

# TESSENDERLO HOLDING UK Ltd

**Tessenderlo Holding UK Limited**

**Annual report and financial statements**

**For the year ended 31 December 2014**

**Registered number 3514787**

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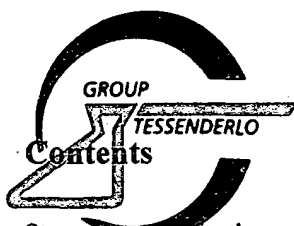
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**TESSENDERLO HOLDING UK LTD.**

**Reg. Office: Treforest • Pontypridd • Wales • United Kingdom • CF37 5SU**

**Telephone: (01443) 849300 • Fax: (01443) 844209 • Company No. 3519787 • VAT No. 484 2644 28.**

**A subsidiary of Tessenderlo Chemie NV (Belgium).**



Tessenderlo Holding UK Limited  
Annual report and financial statements  
For the year ended 31 December 2014

# TESSENDERLO HOLDING UK Ltd

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A subsidiary of Tessenderlo Chemie NV (Belgium).



## Strategic report for the year ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

### 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 2014 are shown in the profit and loss account on page 6 and show a profit for the financial year of £696,053 (2013: £1,084,190). The profit for the financial year 2014 includes a profit on disposal of £1,699,160 (purchase price adjustment) on the companies investment in Eurocell plc from 2013 sale. 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, its subsidiaries activities involve the distribution of pipes and associated products for use in building, civil engineering and agriculture.

The financial position of the company as at 31 December 2014 is shown on the balance sheet on page 7. The directors consider that the financial position of the company as at 31 December 2014 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.

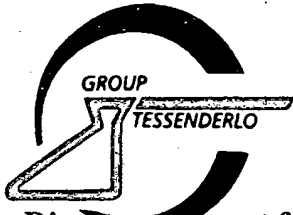
### Principal risks and uncertainties

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.

Signed on its behalf by

**M Evans**  
Director

24/09/2015



## **Directors' report for the year ended 31 December 2014**

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

### **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 results for the year are given in the profit and loss account on page 6. No dividends were paid in 2014, no dividends were liable or proposed at the balance sheet date.

### **Future developments**

The future developments has been disclosed in the Strategic report.

### **Directors**

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

AMM Vanwalleghem (resigned 7th July 2014)  
SA Haspeslagh (appointed 7th July 2014)  
M De Vogue (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 7<sup>th</sup> July 2014)

### **Donations**

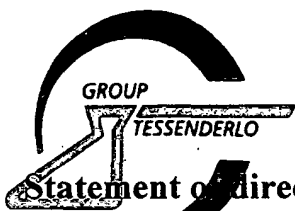
The company made no charitable donations in 2014 (2013: £Nil). The company made no political donations during the year (2013: £Nil).

### **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 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.

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.

Signed on its behalf by

**M Evans**  
*Director*

24/09/2015



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

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Tessenderlo Holding UK 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 2014 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**

Tessenderlo Holding UK Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- 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 the preparation of the financial statements 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.

### **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.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

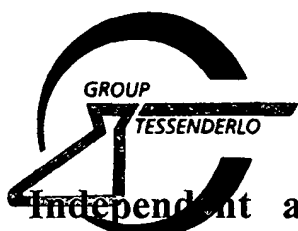
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.



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

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities 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) ("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**

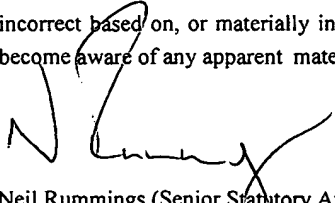
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

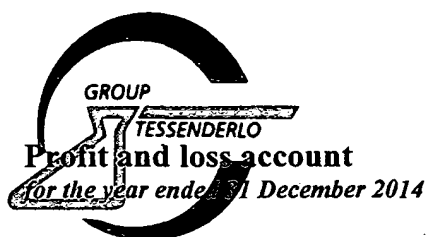
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

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 and Financial Statements 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.

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

24 September 2015



Tessenderlo Holding UK Limited  
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for the year ended 31 December 2014

# TESSENDERLO HOLDING UK Ltd

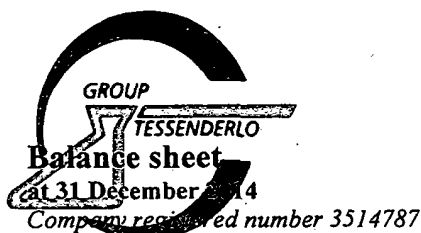
	Note	2014 £	2013 £
Administrative expenses		(162,471)	(222,675)
<b>Operating loss</b>	<b>2</b>	<b>(162,471)</b>	<b>(222,675)</b>
Interest receivable and similar income	3	843,611	1,842,478
Interest payable and similar charges	4	(954,143)	(2,449,359)
Write off of inter-company receivable		-	(834,409)
Profit on sale of Eurocell PLC		1,699,160	2,469,040
<b>Profit on ordinary activities before taxation</b>		<b>1,426,157</b>	<b>805,075</b>
Tax on profit on ordinary activities	5	(730,104)	279,115
<b>Profit for the financial year</b>	<b>12</b>	<b>696,053</b>	<b>1,084,190</b>

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.





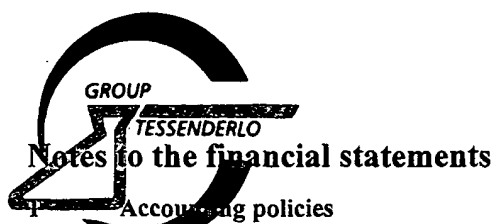
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**TESSENDERLO HOLDING**  
**UK Ltd**

	Note	2014	2013
		£	£
<b>Fixed assets</b>			
Investments	6	27,582,176	3,732,176
<b>Current assets</b>			
Debtors	7	17,973,925	21,170,708
Cash at bank and in hand		6,495,324	1,766,839
		<u>24,469,249</u>	<u>22,937,547</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(13,025,700)</u>	<u>(7,340,051)</u>
<b>Net current assets</b>			
Due within one year		10,643,549	11,347,496
Debtors due after more than one year		800,000	4,250,000
		<u>11,443,549</u>	<u>15,597,496</u>
<b>Total assets less current liabilities</b>		<u>39,025,725</u>	<u>19,329,672</u>
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(19,000,000)</u>	<u>-</u>
<b>Net assets</b>		<u>20,025,725</u>	<u>19,329,672</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,000,035	1,000,035
Profit and loss account	12	19,025,690	18,329,637
		<u>20,025,725</u>	<u>19,329,672</u>
<b>Total Shareholders' funds</b>	13	<u>20,025,725</u>	<u>19,329,672</u>

These financial statements on pages 6 to 14 were approved by the board of directors on 24/09/2015 and were signed on its behalf by:

**M Evans**

*Director*



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.

#### *Pension costs*

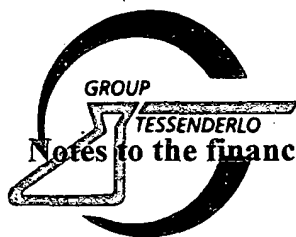
The company also is part of a merged defined benefit scheme. It is not possible for the company to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore under the multi-employer exemptions included within FRS 17 'Retirement Benefits', from 1 January 2011 the scheme has been accounted for on a defined contribution basis and contributions payable to the scheme in respect of the accounting period are charged to the profit and loss.

#### *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)

Tessenderlo Holding UK Limited  
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**TESSENDERLO HOLDING**  
**UK Ltd**

### 2 Operating loss

Operating loss is stated after charging:

	2014 £	2013 £
<i>Auditors' remuneration</i>		
Fees payable for the audit	3,000	3,000

The directors did not receive any emoluments in respect of their services to the company (2013: £nil).

### 3 Interest receivable and similar income

	2014 £	2013 £
Interest on loans to group undertakings	583,644	1,442,931
Other Income	259,967	399,547
	<u>843,611</u>	<u>1,842,478</u>

### 4 Interest payable and similar charges

	2014 £	2013 £
Interest on group loans	945,572	2,437,708
Other financial charges	8,571	9,346
Net exchange losses	-	2,305
	<u>954,143</u>	<u>2,449,359</u>



## Notes to the financial statements (continued)

# Tessenderlo Holding UK Limited Annual report and financial statements for the year ended 31 December 2014 **TESSENDERLO HOLDING** **UK Ltd**

### 5 Tax on profit on ordinary activities

	2014 £	2013 £
UK corporation tax	(184,178)	(279,115)
Adjustments in respect of prior year	914,282	-
Total current tax debit	730,104	(279,115)

#### Factors affecting the tax credit for the year:

The tax assessed for the year is lower (2013; lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2014 of 21.5% (2013; 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	1,426,157	805,075
Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK of 21.5% (2013: 23.25%)	306,624	187,180
Effects of		
Purchase Price Adjustment	(365,319)	-
Non taxable income	(125,483)	(98,198)
Release of provision re intercompany debt	-	(368,097)
Adjustments in respect of prior years	914,282	-
Current tax charge/(credit) for the year	730,104	(279,115)

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. On 8 July 2015, the government announced that the corporation tax rate applicable for 1 August 2017 would be 19% and from 1 April 2020 would be 18%. The proposed reductions in the rate of corporation tax are expected to be enacted during 2015.



## Notes to the financial statements (continued)

### 6 Investments

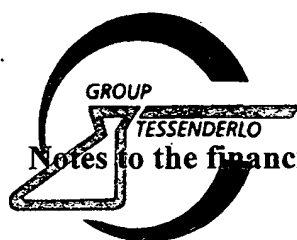
	Shares in subsidiary undertakings	
	2014	2013
	£	£
<b>Cost</b>		
At beginning of year	33,000,000	80,755,496
Acquisition	23,850,000	-
Disposal	-	(47,755,496)
At end of year	56,850,000	33,000,000
<b>Provisions</b>		
At beginning of year	29,267,824	52,817,774
Disposal	-	(23,549,950)
At end of year	29,267,824	29,267,824
Net book value at end of year	27,582,176	3,732,176

The directors believe that the carrying value of the investments is supported by their underlying net assets and future forecast performance.

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
Dyka UK Ltd	England and Wales	Producer and supplier of plastic pipe systems	100% ordinary
John Davidson (Holdings) Limited*	England and Wales	Dormant	100% ordinary
John Davidson (Pipes) Limited*	England and Wales	Producer and supplier of plastic pipe systems	100% ordinary
Pipewise (UK) Limited*	England and Wales	Dormant	100% ordinary
Pipewise (I.O.W.) Limited*	England and Wales	Dormant	100% ordinary
Duraplus Products Limited*	England and Wales	Dormant	100% ordinary
Milbar Industrial Plastics Limited*	England and Wales	Dormant	100% ordinary
Plumbwise Limited*	England and Wales	Dormant	100% ordinary
Pipewise (North) Limited*	England and Wales	Dormant	100% ordinary

\*Indirectly held



## Notes to the financial statements (continued)

Tessenderlo Holding UK Limited  
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# TESSENDERLO HOLDING UK Ltd

### 7 Debtors

	2014 £	2013 £
<b>Amounts falling due within one year</b>		
Amounts owed by third parties	-	6,237,000
Amounts owed by group undertakings	17,134,315	10,217,251
Other debtors	39,610	14,416
	<u>17,173,925</u>	<u>16,920,708</u>
<b>Due after one year</b>		
Amounts owed by group undertakings	800,000	2,000,000
Amounts owed by third parties	-	2,250,000
	<u>17,973,925</u>	<u>21,170,708</u>

Amounts owed by group undertakings after one year consist of £800,000 due from PB Gelatins UK Limited (2013: £2,000,000). Interest is received, according to loan agreements, at LIBOR + 0.9% per annum.

### 8 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank loans and overdraft	-	1,455,214
Amounts owed to group undertakings	13,025,700	5,884,837
Other creditors and accruals	-	-
	<u>13,025,700</u>	<u>7,340,051</u>

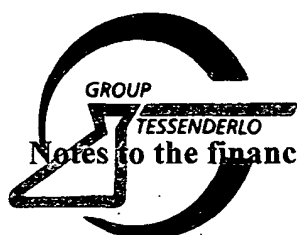
### 9 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Amounts owed to group undertakings	19,000,000	-

### 10 Creditors: amounts falling due after more than five years

	2014	2013
Installments	15,000,000	-

£1,000,000 paid annually on 31 July until 2021, then £14,000,000 paid 31 July 2021, no security.



**Notes to the financial statements (continued)**

**11 Called up share capital**

	2014 £	2013 £
<i>Issued, called up and fully paid</i>		
1,000,035 Ordinary shares of £1 each	1,000,035	1,000,035

**12 Profit and loss account**

	2014 £	2013 £
At beginning of year	18,329,637	(37,754,518)
Profit for the financial year	696,053	1,084,190
Cancellation of share capital	-	69,999,965
Dividends Paid	-	(15,000,000)
<b>At end of year</b>	<b>19,025,690</b>	<b>18,329,637</b>

**13 Reconciliation of movements in shareholders' funds**

	2014 £	2013 £
Profit for the financial year	696,053	1,084,190
Opening shareholders' funds	19,329,672	33,245,482
Dividends Paid	-	(15,000,000)
<b>Closing shareholders' funds</b>	<b>20,025,725</b>	<b>19,329,672</b>

**14 Pension Scheme**

On the 31 March 2012 a staff pension scheme providing benefits based on final pensionable pay was closed. Prior to closure, the final salary scheme was merged on 31 December 2007 with the schemes of two other group companies. The participating employers in the scheme following the transfer are Tessenderlo Fine Chemicals Limited and PB Gelatins UK Limited. Tessenderlo Holding UK Limited is the principle employer however it is not possible for the company to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis from this date. Therefore, under the multi-employer exemptions included within FRS 17 "Retirement benefits", from 1 January 2011 the scheme has been accounted for on a defined contribution basis and contributions payable to the scheme in respect of the accounting period have been charged to the profit and loss account.

Contributions paid for the year and accounted for on a defined contribution basis in respect of its employees participating in the scheme were £Nil (2013: £Nil).

The outstanding contributions at the end of the financial year were £Nil (2013: £Nil).



## Notes to the financial statements (continued)

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# TESSENDERLO HOLDING UK Ltd

### 15 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 Verbrugge 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.