139876

Univar Limited

Report and Financial Statements

31 December 2006

Registered No 139876

Directors
D C Jukes
M I Latham
C J Morley
J N Phillpotts
M R Pugh
S B Smith (resigned 17 July 2006)

Secretary
N Simpson

Auditors
Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Registered Office
46 Peckover Street
Bradford
West Yorkshire
BD1 5BD

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2006

Principal activity and review of the business

The company's principal activity during the year continued to be the sales, marketing and distribution of chemicals

Whilst the UK market continues to be difficult, with businesses continuing to relocate to lower cost economies, manufacturing has, at least, stabilised with some growth sectors evident The volatility in oil prices in particular gives challenges to the cost base of all businesses, however it also provides opportunity to those able to invest in inventory at the right time

The company's key financial indicators in the period were

	2006 £'000	2005 £ 000	Change %
Turnover	312,000	265,614	+17% (+4 3%)
Operating profit	6,139	1,620	+279% (+365%)
Profit after tax	3,029	600	+405%
Net Assets	30,385	24,746	+23%
Current Assets as %			
current liabilities	220%	212%	+4%

() = like for like change %

Turnover increased by 17%, with the major part due to the acquisition of the Univar Group company - Fiske Foods Ltd on 1st January 2006 Outside this turnover rose 4% on a volume increase of 1% net Operating profit increased almost 4 times through a combination of cost control and commercial initiatives

An additional contribution was made to the company s defined benefit pension fund although this was slightly below the level of 2005 (see note 20 for more details on status of pension schemes)

The taxation charge was £1,820k (2005 £193k credit) and a reconciliation of the actual tax charge to the standard rate of corporation tax is set out in note 8 to the financial statements

Net assets continued to improve with reduced pension liabilities and lower group funding through better cash generation

The principal risks and uncertainties affecting the company's trading activities arise through the long term decline of the UK manufacturing base and price volatility of products for resale

Directors' report

Principal activity and review of the business (continued)

Whilst the manufacturing sector appears to have stabilised in the short term there are still many examples of companies deciding to relocate to lower cost economies This has the effect of increasing competition in the market, and ultimately increasing pressure on selling prices and service demands Univar Ltd is fortunate in having access through the Univar Group to a wide range of purchasing resources allowing flexibility in product sourcing Univar also values its commercial relationships with market leaders in chemical manufacturing throughout the world allowing an unrivalled portfolio of products for all applications

Internal organisation structures ensure key staff have early access to market information and exposure to price and supply issues allowing informed purchasing decisions to be made to both protect the company and obtain competitive advantage

Internal communication structures allow the dissemination of this information to those requiring it

Results and dividends

The results for the year are set out in the profit and loss account on page 8 No dividends were paid or proposed in the year

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 their 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 have made himself aware of any relevant audit information and to establish that the auditor is aware of that information

Future developments

The directors believe the improvements made to date can be further developed, and continue to investigate all opportunities to grow the profitability of the business Further synergies within the UK are apparent and are currently in progress

Events since the balance sheet date

On 11 October 2007 Ulixes BV, a company indirectly controlled via Ulysses Luxembourg S a r l by funds advised and managed by CVC Capital Partners S a r l, unconditionally purchased all outstanding ordinary shares in Univar NV, the former ultimate parent company

Indemnity Insurance

The directors of the company are covered by a third party indemnity insurance policy taken out by the company

Directors and their interests

The directors who held office during the year are shown on page 1 Mr S B Smith resigned as a director on 17 July 2006

According to the register maintained as required under the Companies Act 1985 none of the directors who held office at the year end had any interest in the share capital of the company or of any other group company

Directors' report

Employee involvement and employment policies

Information concerning employees and their remuneration is given in the notes to the financial statements

The company is committed to the principle of equal opportunity in employment It seeks to ensure that no applicant or employee receives less favourable treatment on the grounds of gender, marital status, race colour, ethnic origin, disability or religious beliefs or is disadvantaged by conditions that cannot be objectively justified Furthermore, the harassment of one employee by another is strictly forbidden and a matter for disciplinary action It is also the company s policy to comply with best practice on employment of disabled people Full and fair consideration is given for employment, training and career development Wherever possible this includes the retraining and retention of staff who become disabled during their employment

Management of the company is decentralised and a framework of human resource policies and an extensive communications network support this There is regular communication and consultation with employees on matters of concern to them and participation and involvement in the development of the business is encouraged We recognise the importance of a well-educated and highly trained workforce and employees are encouraged and assisted in undertaking continuous personal development The group supports and invests in training programmes aimed at achieving the highest standards of personal performance, safe working practices and customer service

Independent trustees including employee and pensioner representatives administer the pension funds within the company In the UK, contact with and between retired employees is maintained through a Pensioners' Consultative Committee that also administers a hardship relief fund

Payment of suppliers

The company agrees terms and conditions for its business transactions with suppliers Payment is then made in accordance with these terms, subject to the other terms and conditions being met by the supplier

Trade creditors shown in the balance sheet at 31 December 2006 represent 40 days of average purchases during the year (2005 43 days)

Political and charitable donations

During the year the company made no political donations and various charitable contributions totalling £5 056 (2005 £1,700)

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be proposed at the annual general meeting

By order of the board

N Simpson
Secretary
31st october 2007

Statement of directors' responsibilities in respect of the financial statements

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, 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 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 Univar Limited

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account the Balance Sheet, and the Statement of Total Recognised Gains and Losses and the related notes 1 to 22 These financial statements have been prepared under 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) 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 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 judgments 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

Independent auditors' report

to the members of Univar Limited

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 2006 and of its 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
Leeds
31 October 2007.

Profit and loss account

for the year ended 31 December 2006

	Notes	2006	2006	2006	2005
		£000 Ongoing	£000 Acquisitions	£000 Total	£000 Total
Turnover	2	276,995	35,005	312,000	265,614
Cost of sales		(232 588)	(32,067)	(264,655)	(224 377)
Gross profit		44 407	2,938	47,345	41 237
Distribution costs		(5,304)	(647)	(5,951)	(5,429)
Administrative expenses		(33 188)	(2,067)	(35,255)	(34,188)
Operating profit	3	5,915	224	6,139	1,620
Interest receivable and similar income	6			304	305
Interest payable and similar charges	7			(1,334)	(1,188)
Net finance costs in respect of defined benefit pension schemes				(260)	(330)
Profit on ordinary activities before taxation				4,849	407
Tax (charge)/credit on profit on ordinary activities	8			(1,820)	193
Net profit for year	18			3,029	600

Statement of total recognised gains and losses

for the year ended 31 December 2006

	2006	2005
	£000	£000
Profit for the financial year	3,029	600
Actuarial gains/(losses) in respect of defined benefit pension schemes	3,728	(1,395)
Tax on actuarial gains/(losses) in respect of defined benefit pension schemes	(1,118)	418
Total recognised gains and losses relating to the year	5,639	(377)

Balance Sheet

as at 31 December 2006

	Notes	2006 £000	2005 £000
Fixed assets			
Intangible assets	9	13,417	12,970
Tangible assets	10	15,554	16,057
		28,971	29,027
Current assets			
Stocks	11	27,809	26,869
Debtors amounts falling due within one year	12	62,050	53,501
Debtors amounts falling due after one year	12	15,617	27,272
Cash at bank in hand		3,985	5,350
		109,461	112,992
Creditors: amounts falling due within one year	13	(49,683)	(53,352)
Net current assets		59,778	59,640
Total assets less current liabilities		88,749	88,667
Creditors: amounts falling due after more than one year	14	(53,498)	(56,303)
Provisions for liabilities	15	(865)	(865)
Net assets excluding pension liability		34,386	31,499
Pension liability (net of deferred tax)	20	(4,001)	(6,753)
Net assets including pension liability		30,385	24,746
Capital and reserves			
Called up share capital	17	25,000	25,000
Share premium account	18	826	826
Profit and loss account	18	4,559	(1,080)
	18	30,385	24,746

The financial statements on pages 8 to 33 were approved for issue by the board of directors and were signed on its behalf by

M Latham

Mike Latham - Director

31st October 2007

Notes to the financial statements

at 31 December 2006

1. Accounting policies

Basis of preparation

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

New accounting standards

The company has adopted the following standards in the year

FRS 20 'Share Based Payments'

The year ended 31 December 2006 is the first year in which FRS 20 Share-based payment has been followed In accordance with FRS 20 the company's share based payments are expensed on the basis of their fair value determined using an options pricing model The company s share-based payments qualify as equity-settled transactions Accordingly, the fair value of the options at grant date is expensed as an operating cost, based on the expected number of options that will vest over the vesting period

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (' vesting date") The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the expected number of awards that will ultimately vest

No expense is recognised for awards that are assumed to not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied

Where the terms of a share option award are modified, at a minimum an expense is recognized as if the terms had not been modified In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification

Where a share option award is cancelled or settled it is treated as if there is an acceleration of vesting, and any expense not yet recognised for the award is recognised immediately However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date it is granted, the cancelled and new awards are treated as if they were a modification of the original award

The adoption of this standard has not had a material effect in either the current or prior year

Cash flow statement

Under Financial Reporting Standard No 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and consolidated financial statements in which the company is included are publicly available

Goodwill

Goodwill arising on acquisitions prior to 31 December 1997 was set off directly against reserves Goodwill previously eliminated against reserves was not reinstated on implementation of FRS 10

Positive goodwill arising on acquisitions since 1 January 1998 is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life up to a presumed maximum of 20 years 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

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure

Notes to the financial statements

at 31 December 2006

1. Accounting policies (continued)

Depreciation

Depreciation is provided on tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write off their cost or valuation, less their estimated residual value on a straight line basis over the following estimated useful lives

Freehold buildings	-	25 to 50 years
Leasehold properties	-	the unexpired period of the lease or such shorter period as is considered appropriate Where a property is leased from a fellow group company the depreciation charge is determined by reference to the state of ownership of the particular property to the group
Ancillary building work	-	10 to 25 years
Storage tanks and other fixed plant	-	7 to 15 years
Fixtures and fittings	-	5 years
Vehicles	-	4 to 6 years

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

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term

Pensions

The company participates in a multi-employer defined benefit and defined contribution plan, the '78 Scheme This plan is operated on a basis which means that it cannot enable individual companies to identify their share of the underlying assets and liabilities on a consistent and reasonable basis and so in accordance with FRS17, the company accounts for its contributions to the scheme as if it were only a defined contribution plan

The company also operates two further defined benefit pension schemes which are the sole responsibility of Univar Limited Contributions are made to a separately administered fund Pension scheme assets are measured at fair value and scheme liabilities are measured on an actuarial basis using the projected unit method and discounted at an interest rate equivalent to the current rate of return on a high quality corporate bond

Notes to the financial statements

at 31 December 2006

1. Accounting policies (continued)

Pensions (continued)

The service cost of providing pension and other post-retirement benefits to employees for the year is charged to the operating profit or loss in the year The full cost of providing amendments to benefits in respect of past service is also charged to the operating profit or loss in the year

The expected return on defined benefit pension scheme assets based on the market value of scheme assets at the start of the financial year is included within finance charges (pensions) This also includes a charge representing the expected increase in liabilities of the scheme during the year, arising from the liabilities being one year closer to payment Differences between actual and expected returns on assets during the year are recognised in the statement of recognised gains and losses in the year, together with differences from changes in assumptions The net deficit on defined benefit schemes is reported on the balance sheet within the pension liability This is net of related deferred tax

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year Differences between contributions payable in the year and contributions actually paid are shown as accruals or prepayments in the balance sheet

Stocks

Stocks are stated at the lower of cost and net realisable value using the FIFO basis Cost includes all costs incurred in bringing each product to its present location and condition Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Returnable containers

Where customers have been charged for returnable containers, a provision is deducted from debtors for the amount by which the estimated amount of credits to be granted exceeds the stock value of the containers to be returned

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

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 a non-discounted 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

Notes to the financial statements

at 31 December 2006

2. Turnover

Turnover, which is stated net of value added tax, is wholly attributable to the company's continuing principal activity

The company recognises sales when all of the following conditions have been satisfied

- the significant risks and rewards of ownership of the goods have been transferred to the buyer,
- the company retains neither continuing managerial involvement nor effective control over the goods sold,
- the amount of revenue can be measured reliably,
- it is probable the economic benefits associated with the transaction will flow to the company, and
- the costs incurred or to be incurred with respect to the transaction can be measured reliably

An analysis of turnover by geographical market is given below

	2006	*2005*
	£000	*£000*
United Kingdom	298,365	252,840
Rest of Europe	4,645	5 201
Rest of World	8,990	7,573
	312,000	265,614

All of the turnover in respect of the acquisition of the Fiske Food Limited business was related to the United Kingdom

3. Operating profit

This is stated after charging/(crediting)

	2006	*2005*
	£000	*£000*
Auditors' remuneration – audit fees	104	100
Depreciation of owned assets	2,644	2 595
Amortisation of goodwill	917	829
Operating lease rentals – plant and machinery	1,458	1,274
– land and buildings	1,527	1,310
Gain on disposal of tangible fixed assets	(13)	(155)
Foreign exchange losses/(gains)	188	(159)

Notes to the financial statements

at 31 December 2006

4. Staff costs

	2006	*2005*
	£000	*£000*
Wages and salaries	22,969	20 691
Social security costs	1,734	2,216
Pension costs	5,116	5,679
Redundancy costs	259	125
	30,078	28,711

The average number of monthly employees, including directors, during the year was as follows

	2006	*2005*
	No	*No*
Administrative	287	294
Sales and distribution	585	560
	872	854

5. Directors' emoluments

	2006	*2005*
	£000	*£000*
Emoluments	373	360
Aggregate amount receivable under long term incentive plans	-	-
Number of directors who received shares in respect of qualifying services	1	-
Number of directors who exercised share options	1	-

The number of directors accruing benefits under defined benefit schemes was 4 (2005 – 4) No directors accrued benefits under money purchase schemes

The amounts in respect of the highest paid director are as follows

	2006	*2005*
	£000	*£000*
Emoluments	148	144

Notes to the financial statements

at 31 December 2006

5. Directors' emoluments (continued)

At 31 December the highest paid director was entitled to the following benefits

	2006	*2005*
	£000	*£000*
Accrued pension under defined benefit pension scheme	18	15

6. Interest receivable and similar income

	2006	*2005*
	£000	*£000*
Group interest receivable	304	305
	304	305

7. Interest payable and similar charges

	2006	*2005*
	£000	*£000*
Group interest payable	1 334	1,188
	1,334	1,188

Notes to the financial statements

at 31 December 2006

8. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2006	2005
	£000	£000
Current tax		
UK Corporation tax	1,442	988
Adjustments in respect of prior periods	24	(332)
Total current tax (note 8(b))	1,466	656
Deferred tax		
Origination and reversal of timing differences	313	(548)
FRS17 impact	61	38
Adjustments in respect of prior periods	(20)	(339)
Total deferred tax	354	(849)
Tax on profit on ordinary activities	1,820	(193)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 – 30%) The differences are reconciled below

	2006	2005
	£000	£000
Profit on ordinary activities before tax	4,849	407
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	1,455	122
Expenses not deductible for tax purposes	301	318
Depreciation in excess of capital allowances	(241)	560
Adjustments in respect of prior periods	24	(332)
Short term timing differences	(73)	(12)
Total current tax (note 8(a))	1,466	656

The company will benefit from the reduction in the main rate of corporation tax to 28% from 1 April 2008 FRS 19 requires deferred tax to be measured at the tax rates expected to apply in the periods in which the timing differences are expected to reverse, and hence deferred tax will be provided at 28% in future accounting periods

Notes to the financial statements

at 31 December 2006

9 Intangible fixed assets

	Goodwill *£000*
Cost	
At 1 January 2006	16,701
Additions in the year	1,364
At 31 December 2006	18,065
Amortisation	
At 1 January 2006	3,731
Charge for the year	917
At 31 December 2006	4,648
Net book value	
At 31 December 2006	13 417
At 31 December 2005	12,970

On 1 January 2006, Univar Limited acquired the trade and net assets of Fiske Food Ltd for consideration of £6,128,000

The book value and fair value of the net assets acquired were as follows

	Book & fair value *£000*
Tangible fixed assets	337
Stocks	3,836
Debtors	6,759
Deferred taxation	169
Cash	764
Creditors due within one year	(7,101)
	4,764
Goodwill arising on acquisition	1,364
	6,128
Discharged by	
Payable on demand	2,895
Discharge of existing intercompany loan	3,233
	6,128

Professional fees associated with the acquisition of the trade and assets of Fiske Food Ltd were not material and were written off during the year

Notes to the financial statements

at 31 December 2006

9. Intangible fixed assets (continued)

The goodwill of £1 364 000 arising on the acquisition of Fiske Food Ltd in the current year is being written off over its estimated useful economic life of 20 years

The goodwill of £16,580,000 which arose on the acquisition of E&E Limited in 2001 (formerly Univar Limited) is being written off over its estimated useful life of 20 years

The goodwill of £121,000 which arose on the acquisition of Industrial Solutions in 2005 is being written off over its estimated useful economic life of 20 years

10 Tangible fixed assets

	Buildings	*Plant and equipment*	*Total*
	£000	*£000*	*£000*
Cost			
At 1 January 2006	12,602	38,331	50,933
Transfer from other group companies	-	32	32
Acquisitions	-	1,215	1 215
Additions	138	1,693	1 831
Disposals	-	(465)	(465)
At 31 December 2006	12,740	40 806	53,546
Depreciation			
At 1 January 2006	5,715	29,161	34,876
Transfer from other group companies	-	18	18
Acquisitions	-	878	878
Charge for the year	524	2,120	2,644
Disposals	-	(424)	(424)
At 31 December 2006	6,239	31,753	37,992
Net book value			
At 31 December 2006	6,501	9,053	15,554
At 31 December 2005	6,887	9,170	16,057

The net book value of buildings comprises

	2006	*2005*
	£000	*£000*
Freehold	14	14
Long leasehold	1,548	1,707
Short leasehold	4,939	5,166
	6,501	6,887

Notes to the financial statements

at 31 December 2006

11. Stocks

	2006	*2005*
	£000	*£000*
Inventory held for resale	26,217	25,272
Containers and consumables	1,592	1,597
	27,809	26,869

12 Debtors

	2006	*2005*
	£000	*£000*
Amounts due within one year		
Trade debtors	55,595	44,592
Amounts owed by fellow group undertakings	4,915	7,204
Other debtors	500	630
Prepayments and accrued income	1 040	1,075
	62,050	53.501
Amounts due after one year		
Amounts owed by fellow group undertakings	9,490	21,021
Deferred tax (note 16)	6,127	6,251
	15,617	27,272
	77,667	80,773

13 Creditors: amounts falling due within one year

	2006	*2005*
	£000	*£000*
Bank overdraft	-	1.301
Trade creditors	28.305	26 299
Amounts owed to fellow group undertakings	13,620	17 197
Other taxes and social security	2,517	2 043
Other creditors	1.641	2,248
Accruals and deferred income	3.600	4.264
	49,683	53,352

Notes to the financial statements

at 31 December 2006

14. Creditors: amounts falling due after more than one year

	2006 *£000*	*2005* *£000*
Amounts owed to fellow group undertakings	51 125	53 808
Accruals and deferred income	2 373	2,495
	53 498	56,303

15. Provisions for liabilities

	Environmental costs *£000*
At 31 December 2005 and 31 December 2006	865

The environmental provision relates to the costs of reducing the impact on the environment at certain sites The requirement to clean the sites would be driven by the local enforcement authorities and could happen at any time The provision necessary was calculated by professional environmental consultants in 1997 and its adequacy has since been reviewed on a regular basis by local management

16. Deferred taxation

The elements of deferred taxation are as follows

	2006 *£000*	*2005* *£000*
Difference between accumulated depreciation and amortisation and capital allowances	(5 865)	(5,875)
Timing differences	(262)	(376)
Deferred tax asset (note 12)	(6,127)	(6,251)

The movements in deferred taxation during the current year are as follows

	£000
At 1 January 2006	(6,251)
Transferred from Fiske Food Limited	(169)
Deferred tax charge in profit and loss account (note 8)	293
At 31 December 2006	(6,127)

Notes to the financial statements

at 31 December 2006

17 Share capital

		Authorised		Allotted, called up and fully paid
	2006	2005	2006	2005
	No	No	£000	£000
Ordinary shares of £1 each	25 000,000	25,000 000	25,000	25,000

18 Reconciliation of movement in shareholders' funds and movement on reserves

	Share Capital	Share Premium	Profit and loss account	Total share-holders' Funds
	£000	£000	£000	£000
At 1 January 2005	25,000	826	(703)	25,123
Profit for the year	-	-	600	600
Changes in actuarial values of retirement benefits	-	-	(1,395)	(1,395)
Tax on changes in actuarial values of retirement benefits	-	-	418	418
At 31 December 2005	25 000	826	(1 080)	24,746
Profit for the year	-	-	3,029	3,029
Changes in actuarial values of retirement benefits	-	-	3,728	3,728
Tax on changes in actuarial values of retirement benefits	-	-	(1,118)	(1,118)
At 31 December 2006	25,000	826	4,559	30,385

19. Commitments

(a) Capital commitments at the end of the year for which no provision has been made

	2006	2005
	£000	£000
Contracted	827	1,131

Notes to the financial statements

at 31 December 2006

19. Commitments (continued)

(b) Annual commitment under non-cancellable operating leases is as follows

	2006	*2005*
	£000	*£000*
Land and buildings		
Leases expiring		
Within one year	72	-
Within two to five years	355	622
Thereafter	1,069	577
	1,496	1,199

Other operating leases

	2006	*2005*
	£000	£000
Leases expiring		
Within one year	696	289
Within two to five years	1,216	745
Thereafter	79	390
	1,991	1,424

Of the land and buildings commitment, £1,402,000 (2005 £1,119,000) is payable to a fellow group undertaking

20 Pensions

The pension cost figures used in these accounts comply with the current pension cost accounting standard FRS 17

The company provides three defined benefit pension schemes, the Univar Company Pension Scheme (1978) ("the '78 Scheme"), the Univar Pension & Life Assurance Scheme ("the PLAS Scheme") and the Berk Group Pension Scheme ("the Berk Scheme) The assets of the schemes are held separate to the assets of the Company in separate independently administered funds

The '78 Scheme covers the majority of the employees of the company and of other UK companies in the Group Its defined benefit section closed to new entrants with effect from 1 July 2002 and a defined contribution section was introduced to the Scheme for those joining on or after that date This plan is operated on a basis which means that it cannot enable individual companies to identify their share of the underlying assets and liabilities on a consistent and reasonable basis so in accordance with FRS17 the company accounts for its contributions to the scheme as if it were a defined contribution plan Contributions to defined contribution plans are charged to the profit and loss account in the year in which they are payable The details of the deficit for the '78 Scheme are provided in this note

Notes to the financial statements

at 31 December 2006

20. Pensions (continued)

There is no accrual of new benefits in either the PLAS Scheme or the Berk Scheme Former active members of the PLAS Scheme transferred to the 78 Scheme with effect from 1 May 2002 for accrual of new benefits They retained an entitlement to deferred pensions from the PLAS Scheme In accordance with FRS17 and due to the fact that the assets and liabilities of both the Berk and PLAS schemes are solely the responsibility of Univar Limited the deficits for both these schemes have been reflected in these financial statements

The ongoing funding arrangements of each scheme, in place to meet their long term pension liabilities, are governed by the individual scheme documentation and national legislation The accounting and disclosure requirements of FRS 17 do not affect these funding requirements

The latest formal valuations of the schemes were performed at 30 June 2006 by a qualified independent actuary These results have then been extrapolated to 31 December 2006 The key financial assumptions, actuarial method and results of these valuations at 31 December 2006 are set out below

		'78 Scheme	PLAS	Berk Scheme
Actuarial method used		Projected Unit	Projected Accrued Benefit	Projected Accrued Benefit
Market value of assets	£ m	91 1	14 4	6 7
Level of funding*	%	75	79	79
Main assumptions				
Wages and salaries increases p a	%	4 25	N/A	N/A
Return on assets Equities	%	7 30	7 30	N/A
Return on assets Bonds	%	4 80	4 80	4 80
Return on assets Gilts	%	4 10	4 10	N/A
Price inflation p a	%	2 90	2 90	2 90

* The level of funding is the value of assets expressed as a percentage of the actuarial value of the accrued benefits after allowing for expected future increases in pay and pension

Deferred pensions are revalued to retirement age in line with the Scheme's rules and statutory requirements

Pension increases have been allowed for as appropriate under the three schemes Pension increases on benefits from service before April 1997 for the '78 Scheme are discretionary Allowance has been made for discretionary pension increases in payment in line with inflation

Notes to the financial statements

at 31 December 2006

20. Pensions (continued)

There were no outstanding or prepaid contributions at 31 December 2006 and 31 December 2005 for all three schemes

Employer Contributions

Berk Scheme

Company contributions of £13,324 per month to June 2006 followed by contributions of £13,924 per month thereafter The level of contributions to be paid in each following year will increase by 4 5% on each 19 July

PLAS

Company contributions of £25,000 per month until 1 October 2007, increasing to £36,667 per month thereafter

'78 Scheme

For the Defined Benefit section Company contributions are as follows

27 8% of pensionable salaries less member contributions for Senior Staff
20 7% of pensionable salaries less member contributions for other members

In addition, payments of £148,042 per month to June 2006 followed by payments of £154,704 per month thereafter were made during the year, totalling over the course of the year £1,816 476 The level of monthly contributions to be paid in each following year will increase by 4 5% on each 19 July

In addition, a special employer contribution of £1,471,900 was paid into the '78 Scheme during 2006 by Univar Limited

For the Defined Contribution section

20% of pensionable salaries for non-contributory Senior Staff
15% of pensionable salaries for contributory Senior Staff
7% of pensionable salaries for other members

Employee Contributions

'78 Scheme

For the Defined Benefit section

The members shall pay contributions monthly as required by the Rules of the Scheme

Notes to the financial statements

at 31 December 2006

20. Pensions (continued)

For the Defined Contribution section

Nil for non-contributory senior staff
5% of pensionable salaries for Contributory Senior Staff and other members

The rates paid to the schemes are subject to minimum rates imposed by the MFR legislation

Univar Company Pension Scheme (1978) FRS 17 Disclosures

The valuations at 31 December 2006 and at 31 December 2005 used for FRS 17 disclosures have been based on the actuarial valuations at 30 June 2006 and 30 June 2003 respectively and projected by the actuary to take account of the requirements of FRS 17 Scheme assets are stated at their market values at the respective balance sheet dates

	2006 *£000*	*2005* *£000*	*2004* *£000*
Total market value of assets	91,068	79,945	61,489
Present value of the scheme's liabilities	(121,760)	(115,036)	(95,888)
Deficit in the scheme	(30,692)	(35,091)	(34,399)
Deferred tax asset	9,208	10,527	10,320
Net pension liability	(21,484)	(24,564)	(24,079)

The assets of the scheme and the expected rates of return at 31 December 2006, 31 December 2005 and 31 December 2004 were

	Expected rate of return %	2006 £'000	Expected rate of return %	2005 £'000	Expected rate of return %	2004 £'000
Equities	7 30	71,038	7 20	63 057	7 60	53,978
Bonds, Gilts Cash	4 50	20,030	3 95	16.888	4 10	7,511
Total value of market assets	6 70	91,068	6 50	79,945	7 20	61,489

Notes to the financial statements

at 31 December 2006

20. Pensions (continued)

Univar Company Pension Scheme (1978) FRS 17 Disclosures (cont'd)

An analysis of the defined benefit cost for the years ended 31 December 2006 and 31 December 2005 are as follows

	2006	*2005*
	£000	*£000*
Service cost	3,841	3,200
Past service cost	250	275
Total operating charge	4,091	3,475

An analysis of the net return on the pension scheme for the years ended 31 December 2006 and 31 December 2005 is as follows

	2006	*2005*
	£000	*£000*
Expected return on pension scheme assets	5,274	4,529
Interest on pension liabilities	(5,692)	(5,353)
Total other finance charge	(418)	(824)

Analysis of amount recognised in statement of total recognised gains and losses for years ended 31 December 2006 and 31 December 2005 are as follows

	2006	*2005*
	£000	*£000*
Actual return less expected return on assets	1,063	7,603
Experience gains on liabilities	315	-
Gain/(loss) on changes of assumptions	797	(11,626)
Total gain/(loss) recognised in statement of total gains and losses	2,175	(4,023)

Notes to the financial statements

at 31 December 2006

20. Pensions (continued)

Univar Company Pension Scheme (1978): FRS 17 Disclosures (cont'd)

Analysis of movement in deficit during the year

	2006	*2005*
	£000	*£000*
Deficit in scheme at 1 January	(35,091)	(34,399)
Movement in year		
Current service cost	(3,841)	(3,200)
Contributions	6,733	7,630
Past service cost	(250)	(275)
Other finance costs	(418)	(824)
Actuarial gain/(loss)	2 175	(4,023)
Deficit in scheme at 31 December	(30,692)	(35,091)

History of experience gains and losses in the years ended 31 December 2006 and 31 December 2005 and 31 December 2004 and 31 December 2003

	2006	*2005*	*2004*	*2003*
	£000	*£000*	*£000*	*£000*
Difference between expected and actual return on scheme assets	1,063	7,603	(151)	4,929
% of scheme assets	1%	10%	0%	9%
Experience gains arising on scheme liabilities	315	-	-	2,551
% of liabilities	0%	0%	0%	3%
Total amount recognised in statement of total recognised gains and losses	2,175	(4,023)	(2056)	3,035
% of liabilities	2%	(3)%	(2)%	4%

Notes to the financial statements

at 31 December 2006

20. Pensions (continued)

Univar Limited Pension and Life Assurance Scheme FRS 17 Disclosures

The valuations at 31 December 2006 and 31 December 2005 used for FRS 17 disclosures have been based on the actuarial valuations at 30 June 2006 and 30 June 2003 respectively and projected by the actuary to take account of the requirements of FRS 17 Scheme assets are stated at their market values at the respective balance sheet dates

	2006	*2005*	*2004*
	£000	*£000*	*£000*
Total market value of assets	14,353	13,343	11,231
Present value of the scheme's liabilities	(18 308)	(19 319)	(16,611)
Deficit in the scheme	(3,955)	(5,976)	(5 380)
Deferred tax asset	1,187	1,793	1,614
Net pension liability	(2 768)	(4,183)	(3,766)

The assets of the scheme and the expected rates of return at 31 December 2006 31 December 2005 and 31 December 2004 were

	Expected rate of return %	2006 £ 000	Expected rate of return %	2005 £ 000	Expected rate of return %	2004 £'000
Equities	7 30	10 794	7 20	9 784	7 60	7,799
Bonds, Gilts, Cash	4 50	3,559	4 10	3,559	4 40	3,432
Total value of market assets	6 70	14,353	6 40	13,343	6 60	11 231

There is no operating charge for the years ended 31 December 2006, 31 December 2005 or 31 December 2004

Notes to the financial statements

at 31 December 2006

20. Pensions (continued)

Univar Limited Pension and Life Assurance Scheme· FRS 17 Disclosures (cont'd)

An analysis of the net return on the pension scheme for the years ended 31 December 2006 and 31 December 2005 are as follows

	2006	*2005*
	£000	*£000*
Expected return on pensions scheme assets	852	741
Interest on pension liabilities	(918)	(887)
Total other finance charge	(66)	(146)

Analysis of amount recognised in statement of total recognised gains and losses for years ended 31 December 2006 and 31 December 2005

	2006	*2005*
	£000	*£000*
Actual return less expected return on assets	273	1,443
Experience gain on liabilities	1,802	-
Loss on changes of assumptions	(288)	(2,193)
Total gain/(loss) recognised in statement of total recognised gains and losses	1,787	(750)

Analysis of movement in deficit during the year

	2006	*2005*
	£000	*£000*
Deficit in scheme at 1 January	(5,976)	(5,380)
Movement in year		
Current service cost	-	-
Contributions	300	300
Other finance costs	(66)	(146)
Actuarial gain/(loss)	1,787	(750)
Deficit in scheme at 31 December	(3,955)	(5,976)

Notes to the financial statements

at 31 December 2006

20 Pensions (continued)

Univar Limited Pension and Life Assurance Scheme FRS 17 Disclosures (cont'd)

History of experience gains and losses in the years ended 31 December 2006 and 31 December 2005 and 31 December 2004 and 31 December 2003

	2006	*2005*	*2004*	*2003*
	£000	*£000*	*£000*	*£000*
Difference between expected and actual return on scheme assets	273	1,443	91	1 355
% of scheme assets	2%	11%	1%	13%
Experience gains arising on scheme liabilities	1,802	-	-	(549)
% of liabilities	10%	0%	0%	(3)%
Total amount recognised in statement of total recognised gains and losses	1 787	(750)	(285)	(114)
% of liabilities	10%	(4)%	2%	(1)%

The Berk Group Pension Scheme FRS 17 Disclosures

The valuations at 31 December 2006 and 31 December 2005 used for FRS 17 disclosures have been based on the actuarial valuations at 30 June 2006 and 30 June 2003 respectively and projected by the actuary to take account of the requirements of FRS 17 Scheme assets are stated at their market values at the respective balance sheet dates

	2006	*2005*	*2004*
	£000	*£000*	*£000*
Total market value of assets	6,747	7,113	6,701
Present value of the scheme's liabilities	(8,508)	(10,784)	(9,699)
Deficit in the scheme	(1 761)	(3,671)	(2,998)
Deferred tax asset	528	1,101	899
Net pension liability	(1 233)	(2,570)	(2,099)

Notes to the financial statements

at 31 December 2006

20. Pensions (continued)

The Berk Group Pension Scheme FRS 17 Disclosures (cont'd)

The assets of the scheme and the expected rates of return at 31 December were

	Expected rate of return %	2006 £'000	Expected rate of return %	2005 £ 000	Expected rate of return %	2004 £ 000
Bonds	4 80	6,747	4 50	7,113	5 00	6,701
Total value of market assets	4 80	6,747	4 50	7,113	5 00	6,701

There is no operating charge for the years ended 31 December 2006 31 December 2005 or 31 December 2004

An analysis of the net return on the pension scheme for the years ended 31 December 2006 and 31 December 2005 is as follows

	2006 *£000*	*2005* *£000*
Expected return on pensions scheme assets	317	332
Interest on pension liabilities	(511)	(516)
Total other finance charge	(194)	(184)

Analysis of amount recognised in statement of total recognised gains and losses for the years ended 31 December 2006 and 31 December 2005

	2006 *£000*	*2005* *£000*
Actual return less expected return on assets	(621)	204
Experience gain on liabilities	2,550	-
Effect of change of assumptions	12	(849)
Total gain/(loss) recognised in statement of total recognised gains and losses	1,941	(645)

Notes to the financial statements

at 31 December 2006

20. Pensions (continued)

The Berk Group Pension Scheme FRS 17 Disclosures (cont'd)

Analysis of movement in deficit during the year

	2006 £000	2005 £000
Deficit in scheme at 1 January	(3,671)	(2,998)
Movement in year		
Current service cost	-	-
Contributions	163	156
Other finance costs	(194)	(184)
Actuarial gain/(loss)	1 941	(645)
Deficit in scheme at 31 December	(1,761)	(3 671)

History of experience gains and losses in the years ended 31 December 2006 and 31 December 2005 and 31 December 2004 and 31 December 2003

	2006 £000	2005 £000	2004 £000	2003 £000
Difference between expected and actual return on scheme assets	(621)	(204)	(4)	(851)
% of scheme assets	(9)%	(3)%	0%	(13)%
Experience gains arising on scheme liabilities	2,550	-	-	(611)
% of liabilities	30%	0%	0%	(7)%
Total amount recognised in statement of total recognised gains and losses	1,941	(645)	(285)	(1,962)
% of liabilities	23%	(6)%	(3)%	(21)%

Notes to the financial statements

at 31 December 2006

20. Pensions (continued)

Assumptions used in FRS 17 valuations of all three schemes

FRS 17 gives the present value of pension liabilities by discounting pension commitments, including future pensionable salary growth, at an AA corporate bond yield In calculating the liabilities of the Scheme, the following financial assumptions have been used

	31 December 2006	31 December 2005	31 December 2004
Discount rate	5 1% p a	4 8% p a	5 4% p a
Pensionable salary growth	4 25% p a	4 25% p a	4 75% p a
RPI	2 90% p a	2 70% p a	2 75% p a

Deferred pensions are revalued to retirement age in line with the Scheme's rules and statutory requirements

Pension increases have been allowed for as appropriate under the three schemes Pension increases on benefits from service before April 1997 for the '78 Scheme are discretionary A past service cost for the 78 Scheme in respect of the discretionary increases paid in 2006 has been included No allowance has been made for future discretionary pension increases in payment

21. Parent undertaking and ultimate parent company

On 11 October 2007 Ulixes BV, a company indirectly controlled via Ulysses Luxembourg S a r l by funds advised and managed by CVC Capital Partners S a r l, unconditionally purchased all outstanding ordinary shares in Univar NV the former ultimate parent company

Group accounts for year ending 31 December 2006 were drawn up by the then parent undertaking Univar NV CVC Capital Partners S a r l is now the company s ultimate parent company and controlling party

The immediate parent undertaking remains Ellis & Everard (UK Holdings) Limited which is registered in England and Wales

22. Related parties

The directors have taken advantage of the exemption in Financial Reporting Standard 8, paragraph 3(c), and have not disclosed related party transactions with parent and fellow subsidiary undertakings