

**LUBRIZOL ADIBIS HOLDINGS (UK)
LIMITED**

**Report and Financial Statements
31 December 2011**



LUBRIZOL ADIBIS HOLDINGS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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LUBRIZOL ADIBIS HOLDINGS (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report, together with the financial statements and auditor's report, for the year ended 31 December 2011

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

PRINCIPAL ACTIVITY

The company acts as a holding company. The company has not traded, but has received dividends for the financial year ended 31 December 2011

GOING CONCERN

The directors have considered the nature of the operations of the company and have prepared the financial statements on the going concern basis. The company has no liabilities at year end, no expenditure expected in the forthcoming year and it has substantial net assets.

The directors have a reasonable expectation that the company has adequate resources to meet any obligations that may fall due and continue in operational existence for a period of no less than twelve months from the date of approval of the financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

The company is part of a very successful group, its ultimate parent being Berkshire Hathaway Inc. listed on the New York Stock Exchange.

DIRECTORS

The directors of the company who held office throughout the financial year and thereafter were

J Pilley	
S Kirk	(USA) Terminated 16 th September 2011
P Shore	
D Sheets	(USA) Appointed 16 th September 2011

LUBRIZOL ADIBIS HOLDINGS (UK) LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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 judgments and accounting estimates that are reasonable and prudent, 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.

AUDITOR

Each of the persons who are a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



P Shore
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUBRIZOL ADIBIS HOLDINGS (UK) LIMITED

We have audited the financial statements of Lubrizol Adibis Holdings (UK) Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, UK

3 September 2012

LUBRIZOL ADIBIS HOLDINGS (UK) LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2011**

	Note	2011 £'000	2010 £'000
Income from shares in group undertakings	2	<u>2,227</u>	<u>3,601</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	8	<u><u>2,227</u></u>	<u><u>3,601</u></u>

There are no recognised gains and losses other than the profit for the prior year attributable to the shareholders for the year ended 31 December 2011 and accordingly, no statement of total recognised gains and losses has been prepared

LUBRIZOL ADIBIS HOLDINGS (UK) LIMITED

BALANCE SHEET 31 December 2011

	Note	2011 £'000	2010 £'000
FIXED ASSETS			
Investments	3	3,582	3,582
CURRENT ASSETS			
Debtors	5	7,333	5,106
NET ASSETS		<u>10,915</u>	<u>8,688</u>
CAPITAL AND RESERVES			
Called up share capital	6	5,087	5,087
Profit and loss account	7	5,828	3,601
TOTAL SHAREHOLDERS' FUNDS	8	<u>10,915</u>	<u>8,688</u>

These financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

These financial statements of Lubrizol Adibis Holdings (UK) Limited, Company Registration Number 530121 were approved by the Board of Directors and authorised for issue on 29th August 2012.



P SHORE
Director

LUBRIZOL ADIBIS HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

These financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The directors have considered the nature of the operations of the company and have prepared the financial statements on the going concern basis. The company has no liabilities at year end, no expenditure expected in the forthcoming year and it has substantial net assets.

The directors have a reasonable expectation that the company has adequate resources to meet any obligations that may fall due and continue in operational existence for a period of no less than twelve months from the date of approval of the financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements, in accordance with the small companies regime.

Investments held as fixed assets are stated at cost less provision for impairment. Investment income is recognised when the shareholders' rights to receive payment have been established.

The financial statements present financial information about the company as an individual undertaking and not about its group. In accordance with Section 400 of the Companies Act 2006, group financial statements have not been prepared as the company is a wholly owned subsidiary undertaking of Berkshire Hathaway Inc. which is incorporated in the USA. The immediate parent company is Lubrizol Holdings France, which is a company incorporated in France, the smallest group of which the reporting company is a member and to which group it is consolidated into.

2. PROFIT AND LOSS ACCOUNT

The company has not traded for the financial periods ended 31 December 2011 and 31 December 2010, but received a dividend from its subsidiary holding in the current year of £2,227,000 (2010: £3,601,000). Accordingly, a statement of total recognised gains and losses has not been prepared.

The auditor's remuneration for audit services of £3,950 has been borne by Lubrizol Adibis (UK) Limited, another group company.

The directors received no emoluments in respect of their services to the company in both the current and prior year. In both the current and prior year the directors were the only employees.

3. INVESTMENTS

	£'000
Shares at cost in subsidiary company at 1 January 2011 and 31 December 2011	3,582

The company owns the whole of the issued ordinary share capital of the following company:

Company	Country of incorporation	Nature of business
Lubrizol South Africa (Proprietary) Limited	South Africa	Importation and distribution of lubricating oil additives

LUBRIZOL ADIBIS HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2011

4. TAXATION

	2011 £'000	2010 £'000
Profit on ordinary activities	2,227	3,601
Profit on ordinary activities by standard rate in the UK at 26.5% (2010: 28%)	590	1,008
Effects of: Double taxation agreement	(590)	(1,008)
Current tax charge for the period	-	-

Factors affecting current tax charge for the current year:

On 21 July 2010 the UK Government substantively enacted a reduction in the standard rate of Corporation Tax from 28% to 27% for taxable results from 1 April 2011. In March 2011, the UK Government announced a further reduction in the standard rate of UK Corporation Tax to 26% with effect from 1 April 2011 and to 25% effective 1 April 2012. These further rate reductions became substantively enacted in March 2011 and July 2011 respectively. Accordingly deferred tax balances have been stated at 25%.

The Government announced in the 2012 Budget a further reduction in the rate of corporation tax to 24% from 1 April 2012 and by a further 1% each year to 22% by 1 April 2014. As none of these rates were substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with Financial Reporting Standard 19, as it is a non-adjusting event occurring after the reporting period.

5. DEBTORS

	2011 £'000	2010 £'000
Amounts owed by group undertakings	7,333	5,106

6. CALLED-UP SHARE CAPITAL

	2011 £'000	2010 £'000
Authorised, allotted and fully paid: 5,087,325 ordinary shares of £1 each	5,087	5,087

LUBRIZOL ADIBIS HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2011

7. RESERVES

	2011 £'000	2010 £'000
At 1 January	3,601	-
Profit attributed to members	2,227	3,601
At 31 December	<u>5,828</u>	<u>3,601</u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total £
At 1 January 2011	5,087	3,601	8,688
Retained profit for the year	-	2,227	2,227
At 31 December 2011	<u>5,087</u>	<u>5,828</u>	<u>10,915</u>

9. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions contained in Financial Reporting Standard Number 8 'Related Party Transactions' not to present transactions with fellow group companies

10. CASH FLOW STATEMENT

The company has taken advantage of the exemption under Financial Reporting Standard Number 1 "Cash Flow Statements" from the requirement to present a cash flow statement on the basis that the company is a wholly owned subsidiary of Berkshire Hathaway Inc whose publicly available financial statements include the results of this company

11. IMMEDIATE AND ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party is Berkshire Hathaway Inc a company incorporated in the United States of America, the parent undertaking of the largest group for which group financial statements are drawn up and of which the reporting company is a member

The immediate parent company is Lubrizol Holdings France, which is a company incorporated in France, the smallest group of which the reporting company is a member and to which group it is consolidated into

Copies of the group financial statements of Berkshire Hathaway Inc are available from 3555 Farnam Street Suite 1440, Omaha, NE 68131