

BRENNTAG UK GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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COMPANIES HOUSE

BRENNTAG UK GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

M Gratton
S E Holland (resigned 7 June 2013)
D M O'Connell (resigned 7 June 2013)
C M Waters

COMPANY SECRETARY

Martin Gratton

REGISTERED NUMBER

04253894

REGISTERED OFFICE

Albion House
Rawdon Park
Green Lane, Yeadon
Leeds
West Yorkshire
LS19 7XX

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Benson House
33 Wellington Street
Leeds
West Yorkshire
LS1 4JP

BANKERS

HSBC Bank plc
City Branch
33 Park Row
Leeds
West Yorkshire
LS1 1LD

BRENNTAG UK GROUP LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2
Directors' Responsibilities Statement	3
Independent Auditors' Report to the Members of Brenntag UK Group Limited	4 - 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 - 12

BRENNTAG UK GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the year ended 31 December 2013.

BUSINESS REVIEW

During the year the Brenntag UK & Ireland group continued its project to streamline its organisational structure, dissolve certain obsolete companies and to promote simplification wherever possible. This project has driven the simplification of the company's balance sheet involving a capital reduction, distribution of surplus reserves and realisation of all other assets and liabilities.

Subsequent to the balance sheet date this project also resulted in the successful dissolution of the company's subsidiary undertakings Woodland 1 Limited and Woodland 3 Limited.

The trading results of the company are summarised on page 6. The directors consider these results to be satisfactory.

The company has access to considerable financial resources and has rigorous procedures for identifying, quantifying and mitigating all aspects of risk relevant to the business. In light of these factors the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

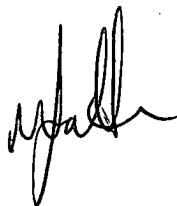
PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the company are financial risks, which are mainly managed by the Treasury department at the head office of the Brenntag Group. The group hedge financing risks by using derivative instruments, such as foreign exchange forwards, interest rate and currency swaps or combined instruments. This permits a balancing of risks throughout the group.

USE OF KEY PERFORMANCE INDICATORS

The directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The principal measure used for monitoring performance is profit on ordinary activities before taxation.

This report was approved by the board on 8 September 2014 and signed on its behalf.



**M Gratton
Director**

BRENNTAG UK GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

RESULTS

Dividends of £17,870,000 were paid during the year.

The profit for the year, after taxation, amounted to £8,972,000 (2012 - £153,489,000).

DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements are given below:

M Gratton
S E Holland (resigned 7 June 2013)
D M O'Connell (resigned 7 June 2013)
C M Waters

FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Liquidity Risk:

Management control liquidity risk through the careful management of all aspects of the company's cash flows and the safe investment of cash assets.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Qualifying third party indemnity provision insurance was in place for the benefit of all the directors of the company during the year and up to the date of signing the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The previous auditors, Baker Tilly UK Audit LLP resigned during the year. The directors have appointed PricewaterhouseCoopers LLP to act as auditors. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

This report was approved by the board on 8 September 2014 and signed on its behalf.

M Gratton
Director



BRENNTAG UK GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors are responsible for preparing the Strategic Report, Directors' 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 prepared 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

BRENNTAG UK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRENNTAG UK GROUP LIMITED

Report on the company financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Brenntag UK Group Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). 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 Directors' Report and Financial Statements (the "Annual Report") 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.

Opinions on matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BRENNTAG UK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRENNTAG UK GROUP LIMITED

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Richard Bunter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

8 September 2014

BRENNTAG UK GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £000	2012 £000
Administrative expenses		(6)	(5)
OPERATING LOSS		(6)	(5)
Income from other fixed asset investments		8,316	153,000
Interest receivable and similar income	3	662	7,342
Interest payable and similar charges	4	-	(6,848)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,972	153,489
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR	10	8,972	153,489

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 8 to 12 form part of these financial statements.

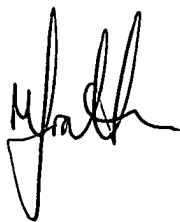
BRENNTAG UK GROUP LIMITED
REGISTERED NUMBER: 04253894

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£000	2013 £000	£000	2012 £000
FIXED ASSETS					
Investments	6		-		-
CURRENT ASSETS					
Debtors	7		-		17,214
TOTAL ASSETS LESS CURRENT LIABILITIES			-		17,214
CREDITORS: amounts falling due after more than one year	8		-		(8,316)
NET ASSETS			-		8,898
CAPITAL AND RESERVES					
Called up share capital	9		-		1,269
Share premium account	10		-		5,000
Capital redemption reserve	10		-		6
Profit and loss account	10		-		2,623
TOTAL SHAREHOLDERS' FUNDS	11		-		8,898

The financial statements on pages 6 to 12 were approved by the board of directors on 8 September 2014 by:

M Gratton
Director



BRENNTAG UK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies are set out below and have been applied consistently throughout the year.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The company has access to considerable financial resources and has rigorous procedures for identifying, quantifying and mitigating all aspects of risk relevant to the business.

In light of these factors and continuing financial support within the Brenntag group, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Investments

Investments in subsidiaries are stated in the balance sheet at cost, less any amount to reflect any impairment in the value of shares below their cost.

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

2. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2012 - £NIL).

BRENNTAG UK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £000	2012 £000
Interest receivable from group companies	662	7,342
	<u>662</u>	<u>7,342</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £000	2012 £000
On bank loans and overdrafts	-	46
On loans from group undertakings	-	6,802
	<u>-</u>	<u>6,848</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard effective rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	8,972	153,489
	<u>8,972</u>	<u>153,489</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	2,086	37,605
Effects of:		
Dividends from UK companies	(1,933)	(37,485)
Group relief	(79)	(120)
Imputed interest charges	(74)	-
	<u>-</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

BRENNTAG UK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. FIXED ASSET INVESTMENTS

	2013 £	2012 £
Investment in subsidiary companies	2	2

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Woodland 1 Limited	£1 ordinary	100%
Woodland 3 Limited	£1 ordinary	100%

Name	Business	Registered office
Woodland 1 Limited	Non-operating	England & Wales
Woodland 3 Limited	Non-operating	England & Wales

During the year the Brenntag UK & Ireland group continued its project to streamline its organisation structure and dissolve obsolete companies. As a result of this project, on 11 February 2014 both of the company's subsidiary undertakings were successfully dissolved.

7. DEBTORS

	2013 £000	2012 £000
Due after more than one year		
Amounts owed by group undertakings	-	17,214

**8. CREDITORS:
Amounts falling due after more than one year**

	2013 £000	2012 £000
Amounts owed to group undertakings	-	8,316

9. CALLED UP SHARE CAPITAL

	2013 £000	2012 £000
Allotted, called up and fully paid		
1 ordinary share (2012 - 1,268,627 ordinary share) of £1 each	-	1,269

On 9 October 2013 as part of the group streamlining project the company reduced its share capital - supported by statement of solvency - from 1,268,627 ordinary £1 shares to 1 ordinary £1 share.

BRENNTAG UK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

10. RESERVES

	Share premium account £000	Capital redempt'n reserve £000	Profit and loss account £000
At 1 January 2013	5,000	6	2,623
Profit for the financial year			8,972
Dividends: Equity capital			(17,870)
Capital redemption transfer		(6)	6
Share premium transfer	(5,000)		5,000
Capital reduction (note 9)			1,269
At 31 December 2013	-	-	-

As discussed in note 9, the group streamlining project resulted in a reduction in the share capital to £1 and the release of the share premium account and capital redemption reserve.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £000	2012 £000
Opening shareholders' funds	8,898	8,409
Profit for the financial year	8,972	153,489
Dividends (Note 12)	(17,870)	(153,000)
Closing shareholders' funds	-	8,898

12. DIVIDENDS

	2013 £000	2012 £000
Equity - Ordinary		
Interim paid: £17,208,000 (2012: £NIL) per £1 ordinary share	17,208	-
Final paid: £662,000 (2012: £120.60) per £1 ordinary share	662	153,000
	17,870	153,000

13. CONTINGENT LIABILITIES

The company is party to a gross composite borrowing facility for the Brenntag Group of companies of up to €1,539m (2012: €1,576m). Under this facility the company has given cross guarantees in respect of the borrowings of certain fellow group companies.

In addition the company has provided cross guarantees in relation to a bond which was issued on 19 July 2011 by Brenntag Finance B.V. The outstanding debt under the bonds amounts to €400m and the maturity date is 19 July 2018.

BRENNTAG UK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3 of FRS 8 not to disclose related party transactions with other Brenntag AG group companies. There have been no other related party transactions.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Brenntag UK Holding Limited which is registered in England and Wales.

The company's ultimate parent company and controlling entity is Brenntag AG which is incorporated in Germany.

Brenntag AG is the parent undertaking of the smallest and largest group to consolidate these financial statements at 31 December 2013. The consolidated financial statements of Brenntag AG are available from their registered office, at Stinnes-Platz, 45472 Mulheim an der Ruhr, Germany.