

Strategic Report, Report of the Directors and
Financial Statements for the Period 2 December 2012 to 30 November 2013
for
H.B. Fuller U.K. Limited

THURSDAY



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H.B. Fuller U.K. Limited (Registered number: 03468967)

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for the Period 2 December 2012 to 30 November 2013

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H.B. Fuller U.K. Limited

Company Information
for the Period 2 December 2012 to 30 November 2013

DIRECTORS:

N R Taylor
J C McCreary Jr.

SECRETARY:

Abogado Nominees Limited

REGISTERED OFFICE:

Globe Lane Industrial Estate
Outram Road
Dukinfield
Cheshire
SK16 4XE

REGISTERED NUMBER:

03468967

AUDITORS:

Curo Professional Services Limited
Curo House, Greenbox
Westonhall Road
Stoke Prior
Bromsgrove
Worcestershire
B60 4AL

Strategic Report

for the Period 2 December 2012 to 30 November 2013

The directors present their strategic report for the period 2 December 2012 to 30 November 2013.

REVIEW OF BUSINESS

Both the level of business and the period end financial position were satisfactory and the directors anticipate similar results in future periods under the commissionaire agreement terms.

The directors do not anticipate any change in the foreseeable future.

The results for the period and financial position of the company are as shown in the annexed financial statements.

Principal risks and uncertainties

The company's management consider that the company can continue to exist within its existing facilities, as the intermediate parent company, HB Fuller Europe have indicated their willingness to continue to support the company for the foreseeable future.

Key performance indicators

The directors of HB Fuller Group manage the group's operations on a divisional basis. To this end, H.B. Fuller U.K. Limited provides key performance indicators as part of the standard reporting requirements to group. The development, performance and position of the adhesives division of HB Fuller Group, which includes the company, are discussed in the group's annual report, which does not form part of this report.

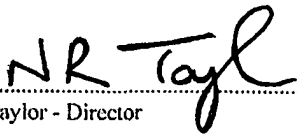
Environment

The HB Fuller Group is very aware of its environmental responsibilities and takes appropriate action to minimise any adverse impact that might be caused by its activities. Every effort is made to dispose of waste safely and to pursue recycling action and reduction of energy consumption.

Employees

Details of the number of employees and related costs can be found in note 2 to the financial statements.

ON BEHALF OF THE BOARD:


.....
N R Taylor - Director

Date: 26/08/2014

Report of the Directors
for the Period 2 December 2012 to 30 November 2013

The directors present their report with the financial statements of the company for the period 2 December 2012 to 30 November 2013.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the marketing and sale of adhesives under a commissionaire agreement for a fellow group company. The results for the period ended 30 November 2013 are set out in the attached profit and loss account.

DIVIDENDS

The directors do not recommend payment of a dividend (2012: €Nil).

DIRECTORS

The directors who service during the period and subsequently were as follows:

N R Taylor	British
J C McCreary Jr.	American

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 and to establish that the company's auditors are aware of that information.

H.B. Fuller U.K. Limited (Registered number: 03468967)

Report of the Directors
for the Period 2 December 2012 to 30 November 2013

AUDITORS

The auditors, Curo Professional Services Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
N R Taylor - Director

Date: 26/08/2014

Report of the Independent Auditors to the Members of
H.B. Fuller U.K. Limited

We have audited the financial statements of H.B. Fuller U.K. Limited for the period ended 30 November 2013 on pages six to fifteen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 November 2013 and of its profit for the 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.

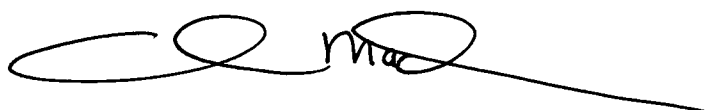
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors 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, 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.



Anna Madden FCA (Senior Statutory Auditor)
for and on behalf of Curo Professional Services Limited
Curo House, Greenbox
Westonhall Road
Stoke Prior
Bromsgrove
Worcestershire
B60 4AL

Date: 26/08/2014

H.B. Fuller U.K. Limited (Registered number: 03468967)

Profit and Loss Account

for the Period 2 December 2012 to 30 November 2013

	Notes	Period 2.12.12 to 30.11.13 €'000	Period 4.12.11 to 1.12.12 €'000
TURNOVER		5,254	4,374
Distribution costs		3,332	3,049
Administrative expenses		1,857	1,391
		<u>5,189</u>	<u>4,440</u>
OPERATING PROFIT/(LOSS)	3	65	(66)
Interest receivable and similar income	4	<u>1</u>	<u>179</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		66	113
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>66</u>	<u>113</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous period.

TOTAL RECOGNISED GAINS AND LOSSES

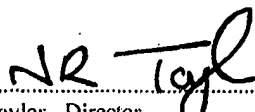
The company has no recognised gains or losses other than the profits for the current period or previous period.

The notes form part of these financial statements

Balance Sheet
30 November 2013

	Notes	2013 €'000	2012 €'000
FIXED ASSETS			
Intangible assets	6	1,501	1,375
Tangible assets	7	37	42
		<u>1,538</u>	<u>1,417</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	3,446	233
Debtors: amounts falling due after more than one year	8	26,048	25,829
Cash in hand		9	39
		<u>29,503</u>	<u>26,101</u>
CREDITORS			
Amounts falling due within one year	9	10,150	6,693
NET CURRENT ASSETS		<u>19,353</u>	<u>19,408</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,891</u>	<u>20,825</u>
CAPITAL AND RESERVES			
Called up share capital	11	21,087	21,087
Profit and loss account	12	(196)	(262)
SHAREHOLDERS' FUNDS	15	<u>20,891</u>	<u>20,825</u>

The financial statements were approved by the Board of Directors on 26/08/2014 and were signed on its behalf by:


N R Taylor - Director

Notes to the Financial Statements
for the Period 2 December 2012 to 30 November 2013

I. ACCOUNTING POLICIES

Basis of preparation

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

Accounting convention

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Turnover

Turnover is stated net of value added tax. The directors consider that there is only one class of business. H.B. Fuller U.K. Limited operates as a commissionaire, the principal being HB Fuller Europe GmbH, a company incorporated in Switzerland. Turnover represents net funds due from the principal based on the terms set out in the commissionaire agreement.

Goodwill

Goodwill, representing the excess of the fair value of the consideration over the fair value of the identifiable net assets of the business acquired as capitalised as an intangible asset in accordance Financial Reporting Standard 10, and written off on a straight line basis over its useful economic life of 20 years.

Reductions in the value of goodwill arising as a result of specific events are accounted for in the year in which the specific event occurs.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset by equal instalments over their expected useful life as follows:

Fixtures and fittings	10 - 15%
Plant and machinery	10 - 20%
Computer equipment	20 - 25%

Deferred tax

The charge for taxation is based on the result for the period and takes into account taxation deferred of because timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency and recorded at the rate of exchange ruling at the date of transaction. Balances denominated in a foreign currency are translated into the functional currency at the exchange rates ruling on the balance sheet date. Differences arising on retranslation are taken to the profit and loss account.

Share capital is recorded at the rate of exchange at the date of of the share issue and is not retranslated at each subsequent balance sheet date.

The functional currency is the currency of the primary economic environment in which the entity operates.

The functional currency of HB Fuller UK Ltd is the Euro. The Euro best reflects the economic substance of the underlying events and circumstances relevant to the company's global operations.

Cash flow statement

The company is a wholly owned subsidiary of HB Fuller Company and is included in the consolidated financial statements of HB Fuller Company which are publicly available (see note 13). Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under section 400 of the Companies Act 2006.

1. ACCOUNTING POLICIES - continued

Post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

The company previously participated in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Financial Reporting Standard 17 - Retirement benefits, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Notes to the Financial Statements - continued
for the Period 2 December 2012 to 30 November 2013

2. STAFF COSTS

The average number of persons employed by the company (including directors) during the period was as follows:

	Number of employees	
	Period ended 30 November 2013	Period ended 01 December 2012
Management and administration	3	3
Sales	28	26
	<u>31</u>	<u>29</u>

The aggregate payroll costs of these persons were as follows:

	Period ended 30 November 2013	Period ended 01 December 2012
	€000	€000
Wages and salaries	3,390	2,673
Social security costs	423	331
Pension costs	205	175
	<u>4,018</u>	<u>3,179</u>

DIRECTORS' EMOLUMENTS

	Period ended 30 November 2013	Period ended 01 December 2012
	€000	€000
Aggregate emoluments	523	269
Pension contributions	-	-
	<u>523</u>	<u>269</u>

The number of directors for whom retirement benefits were accruing during the current period was 1 (2012: 1). Benefits are accruing under both the defined benefit and money purchase schemes.

Information regarding the highest paid director is as follows:

	Period ended 30 November 2013	Period ended 01 December 2012
	€000	€000
Emoluments etc	523	269
Pension contributions	-	-

Notes to the Financial Statements - continued
for the Period 2 December 2012 to 30 November 2013

3. OPERATING PROFIT/(LOSS)

Operating loss is stated after charging/(crediting):

	Period ended 30 November 2013	Period ended 01 December 2012
	€'000	€'000
Depreciation and other amounts written off tangible fixed assets:		
Owned	18	20
Amortisation of goodwill	168	122
Loss on disposal of tangible fixed assets	-	1
Hire of plant and machinery - rentals payable under operating leases	171	155
Foreign exchange (gains)/losses	(84)	61
	<u> </u>	<u> </u>

Auditors' remuneration:

The total audit fee for the group is €47,500 and the fees for non audit services are €18,000.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 30 November 2013	Period ended 01 December 2012
	€'000	€'000
Interest receivable from group undertakings	1	179
	<u> </u>	<u> </u>
	1	179
	<u> </u>	<u> </u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period ended 30 November 2013 nor for the period ended 1 December 2012.

Notes to the Financial Statements - continued
for the Period 2 December 2012 to 30 November 2013

5. **TAXATION - continued**

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 2.12.12 to 30.11.13 €'000	Period 4.12.11 to 1.12.12 €'000
Profit on ordinary activities before tax	66	113
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 - 24%)	15	27
Effects of:		
Expenses not deductible for tax purposes (including goodwill amortisation)	101	5
Capital allowances for the period in excess of depreciation	(2)	1
Depreciation on ineligible	26	28
Corporation tax rounding	1	-
(Decrease)/Increase in other timing differences ineligibles change in exchange rate	-	2
Group relief received for no payment (tax profits)/tax losses	(141)	(63)
Current tax charge	-	-

There is a deferred tax asset of €9,569 (2012: €10,804) not provided for. Deferred tax assets have not been recognised on the basis that all losses will be surrendered to group.

6. **INTANGIBLE FIXED ASSETS**

	Goodwill €'000
COST	
At 2 December 2012	3,953
Additions	294
At 30 November 2013	4,247
AMORTISATION	
At 2 December 2012	2,578
Amortisation for period	168
At 30 November 2013	2,746
NET BOOK VALUE	
At 30 November 2013	1,501
At 1 December 2012	1,375

Notes to the Financial Statements - continued
for the Period 2 December 2012 to 30 November 2013

7. TANGIBLE FIXED ASSETS

Plant and
machinery
€'000

COST

At 2 December 2012

1,249

Additions

14

At 30 November 2013

1,263

DEPRECIATION

At 2 December 2012

1,207

Charge for period

19

At 30 November 2013

1,226

NET BOOK VALUE

At 30 November 2013

37

At 1 December 2012

42

8. DEBTORS

2013
€'000

2012
€'000

Amounts falling due within one year:

Amounts owed by group undertakings

2,999

106

Other debtors

372

20

Prepayments and accrued income

75

107

3,446

233

Amounts falling due after more than one year:

Amounts owed by group undertakings

26,048

25,829

Aggregate amounts

29,494

26,062

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2013
€'000

2012
€'000

Trade creditors

65

62

Amounts owed to group undertakings

8,534

5,663

Social security and other taxes

737

186

Accruals and deferred income

814

782

10,150

6,693

Notes to the Financial Statements - continued
for the Period 2 December 2012 to 30 November 2013

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2013	2012
	€'000	€'000
Expiring:		
Within one year	38	24
Between one and five years	98	114
	<u>136</u>	<u>138</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal Value:	30.11.13	01.12.12
Number:	Class:			
			€'000	€'000
13,476,533	Ordinary	£1	<u>21,087</u>	<u>21,087</u>

12. RESERVES

	Profit and loss account €'000
At 2 December 2012	(262)
Profit for the period	<u>66</u>
At 30 November 2013	<u>(196)</u>

13. ULTIMATE PARENT COMPANY

The company's ultimate parent and controlling company and the controlling party of the smallest group for which consolidated financial statements are prepared is HB Fuller Company, a company incorporated in the United States of America. Copies of the group financial statements are obtainable from the company secretary at:

HB Fuller Company
 1200 Willow Lake Boulevard
 Saint Paul
 Minnesota 55164-0683
 USA

14. RELATED PARTY DISCLOSURES

As the company is a wholly owned subsidiary of HB Fuller Operations Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has, therefore, not disclosed balances or transactions with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of the ultimate parent HB Fuller Company, within which this company is included, can be obtained from the address given in note 13.

Notes to the Financial Statements - continued
for the Period 2 December 2012 to 30 November 2013

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	€000	€000
Profit for the financial period	66	113
Net addition to shareholders' funds	66	113
Opening shareholders' funds	20,825	20,712
Closing shareholders' funds	20,891	20,825

16. SHARE-BASED PAYMENTS

The HB Fuller share option plan enables options to be granted over shares in the publicly traded ultimate parent company HB Fuller Company, to employees in the group on a remuneration basis.

Options are granted at the market value of shares under option at the date of grant. Awards under the scheme are generally reserved for employees at a senior management level and above; 5 employees from H.B. Fuller U.K. Limited are currently participating in this scheme.

Options granted under the scheme will become exercisable on the third anniversary of the date of the grant. Exercise of an option is subject to continued employment.

Options granted and exercised over the period to 30 November 2013 are shown below:

	2013	2013
	Number	Weighted average vesting / exercise price \$ USD
Granted	14,014	\$36.65
Exercised	(4,600)	\$15.35

Full disclosure of the HB Fuller share option plan can be found in the financial statements of HB Fuller Company, the ultimate parent company. These financial statements are publicly available and can be obtained from the address in note 13.