

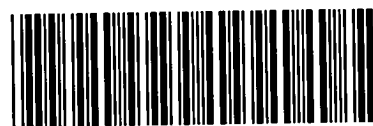
Registered number: 05777067

BRENNTAG UK HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

SATURDAY



A6B8J8WW

A20

22/07/2017

#237

COMPANIES HOUSE

BRENNTAG UK HOLDING LIMITED

COMPANY INFORMATION

DIRECTORS

R Argo
D M O'Connell (resigned 28 March 2017)
M Gratton
S E Holland (resigned 28 March 2017)
Y Merolle

COMPANY SECRETARY

M Gratton

REGISTERED NUMBER

05777067

REGISTERED OFFICE

Alpha House
Lawnswood Business Park
Redvers Close
Leeds
West Yorkshire
LS16 6QY

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Central Square
29 Wellington Street
Leeds
West Yorkshire
LS1 4DL

BANKERS

HSBC Plc
City Branch
33, Park Row
Leeds
West Yorkshire
LS1 1LD

BRENNTAG UK HOLDING LIMITED

CONTENTS

	Pages
Strategic Report	1
Directors' Report	2 - 3
Directors' Responsibilities Statement	4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10 - 11
Notes to the Financial Statements	12 - 26

BRENNTAG UK HOLDING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

INTRODUCTION

The directors present their Strategic Report for the year ended 31 December 2016.

BUSINESS REVIEW

The Company is the UK parent company of the Brenntag UK & Ireland and Multisol group of companies.

During the year, following a review of the Company's investment carrying values, the directors felt it appropriate to write down the carrying value of its investments in Brenntag Colours Limited and Brenntag Inorganic Chemicals (Thetford) Limited by £1,650,000 and £1,450,000 respectively.

The financial results are summarised on page 8. The directors are satisfied with the net asset position of the Company at the year end, as disclosed on page 9.

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 risk to the Company would be a deterioration in the performance of its investments. The Company closely monitors its investments and addresses any aspect of risk where identified.

The Company's financial risks 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 29 June 2017 and signed on its behalf.



M Gratten
Director

BRENNTAG UK HOLDING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the audited financial statements for the year ended 31 December 2016.

RESULTS AND DIVIDENDS

The results for the year are reviewed in the Strategic Report on page 1. The profit for the financial year amounted to £9,743,000 (2015 - £38,509,000). Dividends were paid during the year totalling £20,761,000 (2015 - £28,500,000). The directors do not recommend the payment of a final dividend (2015 - £NIL).

DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements year were:

R Argo
D M O'Connell (resigned 28 March 2017)
M Gratton
S E Holland (resigned 28 March 2017)
Y Merolle

FUTURE DEVELOPMENTS

The directors are satisfied with the Company's result and are confident of the Company's future prospects. As a result there are no plans to change the Company's activities in the foreseeable future.

FINANCIAL RISK MANAGEMENT

Currency Risk:

Currency risk at a transactional level is managed through the regular forecasting of future currency flows, Group hedge these flows by using derivative instruments, such as foreign exchange forwards and currency swaps or combined instruments where applicable.

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 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.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

BRENNTAG UK HOLDING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

DISCLOSURE OF INFORMATION TO AUDITORS

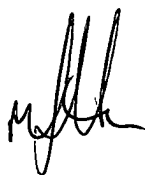
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 June 2017 and signed on its behalf.



M Gratton
Director

BRENTAG UK HOLDING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Strategic Report, the 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 applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102), 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 HOLDING LIMITED

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

Report on the financial statements

Our opinion

In our opinion Brenntag UK Holding Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Comprehensive Income for the year ended;
- the Statement of Changes in Equity 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

Opinions on matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

BRENNTAG UK HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRENNTAG UK HOLDING 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.

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 4, 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 & Ireland) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

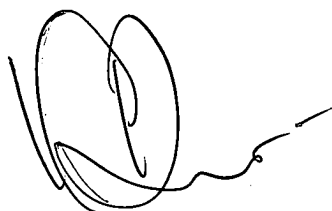
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

BRENNTAG UK HOLDING LIMITED

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

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include disclosures required by applicable legal requirements.



Ian Plunkett FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Leeds

29 June 2017

BRENNTAG UK HOLDING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £000	2015 £000
Other external charges		(15)	(15)
Other operating income	3	600	600
Operating profit		<u>585</u>	<u>585</u>
Income from fixed assets investments	6	20,761	45,310
Interest receivable and similar income	7	2,307	1,988
Amounts written off investments	11	(3,100)	-
Interest payable and similar charges	8	(10,679)	(9,289)
Profit on ordinary activities before taxation		<u>9,874</u>	<u>38,594</u>
Tax on profit on ordinary activities	9	(131)	(85)
Profit and comprehensive income for the financial year		<u><u>9,743</u></u>	<u><u>38,509</u></u>

The notes on pages 12 to 26 form part of these financial statements.

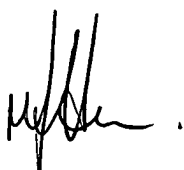
BRENNTAG UK HOLDING LIMITED
REGISTERED NUMBER: 05777067

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	11	248,733	251,833
Current assets			
Debtors: amounts falling due after more than one year	12	42,967	41,403
Debtors: amounts falling due within one year	12	4,002	3,106
Cash at bank and in hand		16	343
		<u>46,985</u>	<u>44,852</u>
Creditors: amounts falling due within one year	13	(1,375)	(1,596)
Net current assets		<u>45,610</u>	<u>43,256</u>
Total assets less current liabilities		<u>294,343</u>	<u>295,089</u>
Creditors: amounts falling due after more than one year	14	(234,251)	(224,050)
Provisions for liabilities			
Deferred taxation	16	(71)	-
		<u>(71)</u>	<u>-</u>
Net assets		<u><u>60,021</u></u>	<u><u>71,039</u></u>
Capital and reserves			
Called up share capital	17	1	1
Share premium account		20,582	20,582
Profit and loss account		39,438	50,456
Total shareholders' funds		<u><u>60,021</u></u>	<u><u>71,039</u></u>

The financial statements on pages 8 to 26 were approved by the board on 29 June 2017 and were signed on its behalf by:

M Gratton
Director



The notes on pages 12 to 26 form part of these financial statements.

BRENNTAG UK HOLDING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2016	1	20,582	50,456	71,039
Comprehensive income for the year				
Profit for the financial year	-	-	9,743	9,743
Total comprehensive income for the year	-	-	9,743	9,743
Dividends: Equity capital	-	-	(20,761)	(20,761)
Total transactions with owners	-	-	(20,761)	(20,761)
At 31 December 2016	1	20,582	39,438	60,021

BRENNTAG UK HOLDING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2015	1	20,582	40,447	61,030
Comprehensive income for the year				
Profit for the financial year	-	-	38,509	38,509
Total comprehensive income for the year	-	-	38,509	38,509
Dividends: Equity capital	-	-	(28,500)	(28,500)
Total transactions with owners	-	-	(28,500)	(28,500)
At 31 December 2015	1	20,582	50,456	71,039

The notes on pages 12 to 26 form part of these financial statements.

BRENNTAG UK HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 General Information

The Company's principal activity is the holding of investments.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Alpha House, Lawnswood Business Park, Redvers Close, Leeds, LS16 6QY.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been consistently applied:

1.3 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 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.

1.4 Cash flow

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Brenntag AG, includes the Company's cash flow in its own consolidated financial statements.

1.5 Consolidated financial statements

The Company is itself a wholly owned subsidiary company of Brenntag Investissements SAS and of its ultimate parent company Brenntag AG. It is included in the consolidated financial statements of Brenntag AG, which are publicly available. Therefore the Company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006.

These financial statements are the Company's separate financial statements.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

BRENNTAG UK HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.9 Financial instruments

The Company has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial Assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at the market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying value would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flow from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial Liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where debt instruments are measured at the present value of the future receipts discounted at a market rate of interest. Such liabilities are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs and capitalised as a pre-payment and amortised over the period of the facility to which the loan relates.

BRENNTAG UK HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.9 Financial instruments (continued)

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in finance costs or income as appropriate.

1.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'interest receivable or payable'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within operating profit.

1.12 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

BRENNTAG UK HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.14 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.16 Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned, as permitted under FRS 102.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are continually evaluated and are based on historical experience and other factors that are considered to be relevant.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Impairment of investments

The Company annually tests for impairment of its investments. Impairment testing is an area involving judgement requiring assessment as to whether the carrying value of the investment can be supported by its recoverable amount. In calculating the recoverable amount, assumptions are required to be made in respect of uncertain matters, including the directors' expectations of:

- future levels of EBITDA and working capital;
- timing and quantum of future capital expenditure; and
- expectation of fair market value of the investment, net of disposal costs to an unrelated party.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. OTHER OPERATING INCOME

	2016 £000	2015 £000
Sundry income	600	600

4. AUDITORS' REMUNERATION

All audit costs for this company are borne by a fellow group company.

5. EMPLOYEES

The Company has no employees (2015 - NIL) other than the directors, who did not receive any remuneration (2015 - £NIL).

6. INCOME FROM FIXED ASSET INVESTMENTS

	2016 £000	2015 £000
Dividends receivable from subsidiary undertakings	20,761	45,310

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £000	2015 £000
Interest receivable from group undertakings	1,634	1,561
Gains on derivative financial instruments	673	427
	2,307	1,988

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £000	2015 £000
Loans from group undertakings	10,679	9,289

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2016 £000	2015 £000
Current tax		
UK corporation tax charge on profit for the year	-	-
Deferred tax		
Origination and reversal of timing differences	134	85
Changes to tax rates	(3)	-
Total deferred tax	131	85
Tax on profit on ordinary activities	131	85

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before taxation	9,874	38,594
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	1,975	7,815
Effects of:		
Non-tax deductible impairment	620	-
Re-measurement of deferred tax - change in UK tax rate	(3)	-
Dividends received from UK subsidiaries	(4,152)	(9,175)
Other differences leading to a decrease in the tax charge	(1)	(1)
Group relief	1,692	1,446
Total tax charge for the year	131	85

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. DIVIDENDS

	2016 £000	2015 £000
Dividend paid £20,761 (2015: £28,500) per £1 ordinary share	<u>20,761</u>	<u>28,500</u>

11. INVESTMENTS

	Investments in subsidiary companies £000
Cost	
At 1 January 2016 and 31 December 2016	<u>251,833</u>
Impairment	
At 1 January 2016	-
Charge for the year	3,100
At 31 December 2016	<u>3,100</u>
Net Book Value	
At 31 December 2016	<u>248,733</u>
At 31 December 2015	<u>251,833</u>

Following a review of the Company's investment carrying values, the directors felt it appropriate to write down the carrying value of its investments in Brenntag Colours Limited and Brenntag Inorganic Chemicals (Thetford) Limited by £1,650,000 and £1,450,000 respectively.

The directors believe that the carrying value of investments shown above is supported by their underlying assets and expected future cash flows.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. INVESTMENTS (CONTINUED)**DIRECT SUBSIDIARY UNDERTAKINGS**

The following were direct subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Brenntag Chemicals Distribution (Ireland) Limited	Ordinary	100 %	Chemical distribution
Brenntag Colours Limited	Ordinary	100 %	Production/distribution of pigments & dyestuffs
Brenntag Inorganic Chemicals Limited	Ordinary	100 %	Intermediate holding company
Brenntag Inorganic Chemicals (Thetford) Limited	Ordinary	100 %	Production/distribution of bulk inorganic chemicals
Brenntag UK Limited	Ordinary	100 %	Chemical distribution
Brenntag UK Group Limited	Ordinary	100 %	Non trading
Multisol Group Limited	Ordinary	100 %	Intermediate holding company
Water Treatment Solutions Limited	Ordinary	100 %	Non trading

The above subsidiaries all have their registered office at Alpha House, Lawnswood Business Park, Redvers Close, Leeds, West Yorkshire, LS16 6QY, with the exception of Brenntag Chemicals Distribution (Ireland) Limited, whose registered office is First Floor, Riverside Two, Sir John Rogerson's Quay, Dublin 2, Ireland.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. INVESTMENTS (CONTINUED)**INDIRECT SUBSIDIARY UNDERTAKINGS**

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Murgatroyd's Salt & Chemical Company Limited	Ordinary	100 %	Non trading
Multisol Chemicals Limited	Ordinary	100 %	Intermediate holding company
Multisol Limited	Ordinary	100 %	Specialised solvents & oils
Multisol EBT Limited	Ordinary	100 %	Dormant company
Multisol Holdings Limited	Ordinary	100 %	Intermediate holding company
Multisol Mauritius Limited	Ordinary	100 %	Specialised solvents & oils
Multisol South Africa (Pty) Limited	Ordinary	100 %	Specialised solvents & oils
Tradefirm 100 (Pty) Limited	Ordinary	100 %	Specialised solvents & oils
Multisol Europe Limited	Ordinary	100 %	Oil additives
OOO Multisol	Ordinary	100 %	Oil additives

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. INVESTMENTS (CONTINUED)

Name	Registered office
Murgatroyd's Salt & Chemical Company Limited	Alpha House, Lawnswood Business Park, Redvers Close, Leeds, West Yorkshire, LS16 6QY
Multisol Chemicals Limited	Alpha House, Lawnswood Business Park, Redvers Close, Leeds, West Yorkshire, LS16 6QY
Multisol Limited	Alpha House, Lawnswood Business Park, Redvers Close, Leeds, West Yorkshire, LS16 6QY
Multisol EBT Limited	Alpha House, Lawnswood Business Park, Redvers Close, Leeds, West Yorkshire, LS16 6QY
Multisol Holdings Limited	Alpha House, Lawnswood Business Park, Redvers Close, Leeds, West Yorkshire, LS16 6QY
Multisol Mauritius Limited	Suite 510, 5th Floor Barkley Wharfe, Le Caudan Waterfront, Port-Louis, Mauritius
Multisol South Africa (Pty) Limited	3rd Floor, Tygervalley Chambers, One Willie Van Schoor Dr, Belville, 7550 Cape Town, South Africa
Tradefirm 100 (Pty) Limited	3rd Floor, Tygervalley Chambers, One Willie Van Schoor Dr, Belville, 7550 Cape Town, South Africa
Multisol Europe Limited	Alpha House, Lawnswood Business Park, Redvers Close, Leeds, West Yorkshire, LS16 6QY
OOO Multisol	Eniseysjay Str, 1, Build 1, Moscow 129344, Russian Federation

On 6 June 2017, as part of a group simplification process, the directors commenced the process of winding up the following companies:

- Multisol Group Limited
- Water Treatment Solutions Limited
- Multisol Chemicals Limited

This process is expected to be completed within 12 months of the commencement of winding up.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. DEBTORS

	2016 £000	2015 £000
Amounts falling due after more than one year		
Amounts owed by group undertakings	41,920	40,361
Other debtors	1,047	1,042
	<u>42,967</u>	<u>41,403</u>
	2016 £000	2015 £000
Amounts falling due within one year		
Amounts owed by group undertakings	3,629	2,909
Other debtors	-	137
Deferred taxation	-	60
Derivative financial instruments	373	-
	<u>4,002</u>	<u>3,106</u>

Amounts owed by group undertakings are unsecured, interest is charged at market rate and repayment terms are as stated in the respective loan agreements.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. CREDITORS: Amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	1,375	1,159
Other creditors	-	137
Derivative financial instruments	-	300
	<u>1,375</u>	<u>1,596</u>

Amounts owed to group undertakings are unsecured, interest is charged at market rate and repayment terms are as stated in the respective loan agreements.

14. CREDITORS: Amounts falling due after more than one year

	2016 £000	2015 £000
Amounts owed to group undertakings	233,204	223,008
Other creditors	1,047	1,042
	<u>234,251</u>	<u>224,050</u>

Amounts owed to group undertakings are unsecured, interest is charged at market rate and repayment terms are as stated in the respective loan agreements.

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. FINANCIAL INSTRUMENTS

The Company has the following financial instruments:

	2016 £000	2015 £000
Financial assets		
Financial assets measured at fair value through profit and loss	16	343
Derivative financial instruments measured at fair value	373	-
Financial assets that are debt instruments measured at amortised cost	46,596	44,449
	<u>46,985</u>	<u>44,792</u>
Financial liabilities		
Derivative financial instruments measured at fair value	-	300
Financial liabilities measured at amortised cost	235,626	225,346
	<u>235,626</u>	<u>225,646</u>

Financial assets measured at fair value through profit and loss represent cash at bank and in hand.

Financial assets measured at amortised cost comprise amounts owed by group undertakings and other receivables.

Financial Liabilities measured at amortised cost comprise amounts owed to group undertakings and other creditors.

Derivative financial instruments, measured at fair value, comprise foreign currency contracts to mitigate the exchange risk for certain foreign currency liabilities. At 31 December 2016, the outstanding contracts all mature within 3 months (2015: 3 months) of the year end.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key input used in valuing the derivatives is GBP: EUR exchange rate at the balance sheet date.

The company has no interest rate derivative financial instruments (2015 - none).

BRENNTAG UK HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

16. DEFERRED TAXATION

	2016 £000
At 1 January 2016	60
Movement in the year	(131)
At 31 December 2016	(71)

The deferred taxation balance is made up as follows:

	2016 £000
Derivative financial instruments	(71)

17. CALLED UP SHARE CAPITAL

	2016 £000	2015 £000
Shares classified as equity		
Allotted, called up and fully paid		
1,000 (2015 - 1,000) Ordinary shares of £1 each	1	1

18. RELATED PARTY TRANSACTIONS

The Company is exempt under FRS 102 from disclosing related party transactions with members of the same group that are wholly owned. There have been no other related party transactions.

19. CONTROLLING PARTY

The Company's immediate parent company is Brenntag Investissements SAS which is registered in France. Following a group reorganisation, from 1 January 2017, the Company's immediate parent company will be Brenntag France Holding SAS.

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 2016. The consolidated financial statements of Brenntag AG are available from their registered office, at Stinnes-Platz, 45472 Mulheim an der Ruhr, Germany.