

Neste Chemicals UK Limited  
Annual report  
for the year ended 31 December 2000

**Registered Number: 2715398**



Neste Chemicals UK Limited  
Annual report and accounts  
for the year ended 31 December 2000

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# **Neste Chemicals UK Limited**

## **Directors and Advisors for the year ended 31 December 2000**

### **Directors**

D J Roberts

A Oster

J Olsson

### **Secretary**

D J Roberts

### **Auditors**

PricewaterhouseCoopers

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

### **Bankers**

NatWest

Poynton Branch

1 London Road South

Poynton

Stockport

Cheshire

SK12 1NF

### **Registered Office**

Cambridge House

37 Bramhall Lane South

Cheshire

SK7 2DU

### **Registered Number**

2715398

# Neste Chemicals UK Limited

## Directors' report for the year ended 31 December 2000

The directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

### Principal activities

The principal activity of the company continues to be the selling of liquid chemicals and polymers, in the capacity of agent to Neste group companies.

### Review of business

The profit and loss account is set out on page 5.

The level of business increased during the year and the directors expect the levels to be sustained for the foreseeable future.

The financial position of the company at the year-end was satisfactory.

On 31 October 2000 the whole of the share capital of the Company was acquired by Neste Oxo AB, a company registered in Sweden.

### Dividends

The directors do not recommend the payment of a dividend. The profit retained for the year of £28,000 (1999: £2,000) will be transferred to reserves.

### Directors and their interests

The directors of the company at 31 December 2000, all of whom have served throughout the year ended on that date, except as stated, were as follows:

D J Roberts	
A Oster	(appointed 31 October 2000)
J Olsson	(appointed 31 October 2000)

Messrs A Colson and P Schittenhelm resigned on 31 October 2000.

The directors do not have any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2000 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

# Neste Chemicals UK Limited

## Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

**By order of the Board**

A handwritten signature in black ink, appearing to read 'D J Roberts', with a stylized flourish at the end.

**D J Roberts**  
**Secretary**  
1 June 2001

# Neste Chemicals UK Limited

## Auditors' report to the members of Neste Chemicals UK Limited

We have audited the financial statements on pages 5 to 13.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

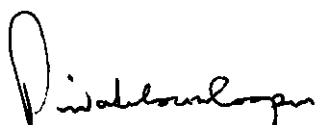
### Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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.

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 of the state of the company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Manchester  
1 June 2001

## Neste Chemicals UK Limited

### Profit and loss account for the year ended 31 December 2000

	Notes	2000 £'000	1999 £'000
Turnover	1	936	955
Cost of sales		(327)	(438)
Gross profit		609	517
Net operating expenses	2	(556)	(535)
Operating profit/(loss)		53	(18)
Interest receivable and similar income		7	42
Interest payable and similar charges	3	(2)	(1)
Profit on ordinary activities before taxation	4	58	23
Tax on profit on ordinary activities	6	(30)	(21)
Retained profit for the financial year	14	28	2

The company has no recognised gains and losses other than the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

# Neste Chemicals UK Limited

## Balance sheet as at 31 December 2000

	Note	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Tangible assets	7	55	58
<b>Current assets</b>			
Stocks	8	23	-
Debtors	9	901	1,112
Cash at bank and in hand		176	424
		1100	1,536
<b>Creditors: amounts falling due within one year</b>	10	(799)	(1,283)
<b>Net current assets</b>		301	253
<b>Total assets less current liabilities</b>		356	311
<b>Creditors: amounts falling due after more than one year</b>	11	(17)	-
<b>Net assets</b>		339	311
<b>Capital and reserves</b>			
Called up share capital	13	10	10
Profit and loss account	14	329	301
<b>Equity shareholders' funds</b>	15	339	311

The financial statements on pages 5 to 13 were approved by the board of directors on 1 June 2001 and signed on its behalf by:



**D J Roberts**  
**Director**



# Neste Chemicals UK Limited

## Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

### Basis of accounting

The financial statements are prepared under the historical cost convention.

### Tangible fixed assets

All fixed assets are shown at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Motor vehicles	4 years
Office equipment	4 years
Computer equipment	3 years
Fixtures and fittings	5 years

Residual value is calculated on prices prevailing at the date of acquisition. Profits or losses on the disposal of fixed assets are included in the calculation of operating profit.

### Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Following the change in operations of the company during the previous financial year, no stocks are now held.

### Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax legislation) has been calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

### Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents contributions payable by the company in the period.

### Turnover

Turnover arises wholly in the UK and comprises commissions receivable and the value of sales (excluding VAT and trade discounts) of goods and services provided in the normal course of business.

### Foreign exchange

Amounts denominated in foreign currencies are re-translated at the rate applicable at the year end. Any gains or losses are credited or charged to the profit and loss account.

### Cash flow and related party transactions

A cash flow statement has not been prepared as the company is exempt under the group accounts provisions of FRS1 (revised 1996). The company is also exempt under the terms of FRS8 from disclosing transactions with entities that are part of the Oxo Holding AB (Swe) Group.

### Finance and operating leases

Assets acquired under finance leases and hire-purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over their estimated useful life or the year of the lease, whichever is the shorter. The finance charges are allocated over the year of the lease in proportion to the capital amounts outstanding.

The rentals under operating leases are charged to the profit and loss account in equal annual amounts over the term of the lease.

# Neste Chemicals UK Limited

## Notes to the financial statements for the year ended 31 December 2000

### 1 Turnover

	2000	1999
	£'000	£'000
Sales	329	463
Commissions receivable	607	492
	936	955

### 2 Net operating expenses

	2000	1999
	£'000	£'000
Administrative expenses	558	559
Other operating income	(2)	(24)
	556	535

Other operating income represents recharges of costs to a fellow subsidiary undertaking for administrative support.

### 3 Interest payable and similar charges

	2000	1999
	£'000	£'000
Bank charges	2	1

### 4 Profit on ordinary activities before taxation

	2000	1999
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration for:		
Audit services	8	7
Non-audit services	2	-
Depreciation of tangible fixed assets:		
Owned assets	30	35
Leased assets	3	-
Operating lease rentals -Other	18	16

# Neste Chemicals UK Limited

## 5 Staff costs

Particulars of employees (including executive directors) are as shown below:

	2000 £'000	1999 £'000
Employee costs during year amounted to:		
Wages and salaries	170	173
Social security costs	66	47
Other pension costs (see note 16)	54	48
	290	268

The average monthly number of persons employed by the company during the year was as follows:

	2000 Number	1999 Number
Administration	6	9

### Directors' remuneration

	£'000	£'000
Emoluments	59	60
Company contributions to money purchase pension schemes	37	32
	96	92

Retirement benefits are accruing to one (2000: one ) director under a defined contribution pension scheme.

## 6 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	2000 £'000	1999 £'000
Corporation tax at 30% (1999: 30%)	32	12
Under/(over) provision in prior year	(2)	9
	30	21

# Neste Chemicals UK Limited

## 7 Tangible assets

	Motor vehicles £'000	Office equipment £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>					
At 1 January 2000	73	22	99	38	232
Additions	34	1	6	-	41
Disposals	(40)	-	-	-	(40)
<b>At 31 December 2000</b>	<b>67</b>	<b>23</b>	<b>105</b>	<b>38</b>	<b>233</b>
<b>Depreciation</b>					
At 1 January 2000	44	12	85	33	174
Charge for the year	18	3	10	2	33
Disposals	(29)	-	-	-	(29)
<b>At 31 December 2000</b>	<b>33</b>	<b>15</b>	<b>95</b>	<b>35</b>	<b>178</b>
<b>Net book value</b>					
<b>At 31 December 2000</b>	<b>34</b>	<b>8</b>	<b>10</b>	<b>3</b>	<b>55</b>
At 31 December 1999	29	10	14	5	58

Assets held under hire purchase agreements are included above. The net book value of such assets at 31 December 2000 amounted to £31,000 (1999: £Nil) after charging depreciation during the year of £2,854 (1999: £Nil).

## 8 Stocks

	2000 £'000	1999 £'000
Goods for resale	23	-

## 9 Debtors

	2000 £'000	1999 £'000
Trade debtors	212	82
Amounts owed by group undertakings	667	992
Prepayments and accrued income	22	38
	<b>901</b>	<b>1,112</b>

## Neste Chemicals UK Limited

### 10 Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Trade creditors	195	40
Amounts owed to group undertakings	-	572
UK corporation tax payable	24	12
Hire purchase(Note 11)	4	-
Taxation and social security	537	601
Other creditors	17	48
Accruals and deferred income	22	10
	799	1,283

### 11 Creditors: amounts falling due after more than one year

	2000 £'000	1999 £'000
Hire purchase	17	-
	17	-

The maturity of obligations under hire purchase contracts is as follows:

	2000 £'000	1999 £'000
Within one year	4	-
In the second to fifth year	17	-
	21	-

### 12 Deferred taxation

The amount of the unrecognised deferred taxation asset is as follows:

	2000 £'000	1999 £'000
Excess of book depreciation over tax allowances on fixed assets	18	14
Other timing differences related to current assets and liabilities	-	2
	18	16

## Neste Chemicals UK Limited

### 13 Called up share capital

	2000 £'000	1999 £'000
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10	10

### 14 Reserves

	Profit and loss account £'000
At beginning of the year	301
Retained profit for the year	28
At end of the year	329

### 15 Reconciliation of movements in equity shareholders' funds

	2000 £'000	1999 £'000
Opening equity shareholders' funds	311	309
Retained profit for the year	28	2
Closing equity shareholders' funds	339	311

### 16 Pension commitments

The pension charge for the year was £54,000 (1999: £48,000), representing contributions payable in the year.

### 17 Capital commitments

There were no capital commitments at the end of the year (1999: £Nil).

# Neste Chemicals UK Limited

## 18 Operating leases

At 31 December 2000 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2000 £'000	1999 £'000
Within two to five years	18	16

The company leases certain land and buildings on a 6 year operating lease that expires in March 2005. The lease is in the process of being renegotiated.

## 19 Ultimate parent company

The company is a subsidiary undertaking of Neste Oxo AB, incorporated in the Sweden.

The largest group of which Neste Chemicals UK Limited is a member, and the only group company for which financial statements are drawn up, is that headed by Oxo Holding AB, incorporated in Sweden.

The consolidated financial statements of the group are available to the public and may be obtained from the Patent and Registration Office, Bolagsavdelningen, S-851 81 Sundsvall, Sweden.

## Neste Chemicals UK Limited

### Detailed profit and loss account for the year ended 31 December 2000

	2000 £'000	1999 £'000
<b>Turnover</b>		
Sales	329	463
Commissions	607	492
	936	955
<b>Cost of sales</b>		
Purchases	(350)	(406)
Stock movement	23	(32)
<b>Gross profit</b>	609	517
Net operating expenses (see attached)	(556)	(535)
<b>Trading profit/(loss)</b>	53	(18)
Bank interest receivable	7	42
Bank charges	(2)	(1)
<b>Profit before taxation</b>	58	23

This schedule does not form part of the accounts on which the auditors have reported.



# Neste Chemicals UK Limited

## Schedule to detailed profit and loss account for the year ended 31 December 2000

	2000 £'000	1999 £'000
<b>Net operating expenses</b>		
Wages and salaries	170	173
Indirect employment costs	120	96
Rent and rates	19	20
EDP costs	39	58
Communication costs	7	7
Travel	26	35
Representation	16	13
Marketing	39	41
Training	10	8
Motor expenses	17	5
Services	39	34
Management charges	13	1
Depreciation	32	35
Intercompany recharge	(2)	(24)
Miscellaneous	8	9
(Profit)/loss on sale of fixed assets	1	-
Exchange loss/(gain)	2	24
	<b>556</b>	<b>535</b>

These expenses are shown net of recharges to a fellow subsidiary undertaking for administrative support (see note 3).

This schedule does not form part of the accounts on which the auditors have reported.