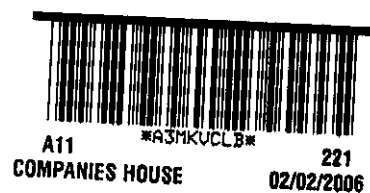


Perstorp UK Limited
Annual report
for the year ended 31 December 2004

Registered Number: 2715398



Perstorp UK Limited
Annual report and accounts
for the year ended 31 December 2004

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Perstorp UK Limited

Directors and Advisors

Directors

D J Roberts

J Ekstrom

P Karsberg

Secretary

D J Roberts

Auditors

PricewaterhouseCoopers LLP

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

Bankers

National Westminster Bank

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

Perstorp UK Limited

Directors' report for the year ended 31 December 2004

The directors present their report and the audited financial statements of the company for the year ended 31 December 2004.

Principal activities

The principal activity of the company continues to be the selling of liquid chemicals and polymers, in the capacity of agent to Perstorp group companies. The company also acts as the VAT agent in the UK on behalf of the Perstorp group.

Review of business

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

The directors are satisfied with the financial performance in the current year and believe that the company is well positioned to perform strongly in the future.

Dividends

The directors do not recommend the payment of a dividend in the current year. (2003: £Nil). The profit retained for the year is £124,000 (2003: £52,000) which will be transferred to reserves.

Directors and their interests

The directors of the company, who served during the year, were as follows:

D J Roberts
J Ekstrom
P Karsberg

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 2004 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.

Perstorp UK Limited

Directors' report for the year ended 31 December 2004 (continued)

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP, as auditors to the company 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', is written over a faint horizontal line.

D J Roberts
Secretary
30 January 2006

Perstorp UK Limited

Independent auditors' report to the members of Perstorp UK Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

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 are 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept and assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 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.

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
30 January 2006

Perstorp UK Limited

Profit and loss account for the year ended 31 December 2004

	Notes	2004 £'000	2003 £'000
Turnover	1	832	716
Cost of sales		-	-
Gross profit		832	716
Administration expenses		(647)	(625)
Operating profit		185	91
Profit on ordinary activities before taxation	2	185	91
Tax on profit on ordinary activities	4	(61)	(39)
Retained profit for the financial year	10	124	52

All of the above results are derived from continuing operating activities.

There are no other gains or losses other than those stated above and hence a statement of total recognised gains and losses has not been produced.

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

Perstorp UK Limited

Balance sheet as at 31 December 2004

	Note	2004 £'000	2003 £'000
Fixed assets			
Tangible assets	5	9	15
Current assets			
Debtors	6	1,605	689
Cash at bank and in hand		104	250
		1,709	939
Creditors: amounts falling due within one year	8	(963)	(323)
Net current assets		746	616
Net assets		755	631
Capital and reserves			
Called up share capital	9	10	10
Profit and loss account	10	745	621
Equity shareholders' funds	11	755	631

The financial statements on pages 5 to 13 were approved by the board of directors on 30 January 2006 and signed on its behalf by:



D J Roberts
Director

Perstorp UK Limited

Accounting policies

The financial statements have been prepared on the going concern basis and in accordance with applicable Accounting Standards in the United Kingdom.

The company has applied the accounting policies consistently throughout the year.

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:

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.

Taxation

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

Deferred taxation

Deferred taxation 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 future have occurred at the balance sheet date.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted.

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 in accordance with SSAP 24.

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.

Turnover is recognised upon despatch of goods, to which the sale or commission arrangement relates

Perstorp UK Limited

Accounting policies (continued)

Foreign exchange

Monetary assets and liabilities 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 Sydsvenska Kemi AB (Swe) Group.

Operating leases

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

Perstorp UK Limited

Notes to the financial statements for the year ended 31 December 2004

1 Turnover

	2004 £'000	2003 £'000
Commissions receivable	832	716
	832	716

2 Profit on ordinary activities before taxation

	2004 £'000	2003 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration for:		
Audit services	5	5
Non-audit services	-	5
Operating leases: other than plant and machinery	20	20
Gains on foreign exchange differences	-	-
Depreciation of tangible fixed assets:		
Owned assets	8	11

3 Staff costs

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

	2004 £'000	2003 £'000
Employee costs during year amounted to:		
Wages and salaries	267	258
Social security costs	34	33
Other pension costs (see note 12)	38	56
	339	347

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

	2004 Number	2003 Number
Administration	6	5

Perstorp UK Limited

3 Staff costs (continued)

Directors' remuneration

	2004 £'000	2003 £'000
Emoluments	79	80
Company contributions to money purchase pension schemes	12	38
	91	118

Retirement benefits are accruing to one (2003: one) director under a defined contribution pension scheme.

4 Tax on profit on ordinary activities

	2004 £'000	2003 £'000
Current Tax		
United Kingdom corporation tax at 30% (2003: 30%)	61	37
Total current tax charge	61	37
Deferred tax asset		
Origination and reversal of timing differences	-	2
Tax charge on profit on ordinary activities	61	39

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

The tax assessed for the period is higher than the standard rate of UK corporation tax (30%) (2003: higher).
The differences are explained below:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	185	91
Profit on ordinary activities multiplied by standard rate in the UK		
30% (2003: 30%)	55	27
Effects of:		
- Capital allowances in excess of depreciation	-	(1)
- Expenses not deductible for tax purposes	6	11
- Adjustments in respect of earlier years	-	-
Current tax charge for period	61	37

There are no factors that may effect future tax charges.

Perstorp UK Limited

5 Tangible assets

	Office equipment £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 January 2004	30	125	37	192
Additions	1	1	-	2
At 31 December 2004	31	126	37	194
Accumulated Depreciation				
At 1 January 2004	23	117	37	177
Charge for the year	3	5	-	8
At 31 December 2004	26	122	37	185
Net book value				
At 31 December 2004	5	4	-	9
At 31 December 2003	7	8	-	15

6 Debtors

	2004 £'000	2003 £'000
Trade debtors	2	4
Amounts owed by group undertakings	1,575	648
Prepayments and accrued income	23	32
Deferred tax asset (note 7)	5	5
	1,605	689

7 Deferred Tax Asset

	2004 £'000	2003 £'000
Deferred tax asset at 1 January 2004	5	7
Other timing differences related to current assets and liabilities	-	(2)
Deferred tax asset at 31 December 2004	5	5

The deferred tax asset in both years arises from the excess of capital allowances over depreciation

Perstorp UK Limited

8 Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Trade creditors	36	6
Amounts owed to group undertakings	3	23
UK corporation tax payable	61	26
Other taxation and social security	825	216
Other creditors	24	36
Accruals and deferred income	14	16
	963	323

9 Called up share capital

	2004 £'000	2003 £'000
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10	10

10 Reserves

	Profit and loss account £'000
At 1 January 2004	621
Retained profit for the year	124
At 31 December 2004	745

11 Reconciliation of movements in equity shareholders' funds

	2004 £'000
Opening equity shareholders' funds	631
Retained profit for the year	124
Closing equity shareholders' funds	755

Perstorp UK Limited

12 Pension commitments

The pension charge for the year was £77,000 (2003: £56,000), representing contributions payable in the year. At the balance sheet date there were outstanding contributions owing to the pension scheme of £nil (2003: £11,000).

13 Capital commitments

There were no capital commitments at the end of the year (2003: £Nil).

14 Operating leases

At 31 December 2004 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2004 £'000	2003 £'000
Land and buildings		
Within one year	5	-
Within two to five years	-	20

The company leases certain land and buildings on a 6 year operating lease that expired in March 2005 and has yet to be renewed.

15 Related parties

The company has taken exemption under Financial Reporting Standard Number 8 from disclosure of intra-group transactions and balances as these are eliminated on consolidation in the financial statements of the ultimate parent undertaking.

16 Ultimate parent company

The company was a wholly owned subsidiary undertaking of Neste Oxo AB, incorporated in Sweden. The largest group of which Perstorp UK Limited is a member is that headed by Sydsvenska Kemi 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.