Tessenderlo Holding UK Limited

Annual report and financial statements
For the year ended 31 December 2013
Registered number 3514787

Contents

Strategic report for the year ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

Principal activities and business review

The company acts as an intermediate holding company within the Tessenderlo Chemie NV group.

The results of the company for the year ended 31 December 2013 are shown in the profit and loss account on page 6 and show a profit for the financial year of £1,084,190 (2012: £7,092,689). The profit for the financial year includes a profit on disposal of £2,469,040 on the companies investment in Eurocell plc (2012: £nil).

The financial position of the company as at 31 December 2013 is shown on the balance sheet on page 7. The directors consider that the financial position of the company as at 31 December 2013 was satisfactory.

Strategy and future developments

The company is a non-trading intermediate holding company. As such the directors do not expect any significant changes in the financial position of the company for the foreseeable future.

Key performance indicators (KPI's)

Given the straightforward nature of the business the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The management of the business and execution of the group's strategy, of which this company forms a part, are subject to a number of risks.. Key business risks principally relate to market competition, both from a national and international perspective and the retention of suitably qualified employees. Business risks are reviewed regularly by the directors of the group and appropriate processes are put in place to monitor and mitigate their impact.

By order of the Board

M.Evans

M Evans 25/9/14
Director

Directors' report for the year ended 31 December 2013

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

Principal activities

The principal activity is to act as a holding company.

The company is a jointly owned subsidiary of Tessenderlo Chemie NV (60%), a company registered in Belgium and Tessenderlo NL Holding BV (40%), a company registered in Belgium.

Results and dividends

The company sold its investment in Eurocell plc in the year for a total consideration of £55,744,975 which included the repayment of intercompany debt. £8,250,000 of the cash consideration is deferred with £2,250,000 due after one year.

The results for the year are given in the profit and loss account on page 6. The company paid a £15,000,000 dividend to Tessenderlo Chemie NV (£9,300,000) and Tessenderlo NL Holding BV (£5,700,000).

Share capital

On the 23rd December 2013 the share capital of the company was reduced to extinguish 69,999,965 £1 ordinary shares.

Post balance sheet events

In August 2014 the company acquired 100% of the ordinary share capital of Dyka (U.K.) Ltd for consideration of £23,850,000. The principle activity of Dyka (U.k.) Ltd is that of a holding company, which holds investments in companies in the pipe and fittings industry.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

AMM Van Walleghem (resigned 7th July 2014)
SA Haspeslagh
M DeVogue (resigned 7th July 2014)
RJJ Dumont (appointed 7th July 2014)
MS Mclellan (appointed 7th July 2014)
M Evans (appointed 7th July 2014)

Company secretary

Richard Jones (appointed 7th July 2014)

Donations

The company made no charitable donations in 2013 *(2012: £Nil)*. The company made no political donations during the year *(2012: £Nil)*.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Independent Auditors

Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 UK Generally Accepted Accounting Practice (UK 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 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.

By order of the Board

25/9/14

M Evans
Director

Independent auditors' report to the members of Tessenderlo Holding UK Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Tessenderlo Holding UK limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account 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 their preparation is applicable law and United Kingdom Accounting Standards (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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

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.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the members of Tessenderlo Holding UK Limited (continued)

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.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. 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 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 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.

Neil Rummings (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
25 September 2014

Profit and loss account
for the year ended 31 December 2013

	Note	2013	2012
		£	£
Administration expenses		(222,675)	(191,906)
Operating loss	2	**(222,675)**	(191,906)
Amounts written off investments		-	(11,046,482)
Interest receivable and similar income	3	1,842,478	2,172,603
Interest payable and similar charges	4	(2,449,359)	(3,543,687)
Release of inter-company tax provision		-	4,288,514
Write off of inter-company receivable		(834,409)	-
Dividends Received Eurocell PLC		-	15,000,000
Profit on sale of Eurocell PLC		2,469,040	-
Profit on ordinary activities before taxation		805,075	6,679,042
Tax on profit on ordinary activities	5	279,115	413,647
Profit for the financial year	11	1,084,190	7,092,689

The current and previous years' results derive from continuing operations.

The above results represent the total recognised gains and losses for both financial years.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

Balance sheet
at 31 December 2012
Company registered number 3514787

	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Investments	6		3,732,176		27,937,722
Current assets					
Debtors	7	21,170,708		65,744,556	
Cash at bank and in hand		1,766,839		575,846	
		22,937,547		66,320,402	
Creditors: amounts falling due within one year	8	(7,340,051)		(9,012,642)	
Net current assets					
Due within one year			11,347,496		30,407,760
Debtors due after more than one year			4,250,000		26,900,000
			15,597,496		57,307,760
Total assets less current liabilities			19,329,672		85,245,482
Creditors: amounts falling due after more than one year	9		-		(52,000,000)
Net assets			19,329,672		33,245,482
Capital and reserves					
Called up share capital	10		1,000,035		71,000,000
Profit and loss account	11		18,329,637		(37,754,518)
Total Shareholders' funds	12		19,329,672		33,245,482

These financial statements on pages 7 to 14 were approved by the board of directors on 2014 and were signed on its behalf by:

M Evans

Director 25/9/14.

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared on a going concern basis under the historical cost convention and applicable accounting standards in the United Kingdom.

The principal accounting policies are set out below and have been applied consistently throughout the year.

The company is exempt under section 408 of the Companies Act 2006 from the requirement to prepare group financial statements, since the results of the company and its subsidiaries are consolidated into the financial statements of its immediate parent undertaking, Tessenderlo Chemie NV, a company incorporated in Belgium.

Accordingly, these financial statements present information about Tessenderlo Holding UK Limited as an individual undertaking and not about its group.

Cash flow statement and related party disclosures

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Tessenderlo Chemie NV and its cash flows are included within the consolidated cash flow statement of that company.

As 100% of the company's voting rights are controlled within the group headed by Tessenderlo Chemie NV, and the group prepares consolidated financial statements, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with other 100% owned group entities.

Going Concern

The financial statements have been prepared on a going concern basis, the company is showing net current assets and profits.

Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

Foreign currencies

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

Taxation

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

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.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements *(continued)*

2 Operating loss

Operating loss is stated after charging:

	2013 £	2012 £
Auditors' remuneration		
Fees payable for the audit	**3,000**	3,500
Fees payable for other services - tax	**-**	1,500

3 Interest receivable and similar income

	2013 £	2012 £
Interest on loans to group undertakings	**1,442,931**	2,172,603
Other Income	**399,547**	-
	1,842,478	2,172,603

4 Interest payable and similar charges

	2013 £	2012 £
Interest on group loans	**2,437,708**	3,530,014
Other financial charges	**9,346**	10,127
Net exchange losses	**2,305**	3,546
	2,449,359	3,543,687

Notes to the financial statements *(continued)*

5 Tax on profit on ordinary activities

	2013	2012
	£	£
UK corporation tax	**(279,115)**	(462,230)
Adjustment in respect of previous year	**-**	48,583
Total current tax credit	**(279,115)**	(413,647)

Factors affecting the tax credit for the year:

The tax assessed for the year is higher (2012;higher) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2013 of 23.25% (2012; 24.5%).. The differences are explained below:

	2013	2012
	£	£
Profit on ordinary activities before tax	**805,075**	6,679,042
Profit on ordinary activities multiplied by the effective rate of corporationtax in the UK of 23.25% *(2012: 24.5%)*	**187,180**	1,636,365
Effects of		
Non taxable dividend income	**-**	(3,675,000)
Non taxable income	**(98,198)**	(121,133)
Expenses not deductible for tax purposes (primarily impairment)	**-**	2,748,224
Release of provision re intercompany debt	**(368,097)**	(1,050,686)
Adjustment in respect of previous years	**-**	48,583
Current tax credit for the year	**(279,115)**	(413,647)

During the year, as a result of the changes in the UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015, which were substantively enacted on 2 July 2013, the relevant deferred tax balances have been remeasured.

Notes to the financial statements *(continued)*

6 Fixed asset investments

	Shares in subsidiary undertakings 2013 £	2012 £
Cost		
At beginning of year	80,755,496	80,755,496
Disposal	(47,755,496)	-
At end of year	33,000,000	80,755,496
Provisions		
At beginning of year	52,817,774	41,771,292
Disposal	(23,549,950)	-
Impairment	-	11,046,482
At end of year	29,267,824	52,817,774
Net book value at end of year	3,732,176	27,937,722

Subsidiary undertakings at the end of the year are as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held
PB Gelatins UK Limited	England and Wales	Manufacture and sale of photographic and pharmaceutical gelatines.	100% ordinary
Britphos Limited	England and Wales	Ceased trading in March 2011.	100% ordinary

Notes to the financial statements *(continued)*

7 Debtors

	2013 £	2012 £
Amounts falling due within one year		
Amounts owed from third parties	**6,237,000**	-
Amounts owed from group undertakings	**10,217,251**	37,822,805
Other debtors	**14,416**	14,416
Group loss relief receivable	**452,041**	1,007,335
	16,920,708	38,844,556
Due after one year		
Amounts owed from group undertakings	**2,000,000**	26,900,000
Amounts owed from third parties	**2,250,000**	-
	21,170,708	65,744,556

Amounts due from group undertakings after one year consist of £2,000,000 due from PB Gelatins UK Limited *(2012: £5,300,000)*. Interest is received, according to loan agreements, at LIBOR + 0.9% per annum.

Amounts owed from third parties relate to deferred consideration following the sale of Eurocell plc.

8 Creditors: amounts falling due within one year

	2013 £	2012 £
Bank overdraft	**1,455,214**	34
Amounts owed to group undertakings	**5,884,837**	9,000,361
Other creditors and accruals	-	12,247
	7,340,051	9,012,642

9 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings	-	52,000,000

Notes to the financial statements *(continued)*

10 Called up share capital

	2013 £	2012 £
Issued, called up and fully paid		
Ordinary shares of £1 each	**1,000,035**	71,000,000

On the 23rd December 2013 the share capital of the company was reduced to extinguish 69,999,965 £1 ordinary shares.

11 Profit and loss account – accumulated losses

	2013 £	2012 £
At beginning of year	**(37,754,518)**	(44,847,207)
Profit for the financial year	**1,084,190**	7,092,689
Cancellation of share capital	**69,999,965**	-
Dividends Paid	**(15,000,000)**	-
At end of year	**18,329,637**	(37,754,518)

12 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	**1,084,190**	7,092,689
Opening shareholders' funds	**33,245,482**	26,152,793
Dividends Paid	**(15,000,000)**	-
Closing shareholders' funds	**19,329,672**	33,245,482

13 Immediate and ultimate parent undertaking

The company's immediate parent undertaking is Tessenderlo Chemie NV, a company registered in Belgium which owns 60% share capital. Tessenderlo NL Holding BV also registered in Belgium owns 40% share capital.

The ultimate parent undertaking is Tessenderlo Chemie NV, a company registered in Belgium

The results of the company are included in the consolidated financial statements of these companies. Copies of these financial statements are publicly available and may be obtained from Rue de Trone 130, B-1050 Brussels and 62 Rue Jeanne d'Arc, 75641 Paris Cedex 13 respectively.

Notes to the financial statements *(continued)*

14 Post balance sheet event

In August 2014 the company acquired 100% of the ordinary share capital of Dyka (U.K.) Ltd for consideration of £23,850,000. The principle activity of Dyka (U.k.) Ltd is that of a holding company.