable value added tax. The revenue is recognised on dispatch of the goods.

(c) Fixed assets and depreciation

All fixed assets are initially recorded at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residue value, in equal annual instalments over their expected useful lives. The major rates (% per annum) are

	%
Short term Leasehold improvements	10
Machinery	10
Office equipment	25 – 33

Any modification to leasehold buildings are depreciated either at the rate shown above or over the residual term of the lease, whichever value is the higher.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

(d) Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of the entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

(e) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows

EURORESINS UK LTD
NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007

1. ACCOUNTING POLICIES (continued)

(e) Stocks (continued)

Raw materials are stated on a FIFO basis

Work in progress and finished goods are stated at the cost of direct materials and labour plus attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal

(f) Leasing and hire purchase commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease

(g) Deferred Taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- 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

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

h) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

EURORESINS UK LTD
NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007

1. ACCOUNTING POLICIES (continued)

(i) Pension benefits

Pension costs are recognised on a systematic basis in order that the costs of providing retirement benefits to employees are evenly matched, so far as is possible, to the service lives of the employees concerned

Any excess or deficiency of the actuarial value of assets over the actuarial value of liabilities of the pension scheme is allocated over the average remaining service lives of current employees

(j) Cash flow

As permitted by Financial Reporting Standard No 1 (Revised), a cash flow statement has not been prepared as the company is a wholly owned subsidiary of a parent undertaking which prepares accounts including a consolidated cash flow statement

2 TURNOVER

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of materials, primarily to third parties, during the year. The turnover is attributable to the sale of thermoset products to the following geographical markets -

	2007	2006
	£	£
UK-Continuing operations	18,944,421	17,559,396
UK-Discontinued operation	5,591,040	5,608,099
Other EC countries- Continuing operations	106,607	138,797
Other EC countries- Discontinued operations	489,452	294,143
Other- Continuing operations	10,738	9,762
Other- Discontinued operations	0	590
TOTALS	25,142,258	23,610,787

3 COST OF SALES AND OPERATING EXPENSES

	2007	2006
	£	£
Cost of sales- Continuing operations	16,723,660	15,868,439
Cost of sales- Discontinued operations	5,213,758	5,261,214
Cost of sales- Total	21,937,418	21,129,653
Distribution expenses- Continuing operations	1,520,438	2,589,530
Distribution expenses- Discontinued operations	275,576	336,562
Distribution expenses- Total	1,796,014	2,926,092
Administrative expenses- Continuing operations	777,483	898,749
Administrative expenses- Discontinued operations	52,702	12,657
Administrative expenses- Total	830,185	911,406

EURORESINS UK LTD
NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007

4 OPERATING PROFIT	2007	2006
This is stated after charging/(crediting)	£	£
Operating lease rentals - land & buildings	98,750	98,750
- plant & machinery	87,563	108,010
Auditors' remuneration - audit of the financial statements	14,538	14,500
Auditors' remuneration - taxation services	8,993	11,220
Depreciation of tangible fixed assets	39,087	39,265

5 OTHER OPERATING INCOME

On the 29th November 2007 the company sold its Polymeric business to Albion Chemicals Ltd realising a profit of £1,200,000

6 INTEREST PAYABLE AND RECEIVABLE	2007	2006
	£	£
Bank Interest – receivable	443	378
Group Interest – receivable	23,829	84,964
Other Interest -receivable	2,863	8,249
Total interest – receivable	27,135	93,591
Bank interest – payable	0	0
Group Interest – payable	6,103	47,849
Other Interest – payable	245	0
Total interest – payable	6,348	47,849
TOTAL INTEREST RECEIVABLE/ (PAYABLE)	20,787	45,742

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in period	2007	2006
	£	£
UK Corporation Tax		
UK Corporation Tax on profits of the period	424,175	0
Adjustment in respect of previous periods	(141,497)	(121,694)
	282,678	(121,694)
Deferred Tax		
Originating and reversal of timing differences	278,696	(252,394)
Effect of change of rate of Corporation Tax 2007 28% (2006 30%)	11,618	0
	290,314	(252,394)
TOTALS	572,992	(374,088)

EURORESINS UK LTD
NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting tax charge for period

The tax assessed on the profit on ordinary activities for the period is less than the standard rate of corporation tax in the UK. The differences are explained below

	2007	2006
	£	£
Profit/(Loss) on ordinary activities before tax	1,799,428	(1,310,622)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	539,828	(393,187)
Effect of		
Disallowed expenses and non-taxable income	17,676	13,087
Depreciation in excess of capital allowances	(7,384)	(9,373)
Other timing differences	(4,578)	1,371
Adjustments in respect of previous periods	(141,497)	(121,694)
Unrelieved tax losses carried forward	0	144,538
Special Pension payment	(121,367)	243,564
Current tax charge for the period	282,678	(121,694)

8 DIRECTORS AND EMPLOYEES

	2007	2006
	£	£
(a) Staff costs		
Wages and salaries	914,049	1,088,154
Social security costs	69,676	85,939
Other pension costs	209,430	1,377,633
TOTALS	1,193,155	2,551,726

	2007	2006
	Number	Number

The monthly average number of persons employed by the company was -	36	41
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Staff	36	41
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	2007	2006
	£	£

Staff costs include the following emoluments in respect of directors

Management emoluments	0	0
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Number of directors included in the defined benefit pension scheme	0	0
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No directors' emoluments were paid during the year by the company as the directors are employed by other group companies

EURORESINS UK LTD
NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007

9 INTANGIBLE ASSETS

	Goodwill
Cost	£
As at 01 January 2007 and 31 December 2007	369,120
Amortisation	
As at 01 January 2007 and 31 December 2007	369,120
Net book value at 31 December 2007	0
Net book value at 01 January 2007	0

Goodwill was written off in equal instalments over its economic life of 4 years

10 TANGIBLE FIXED ASSETS

	Short leasehold improvements	Plant, machinery and fittings	Assets under Construction	TOTALS
COST :	£	£	£	£
At 01 January 2007	304,692	671,076	0	975,768
Additions	0	0	20,874	20,874
At 31 December 2007	304,692	671,076	20,874	996,642
DEPRECIATION :				
At 01 January 2007	212,721	657,909	0	870,630
Provided during the year	33,377	5,710	0	39,087
At 31 December 2007	246,098	663,619	0	909,717
Net book value :				
At 01 January 2007	91,971	13,167	0	105,138
At 31 December 2007	58,594	7,457	20,874	86,925

EURORESINS UK LTD**NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007****11 STOCKS**

	2007	2006
	£	£
Finished goods and goods for resale	1,781,698	2,238,620

The difference between the cost of stocks and their replacement value is not material

12 DEBTORS - amounts due within one year

	2007	2006
	£	£
Trade debtors	4,694,795	4,394,266
Amounts owed by fellow subsidiaries	45,078	57,650
Amounts owed by parent company	414	0
Prepayments and accrued income	74,871	73,248
Deferred tax asset (note 14)	162,650	452,964
Corporation Tax	0	14,420
TOTALS	4,977,808	4,992,548

13 CREDITORS - amounts due within one year

	2007	2006
	£	£
Trade creditors	1,413,965	2,512,988
Amounts due to fellow subsidiaries	2,237,958	1,760,192
Amounts due to parent company	48,842	26,629
Other taxes and social security costs	606,949	511,949
Accruals and deferred income	139,954	135,197
Corporation Tax	282,678	0
TOTALS	4,730,346	4,946,955

EURORESINS UK LTD
NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007

14 DEFERRED TAXATION

The movements in deferred taxation during the current and previous years were as follows

	2007	2006
	£	£
At 01 January - asset	(452,964)	(200,570)
Charge/(credit) to profit and loss account	290,314	(252,394)
At 31 December – asset	(162,650)	(452,964)

The deferred tax asset consists of

	2007	2006
	£	£
Decelerated capital allowances	(37,141)	(47,178)
Other timing differences	(125,509)	(405,786)
Total deferred tax asset	(162,650)	(452,964)

15 CALLED UP SHARE CAPITAL

	2007	2006
	£	£
Ordinary shares of £1 each		
Authorised	10,000,000	10,000,000
Allotted, called up and fully paid	4,300,002	4,300,002

16 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital	Profit & loss account	Total
	£	£	£
At 01 January 2006	4,300,002	(91,520)	4,208,482
Loss for the year	0	(936,534)	(936,534)
At 01 January 2007	4,300,002	(1,028,054)	3,271,948
Profit for the year	0	1,226,436	1,226,436
At 31 December 2007	4,300,002	198,382	4,498,384

EURORESINS UK LTD
NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007

17 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

Annual commitments under non-cancellable operating leases are as follows

	2007 Land and buildings £	2007 Other £	2006 Land and buildings £	2006 Other £
Operating leases which expire				
- within one year	0	27,014	0	4,713
- between two to five years	98,750	34,706	98,750	81,569
- over five years	0	0	0	0
TOTALS	98,750	61,720	98,750	86,282

18 PENSION COMMITMENTS

The company participated in the Freeman Chemicals Retirement Benefits Plan ("the Freeman Plan") On the 6th April 2006 the Plan merged with the DSM Nutritional Products (UK) Limited Pension Scheme to become the DSM UK Pension Scheme ("the Scheme")

The Scheme (and previously the Freeman Plan) provide defined benefit (final salary) benefits to the company's current and former employees, based on length of service and final pensionable earnings The Scheme is contracted-out of the State Second Pension (S2P) on a Reference Scheme Test basis The Scheme is funded by contributions from employees and the participating companies The assets of the Scheme are held separately from those of the company in trustee administered funds The company's participation in the Scheme is accounted for on a defined contribution plan basis in the accounts because the company is unable to identify its share of the underlying assets and liabilities of the Scheme

The total pension cost for the company during the year ended 31 December 2007 was £209,430 [2006 £1,377,633] The pension cost for 2006 includes a one-off contribution of £1,217,822 which was paid into the Scheme as a condition of the scheme merger

The pension cost is agreed by the company and the Scheme's trustees in accordance with the Schemes' governing rules and relevant legislation, taking into account the advice of an independent qualified actuary using the projected unit method

The latest actuarial valuation of the Scheme was at 31 December 2006 The results of this valuation and the assumptions underlying the valuation were agreed during March 2008 In summary, this valuation revealed that

EURORESINS UK LTD
NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007

18 PENSION COMMITMENTS (continued)

The total value of the Scheme's assets was £77.4 million (excluding the value of Additional Voluntary Contributions paid by members)

These assets were sufficient to cover 103% of the actuarial value of the benefits which had accrued to members up to the valuation date, allowing for expected future increases in earnings. This was equivalent to a surplus of assets of £2.0m relative to the actuarial value of the liabilities.

Allowing for changes to the future service benefits which took effect from 1 April 2008, the company and trustee agreed a company contribution rate of 13.5% of employees' pensionable earnings, with employee contributions payable in addition. The company also agreed to meet directly the running costs associated with the Scheme and levies due to the Government's Pension Protection Fund.

Prior to 1 April 2008, the company paid contributions at the rate of 17.5% of pensionable earnings, with additional contributions of £24,440 in order to improve the Scheme's funding position.

The assumptions that have the most significant effect on the valuation are those relating to the rate of return on the investments and the rates of increase in pensionable earnings and pensions. It was assumed that the investment return in respect of the assets notionally backing members' benefits during the period prior to retirement would be 6.60% a year (3.50% a year in excess of assumed price inflation) and the investment return in respect of the assets notionally backing members' benefits during the period after retirement would be 5.00% a year (1.90% a year in excess of assumed price inflation). It was assumed that salary increases would average 3.60% a year (0.50% a year in excess of assumed price inflation) and that pension increases would be in line with the assumed long-term rate of price inflation of 3.10% a year.

The company currently participates in the Scheme with four other participating employers. Whilst the valuation results summarised above are in respect of the Scheme as a whole, the pension cost and contributions shown relate to the company only, and contributions shown relate to the company only, and do not include the pension cost and contributions relating to the Scheme's other participating employers.

EURORESINS UK LTD
NOTES TO THE ACCOUNTS - AT DECEMBER 31 2007

19 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is DSM Composite Resins UK Limited

The company's ultimate parent undertaking and controlling party is DSM N.V , a company incorporated in the Netherlands DSM N V is also the parent undertaking of the smallest and largest group of undertakings for which group accounts are prepared and of which the company is a Member Copies of its group accounts can be obtained from DSM N V , Het Overloon 1, P O Box 6500, 6401 JH Heerlen, The Netherlands

20 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in FRS8 (wholly owned subsidiary) from disclosing transactions with related parties that are part of the DSM Group