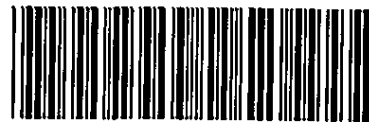


**CRODA OVERSEAS HOLDINGS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

WEDNESDAY



\*A28Y4GUB\*

A26

22/05/2013

#65

COMPANIES HOUSE

## **CRODA OVERSEAS HOLDINGS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	Mr M S Christie Mr S E Foots Dr K Layden
<b>Company secretary</b>	Mr T M Brophy
<b>Registered number</b>	3360096
<b>Registered office</b>	Cowick Hall Snaith Goole East Yorkshire DN14 9AA
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Humber Quays Wellington Street West Hull East Yorkshire HU1 2BN

# **CRODA OVERSEAS HOLDINGS LIMITED**

## **CONTENTS**

	Pages
<b>Directors' Report</b>	<b>1 - 2</b>
<b>Independent Auditors' Report</b>	<b>3 - 4</b>
<b>Profit and Loss Account</b>	<b>5</b>
<b>Balance Sheet</b>	<b>6</b>
<b>Notes to the Financial Statements</b>	<b>7 - 11</b>

## **CRODA OVERSEAS HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

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

#### **Principal activities and future developments**

The Company's principal activity during the year continued and will continue to be as an investment holding company

Given the straightforward nature of the business, the Company's 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

#### **Results and dividends**

The profit for the year, after taxation, amounted to €93,718,000 (2011 - €76,561,000)

During the year the Company paid dividends of €87,468,000, (2011 - €179,719,000) and accordingly €6,250,000 has been transferred to reserves (2011 - transfer from reserves - €103,158,000)

#### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly the principal risks and uncertainties of Croda Overseas Holdings Limited which include those of the Company, are discussed on pages 16 to 19 of the Group's Annual Report, which does not form part of this report

#### **Directors**

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

Mr M S Christie  
Mr S E Foots  
Dr K Layden

#### **Directors' responsibilities statement**

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

## **CRODA OVERSEAS HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

#### **Directors' responsibilities statement (continued)**

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.

#### **Disclosure of information to auditors**

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

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

This report was approved by the board on 17 May 2013 and signed on its behalf



Mr M S Christie  
**Director**

## **CRODA OVERSEAS HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRODA OVERSEAS HOLDINGS LIMITED**

We have audited the financial statements of Croda Overseas Holdings Limited for the year ended 31 December 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2, 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.

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.

#### **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 Directors' 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 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.

## **CRODA OVERSEAS HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRODA OVERSEAS HOLDINGS LIMITED**

#### **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



Richard Bunter (Senior Statutory Auditor)

For and on behalf of

**PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

2 Humber Quays  
Wellington Street West  
Hull  
East Yorkshire  
HU1 2BN

17 May 2013

**CRODA OVERSEAS HOLDINGS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 €000	2011 €000
Administrative expenses		(107)	-
<b>Operating loss</b>		<b>(107)</b>	<b>-</b>
Income from shares in group undertakings		95,165	80,422
Profit/(loss) on disposal of investments		-	(3,202)
Interest receivable and similar income	3	1,302	1,468
Interest payable and similar charges	4	(3,077)	(2,127)
<b>Profit on ordinary activities before taxation</b>		<b>93,283</b>	<b>76,561</b>
Tax on profit on ordinary activities	5	435	-
<b>Profit for the financial year</b>	10	<b>93,718</b>	<b>76,561</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The notes on pages 7 to 11 form part of these financial statements



**CRODA OVERSEAS HOLDINGS LIMITED**  
**REGISTERED NUMBER: 3360096**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	Note	€000	2012 €000	€000	2011 €000
<b>Fixed assets</b>					
Investments	6		148,430		131,805
<b>Current assets</b>					
Debtors	7	43,646		49,956	
Cash at bank		2,500		-	
		<u>46,146</u>		<u>49,956</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(184,425)</u>		<u>(177,860)</u>	
<b>Net current liabilities</b>			<u>(138,279)</u>		<u>(127,904)</u>
<b>Total assets less current liabilities</b>			<u>10,151</u>		<u>3,901</u>
<b>Capital and reserves</b>					
Called up share capital	9		-		-
Share premium account	10		2,497		2,497
Profit and loss account	10		<u>7,654</u>		<u>1,404</u>
<b>Total shareholders' funds</b>	11		<u>10,151</u>		<u>3,901</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



Mr M S Christie  
**Director**

Date 17 May 2013

The notes on pages 7 to 11 form part of these financial statements

## **CRODA OVERSEAS HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

#### **1. Accounting Policies**

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

##### **1.1 Basis of preparation of financial statements**

The financial statements are prepared on a going concern basis and have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards.

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

##### **1.2 Cash flow**

The Company is a wholly owned subsidiary of Croda International Plc and is included in the consolidated financial statements of Croda International Plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash Flow statements'.

##### **1.3 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

##### **1.4 Financial risk factors**

The Group accounting policy for financial risk factors is also relevant to the preparation of the Company financial statements and is disclosed on pages 90 and 91 of the Group's Annual Report.

#### **2 Auditors' remuneration**

The audit fee for the year was borne by the ultimate parent company, Croda International Plc.

	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>

#### **3. Interest receivable and similar income**

	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
Interest receivable from group companies	<b>1,302</b>	<b>1,468</b>

#### **4. Interest payable and similar charges**

	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
On loans from group undertakings	<b>3,077</b>	<b>2,127</b>

# CRODA OVERSEAS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 5. Tax on profit of ordinary activities

	2012 €000	2011 €000
UK corporation tax credit on profit for the year	<u>(435)</u>	<u>-</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 €000	2011 €000
Profit on ordinary activities before tax	<u>93,283</u>	<u>76,561</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	22,854	20,289
Effects of:		
Non-taxable income	(23,289)	(21,312)
Other tax relief on exceptional items	-	848
Losses surrendered without payment	-	175
Current tax credit for the year (see note above)	<u>(435)</u>	<u>-</u>

#### Factors that may affect future tax charges

On 21 March 2012 the Chancellor announced the reduction in the main rate of UK corporation tax from 26% to 24% with effect from 1 April 2012 and a further reduction to 23% with effect from 1 April 2013. These changes became substantively enacted on 26 March 2012 and 3 July 2012 respectively and therefore the effect of these rate reductions creates a reduction in the deferred tax asset which has been included in the figures above.

The Chancellor has announced further changes to reduce the main rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015. As this legislation was not substantively enacted by 31 December 2012, the impact of the anticipated rate change is not reflected in the tax provisions reported in these financial statements. It is expected that the impact of these changes will not be material to the company.

# CRODA OVERSEAS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 6. Fixed asset investments

	Investments in subsidiary companies €000
<b>Cost or valuation</b>	
At 1 January 2012	131,805
Additions	16,625
	<hr/>
At 31 December 2012	148,430
	<hr/>
<b>Net book value</b>	
At 31 December 2012	148,430
	<hr/>
At 31 December 2011	131,805
	<hr/>

### Subsidiary undertakings

The following were subsidiary undertakings of the Company who were all involved in the sale of chemicals. Those companies indicated with a + are also involved in manufacturing activities.

Name	Registered in	Holding
Croda Investments Inc	USA	100 %
Croda spol s r o	Czech Republic	100 %
Croda Italiana SpA	Italy	100 %
Croda Holdings SAS	France	100 %
Croda Iberica SA +	Spain	100 %
Croda Argentina SA	Argentina	100 %
Croda Adhesives Europe NV	Belgium	100 %
Croda GmbH	Germany	100 %
Croda do Brasil Ltda +	Brazil	100 %
Croda EPC Thornton Pty Ltd	Australia	100 %
Croda Specialities Malaysia Sdn Bhd	Malaysia	100 %
Croda Belgium BVBA	Belgium	100 %
Croda Kimya Ticaret Limited Sirketi	Turkey	99 %

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

### 7 Debtors

	2012 €000	2011 €000
Amounts owed by group undertakings	43,211	49,956
Corporation tax	435	-
	<hr/>	<hr/>
	43,646	49,956
	<hr/>	<hr/>

# CRODA OVERSEAS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 8 Creditors Amounts falling due within one year

	2012 €000	2011 €000
Amounts owed to group undertakings	184,334	177,794
Other creditors	91	66
	<u>184,425</u>	<u>177,860</u>

Of the amounts owed to group undertakings, €179,271,000 attracts interest of 1.53% per annum, and has no fixed repayment terms. The remaining amount is unsecured and non interest bearing.

### 9 Called up share capital

	2012 €	2011 €
<b>Authorised</b>		
100 Ordinary shares of £1 each	<u>160</u>	<u>160</u>
<b>Allotted, called up and fully paid</b>		
5 Ordinary shares of £1 each	<u>8</u>	<u>8</u>

### 10. Reserves

	Share premium account €000	Profit and loss account €000
At 1 January 2012	2,497	1,404
Profit for the financial year	-	93,718
Dividends - Equity capital	-	(87,468)
At 31 December 2012	<u>2,497</u>	<u>7,654</u>

### 11. Reconciliation of movement in shareholders' funds

	2012 €000	2011 €000
Opening shareholders' funds	3,901	107,059
Profit for the financial year	93,718	76,561
Dividends (Note 12)	(87,468)	(179,719)
Closing shareholders' funds	<u>10,151</u>	<u>3,901</u>

## CRODA OVERSEAS HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

#### 12 Dividends

	2012 €000	2011 €000
Dividends paid on equity capital of £17,494 (2011 £35,944) per share	<u>87,468</u>	<u>179,719</u>

#### 13. Staff costs

The Company has no employees other than the directors, who did not receive any remuneration in respect of services to the Company (2011 - €NIL)

#### 14. Related party transactions

The Company, as a wholly owned subsidiary of Croda International Plc, has taken advantage of the exemption available under FRS 8 from disclosing transactions with other group undertakings. There were no other material related party transactions during the year.

#### 15. Ultimate parent undertaking and controlling party

The ultimate parent company and controlling party is Croda International Plc, a company registered in England. Croda International Plc group is the largest and smallest group of which the Company is a member and for which group financial statements are prepared. Copies of the group financial statements can be obtained from the Company Secretary at the registered office of the Company detailed on the Company information page.