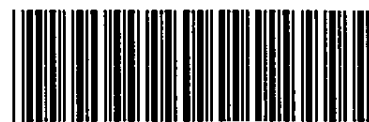


BIM United Kingdom Limited

**Directors' report and financial
statements**

**Registered number 981321
for the year ended
31 December 2012**

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Officers and professional advisers

DIRECTORS

P O Rengstedt
N M Wallberg

REGISTERED OFFICE

Prince Street
Bolton
BL1 2NP

BANKERS

Skandinaviska Enskilda Banken AB
2 Cannon Street
London
EC4M 6XX

ACCOUNTANTS

Ryans
67 Chorley Old Road
Bolton
BL1 3AJ

AUDITORS

KPMG LLP
St James' Square
Manchester
M2 6DS

Directors' report

The directors present their directors' report and the financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company in the year under review was that of the manufacture of adhesives and chemical products

Business review

The company has strengthened its market position, showing increased turnover in 2012. The customer base has been maintained and increased by the addition of some new customers.

Political and charitable contributions

The company made no political or charitable contributions during the year (2011 £nil)

Proposed dividend

The directors have proposed a final ordinary dividend of £230,000 (2011 £230,000) in respect of the current year, which was approved by the board on 1 March 2013.

The aggregate amount of dividends proposed and not recognised as liabilities at the year end is £230,000 (2011 £230,000).

Dividends paid during the year comprise a final dividend of £230,000 in respect of the previous year ended 31 December 2011.

Directors

The directors who served the company during the year and subsequent to the year end were as follows:

Per-Olof Rengstedt
Nils Martin Wallberg

No directors benefited from qualifying third party indemnity provisions in place during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



P O Rengstedt
Director

Prince Street
Bolton
BL1 3AJ

17 April 2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 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.



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditor's report to the members of BIM United Kingdom Limited

We have audited the financial statements of BIM United Kingdom Limited for the year ended 31 December 2012, set out on pages 6 to 18. 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/auditscopeukprivate.

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 2012 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.

Independent auditor's report to the members of BIM United Kingdom Limited *(continued)*

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



Frances Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

17 June 2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	2012 £	2012 £	2011 £	2011 £
Turnover	2		7,562,503		7,044,612
Cost of sales			(4,992,059)		(4,526,949)
Gross profit			2,570,444		2,517,663
Distribution costs		(1,133,668)		(1,170,480)	
Administrative expenses		(1,133,486)		(917,461)	
			(2,267,154)		(2,087,941)
Operating profit			303,290		429,722
Interest receivable and similar income	6		293		425
Interest payable and similar charges	7		(31,599)		(40,868)
Profit on ordinary activities before taxation	2-7		271,984		389,279
Tax on profit on ordinary activities	8		(48,669)		(92,909)
Profit for the financial year	17		223,315		296,370

Turnover and operating profit arise from the company's continuing operations

The company has no recognised gains or losses in either financial year other than the profit for the financial year and accordingly a statement of total recognised gains and losses has not been prepared

The notes on pages 9 to 18 form an integral part of the financial statements

Balance sheet
at 31 December 2012

	<i>Note</i>	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	9		787,105		826,718
Current assets					
Stocks	10	753,861		775,756	
Debtors	11	1,211,710		1,454,364	
Cash at bank and in hand		82,328		31,556	
		<u>2,047,899</u>		<u>2,261,676</u>	
Creditors amounts falling due within one year	12	<u>(1,784,004)</u>		<u>(1,978,436)</u>	
Net current assets			<u>263,895</u>		<u>283,240</u>
Total assets less current liabilities			<u>1,051,000</u>		<u>1,109,958</u>
Creditors: amounts falling due after more than one year	13		(37,306)		(91,396)
Provisions for liabilities	15		(14,548)		(12,731)
Net assets			<u>999,146</u>		<u>1,005,831</u>
Capital and reserves					
Called up share capital	16		410,758		410,758
Profit and loss account	17		588,388		595,073
Shareholders' funds			<u>999,146</u>		<u>1,005,831</u>

The notes on pages 10 to 20 form part of these financial statements

These financial statements were approved by the board of directors on
 signed on its behalf by

17 April 2013

and were



P O Rengstedt
 Director
 Company registered number 981321

The notes on pages 9 to 18 form part of these financial statements

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2012

	2012 £	2011 £
Profit for the financial year	223,315	296,370
Dividend	(230,000)	(160,000)
Net (deduction from)/addition to shareholders' funds	(6,685)	136,370
Opening shareholders' funds	1,005,831	869,461
Closing shareholders' funds	999,146	1,005,831

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules. The company has applied the transitional rules contained in FRS15 *Tangible Fixed Assets* to retain previous valuations as the basis on which these assets are held.

As the company is a wholly owned subsidiary of BIM Kemı AB, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of BIM Kemı AB, within which this company is included, can be obtained from the address given in note 21.

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Going Concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by BIM Kemı AB, the company's ultimate parent. BIM Kemı AB has indicated that for at least 18 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives or, if held under a finance lease, over the lease term, whichever is shorter.

Freehold buildings	-	5% on cost
Plant and machinery	-	20% and 33% on cost
Fixtures and fittings	-	20% and 33% on cost
Motor vehicles	-	20% on cost

No depreciation is provided on freehold land.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Notes (continued)

1 Accounting policies (continued)

Taxation (continued)

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

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 contracted rate or 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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised and the outstanding future lease obligations are shown in creditors. The assets are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Operating lease rentals are charged to the profit and loss account as incurred.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below.

	2012 £	2011 £
United Kingdom	6,048,810	5,855,768
Europe and other	1,513,693	1,188,844
	<u>7,562,503</u>	<u>7,044,612</u>

Notes (continued)

3 Notes to the profit and loss account

	2012 £	2011 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Operating lease rentals		
Land and buildings	17,856	17,856
Plant and machinery	57,017	40,907
Depreciation and other amounts written off tangible fixed assets		
Owned	111,379	85,981
Leased	61,700	61,102
Foreign exchange differences	54,044	(9,824)
	<u> </u>	<u> </u>

Auditors' remuneration

	2012 £	2011 £
Audit of these financial statements	12,792	13,268
	<u> </u>	<u> </u>

4 Remuneration of directors

The directors received no remuneration or pension contributions from this company during the year (2011 £Nil)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees 2012	Number of employees 2011
Manufacturing	15	13
Sales and distribution	11	12
Office and management	4	4
Technical	5	4
	<u> </u>	<u> </u>
	35	33
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows

	2012 £	2011 £
Wages and salaries	959,609	925,847
Social security costs	96,494	92,567
Other pension costs	49,268	41,218
	<u> </u>	<u> </u>
	1,105,371	1,059,632
	<u> </u>	<u> </u>

Notes (continued)

6 Interest receivable and similar income

	2012 £	2011 £
Bank interest	293	425
	<u>293</u>	<u>425</u>

7 Interest payable and similar charges

	2012 £	2011 £
Bank overdraft interest	4,179	895
Parent company loan interest	17,951	32,217
Finance lease and hire purchase interest	9,469	7,756
	<u>31,599</u>	<u>40,868</u>

8 Taxation

Analysis of charge in period

	2012 £	2011 £
<i>UK corporation tax</i>		
Current tax on income for the period	46,852	64,597
Total current tax	<u>46,852</u>	<u>64,597</u>
<i>Deferred tax</i>		
Deferred taxation	1,817	28,312
Tax on profit on ordinary activities	<u>48,669</u>	<u>92,909</u>

The tax assessed for the year is lower (2011 lower) than the standard rate of corporation tax in the UK 24.5% (2011 26.49%). The differences are explained on the following page

Notes (continued)

8 Taxation (continued)

	2012 £	2011 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	271,984	389,279
Current tax at 24.5% (2011: 26.5%)	66,636	103,132
<i>Effects of</i>		
Expenses not deductible for tax purposes	4,132	5,254
Other permanent differences	7,895	7,572
Movement in reversible timing differences	(2,854)	(28,121)
Research and development enhanced deduction	(28,957)	(23,240)
Total current tax charge	46,852	64,597

The 2012 Budget on 23 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2011) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. The deferred tax liability at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

9 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor Vehicles £	Total £
<i>Cost or valuation</i>					
At beginning of year	780,740	1,346,066	282,226	293,341	2,702,373
Additions	15,384	113,253	4,829	-	133,466
Disposals	-	-	-	(33,099)	(33,099)
At end of year	796,124	1,459,319	287,056	260,242	2,802,740
<i>Depreciation</i>					
At beginning of year	348,221	1,138,247	265,901	123,286	1,875,655
Charge for year	34,663	70,795	1,779	65,842	173,079
On disposals	-	-	-	(33,099)	(33,099)
At end of year	382,884	1,209,042	267,680	156,029	2,015,635
<i>Net book value</i>					
At 31 December 2012	413,240	250,277	19,375	104,213	787,105
At 31 December 2011	432,519	207,819	16,324	170,055	826,718

Included in the total net book value of motor vehicles is £97,309 (2011: £159,009) in respect of assets held under finance leases. Depreciation for the year on these assets was £61,700 (2011: £61,102).

Notes (continued)

9 Tangible fixed assets (continued)

The following information relates to assets carried at revalued amounts which have been retained under the transitional provisions set out in FRS15 *Tangible fixed assets*

	2012 £	2011 £
Land and buildings		
At 2000 open market value	650,218	650,218
Additions	145,906	130,522
Aggregate depreciation thereon	(382,884)	(348,221)
Net book value	413,240	432,519
Historical cost of revalued assets	930,442	915,058
Aggregate depreciation based on historical cost	(481,203)	(439,239)
Historical cost net book value	449,239	475,819

The valuation was performed by the external chartered surveyors Knight Frank, in connection with the acquisition of the company by BIM Kemı AB. The valuation report states the valuation was carried out in accordance with the RICS Appraisal and Valuation Manual and performed on an open market value basis, as at 17 February 2000.

Open market value is an opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming

- a willing seller,
- that, prior to the valuation date, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale,
- that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of the valuation,
- that no account is taken of any additional bid by a prospective purchaser with a special interest, and
- that both parties to the transaction had acted knowledgeably, prudently and without compulsion

10 Stocks

	2012 £	2011 £
Raw materials and consumables	422,786	469,388
Packaging	10,333	14,365
Finished goods and goods for resale	320,742	292,003
	753,861	775,756

Notes (continued)

11 Debtors

	2012 £	2011 £
Trade debtors	1,153,747	1,398,289
Amounts owed by group undertakings	-	5,832
Taxation	5,148	-
Prepayments	52,815	50,243
	<u>1,211,710</u>	<u>1,454,364</u>

All debtors are due within less than one year

12 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank overdraft	242,787	156,839
Loans (see note 14)	10,267	14,496
Obligations under finance leases and hire purchase contracts (see note 14)	39,289	59,797
Trade creditors	895,506	928,414
Amounts owed to group undertakings	156,947	80,591
Parent company loan	246,729	428,613
Other creditors	3,004	3,004
VAT	78,302	100,822
Social security and other taxes	27,327	29,134
Taxation	-	64,597
Accrued expenses	83,846	112,129
	<u>1,784,004</u>	<u>1,978,436</u>

The parent company loan is subject to interest of 2% above LIBOR and is repayable on demand. Bank loans and overdrafts are secured by a debenture charge dated 4 March 1987.

13 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Loans (see note 14)	-	10,267
Obligations under finance leases and hire purchase contracts (see note 14)	37,306	81,129
	<u>37,306</u>	<u>91,396</u>

Notes (continued)

14 Loan and finance lease obligations

The maturity of obligations under finance lease contracts is as follows

	2012 £	2011 £
Within one year	42,285	63,212
In the second to fifth years	39,350	85,484
Less future finance charges	81,635 5,040	148,696 7,770
	76,595	140,926

An analysis of the maturity of the loans is given below

	2012 £	2011 £
Amounts falling due under one year	10,267	14,496
Amounts falling due in the second to fifth years	-	10,267

15 Provisions for liabilities

	Deferred tax £
At beginning of year	12,731
Accelerated capital allowances	1,548
Other timing differences	269
At end of year	14,548

The elements of deferred taxation are as follows

	2012 £	2011 £
Accelerated capital allowances	9,577	8,029
Other timing differences	4,971	4,702
Deferred tax liability	14,548	12,731

Notes (continued)

16 Called up share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
410,758 Ordinary shares of £1 each	410,758	410,758

17 Reserves

	Profit and loss account £
At beginning of year	595,073
Profit for the year	223,315
Dividend paid	(230,000)
At end of year	588,388

18 Commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Operating leases which expire				
Within one year	-	-	-	-
In the second to fifth years inclusive	17,856	57,017	17,856	37,075
	17,856	57,017	17,856	37,075

There were no capital commitments contracted for at the end of the current or previous financial year for which no provision had been made

19 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £49,268 (2011 £41,218)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

Notes *(continued)*

20 Dividends

A dividend of £230,000 (2011 £230,000) was approved by the board on 1 March 2013

The aggregate amount of dividends proposed and not recognised as liabilities at the year end is £230,000 (2011 £230,000)

21 Ultimate parent company

The company is a subsidiary undertaking of BIM Kemı AB which is the ultimate parent company incorporated in Sweden

The largest group in which the results of the company are consolidated is that headed by BIM Kemı AB, incorporated in Sweden. The consolidated financial statements of the group are available to the public and may be obtained from Prince Street, Bolton, BL1 2NP. No other group accounts include the results of the company