

**SOLVAY SPECIALITY CHEMICALS  
LIMITED**

**Annual Report and Financial Statements**

**Year ended 31 December 2012**

**Registered Number: 3650616**



# **SOLVAY SPECIALITY CHEMICALS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2012**

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# **SOLVAY SPECIALITY CHEMICALS LIMITED**

## **DIRECTORS' REPORT**

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

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is the manufacture and sale of precipitated calcium carbonate

### **REVIEW OF FINANCIAL ACTIVITIES**

The revenue for the year was £9,419,000 (2011 £10,360,000), while the loss for the year after taxation was £320,000 (2011 profit £194,000)

Sales volumes declined during 2012 as a result of difficult economic conditions in Europe

The Company's statement of financial position shows net assets of £6,840,000 (2011 £7,654,000)

Details of employees are given in note 5

### **FUTURE PROSPECTS**

The Company's prospects are linked to increasing volumes and are dependent on returning growth to the European economy

### **DIVIDENDS**

No dividend was paid during the year (2011 £nil)

### **DIRECTORS**

Directors of the Company during the year and thereafter were as follows

S Webb

A Pritchard

H Kroeger

J Preat (resigned 31 May 2013)

A Valenduc (appointed 31 May 2013)

### **SECRETARY**

M Dawes

### **DIRECTORS' INTERESTS**

None of the directors held any interests in the share capital of the Company during the year (2011 – no interest)

### **STATEMENT ON PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the Company relate to demand for products, impacting on volumes sold and resultant profitability

The majority of sales are exported, and for those made to the UK market the price is still linked to Euros, so the exchange rate between the Euro and GBP and between the US dollar and GBP has an impact on the Company's results since the majority of its costs are in GBP

Long term supply agreements exist for its principal raw materials and utilities, many of which are supplied from local businesses

Sales prices are generally determined by reference to the European price, which when converted to GBP will be dependent on the exchange rate. If invoices are raised in a currency other than GBP (or if purchases are made in a currency other than GBP) the balances are assigned to a group Company (CICC) who convert the balances to GBP thus taking the exchange risk

# **SOLVAY SPECIALITY CHEMICALS LIMITED**

## **DIRECTORS' REPORT (continued)**

### **GOING CONCERN**

The directors have reviewed the current trading conditions of the Company and have considered future expectations for the business, in the light of the current uncertain economic outlook, and have satisfied themselves that the company can continue to respond positively to these conditions

The Company is not directly dependent on external sources of finance, but on loan balances held with group companies. Details of these balances with group companies are contained within notes 12 and 13. The Company's immediate holding company has indicated in writing its willingness to support the company as its liabilities fall due for the foreseeable future

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

### **SUPPLIER PAYMENT POLICY**

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of a contract, to ensure that suppliers are made aware of the terms of payment. The standard payment terms are 60 days with payment by BACS. These terms are not always achieved, but are always the starting point in any contract negotiation with suppliers

Trade creditors of the Company as at 31 December 2012 were equivalent to 42 days (2011: 32 days) purchases, based on the amount invoiced by suppliers during the year

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

Donations to charities amounted to £1,029 (2011: £830). There were no political donations made during the year (2011: £nil)

### **DISABLED EMPLOYEES**

The Company will continually strive to meet its obligations as an equal opportunities employer. In addition to complying with the requirements of the Disability Discrimination Act 2005 the Company will follow procedures designed to provide for fair consideration and selection of disabled applicants and comply with all statutory obligations in a positive manner

### **EMPLOYEE CONSULTATION**

The Company holds regular communication sessions to inform all employees of Company information such as Company performance, products and health, safety and environmental policies. The Company has a system for communication, consultation and negotiation with employees, and where relevant may elect special committees for consultation specific topics such as pension reform. The Company uses a wide variety of communication methods e.g. email, notice boards, line manager briefing to ensure all relevant information is communicated effectively

### **STATEMENT OF DISCLOSURE TO AUDITOR**

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

- (a) so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

# **SOLVAY SPECIALITY CHEMICALS LIMITED**

## **DIRECTORS' REPORT (continued)**

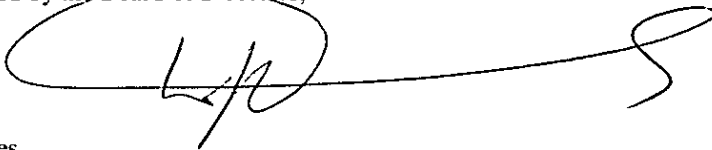
### **AUDITOR**

Deloitte LLP have expressed their willingness to continue as auditor. The Company, has agreed to retain Deloitte LLP as auditor, for another year, and as such Deloitte LLP are deemed reappointed.

### **REGISTERED OFFICE**

Solvay House  
Baronet Road  
Warrington  
Cheshire, WA4 6HA

Approved by the Board of Directors,

A handwritten signature in black ink, appearing to be 'M Dawes', written over a horizontal line.

M Dawes  
Secretary

19 September 2013

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLVAY SPECIALITY CHEMICALS LIMITED**

We have audited the financial statements of Solvay Speciality Chemicals Limited for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

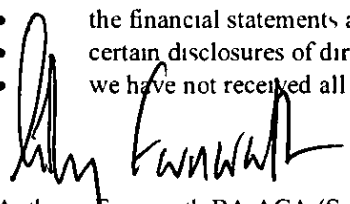
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

  
Anthony Farnworth BA ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom

25/09/2013

# SOLVAY SPECIALITY CHEMICALS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Revenue	3	9,419	10,360
Raw materials and consumables used		(3,652)	(3,638)
Lease costs		(35)	(30)
Staff costs	5	(2,059)	(1,969)
Other operating expenses		(3,515)	(3,969)
Amortisation of intangible assets and goodwill		(117)	(116)
Other income – recharges to group companies		107	80
Depreciation of property, plant and equipment		(880)	(852)
<b>Operating expenses</b>		<b>(10,151)</b>	<b>(10,494)</b>
<b>Loss from operations</b>	4	<b>(732)</b>	<b>(134)</b>
Finance costs	6	(89)	(77)
Investment revenue	6	273	267
<b>(Loss)/profit before tax</b>		<b>(548)</b>	<b>56</b>
Tax	7	228	138
<b>(Loss)/profit for the year</b>	18	<b>(320)</b>	<b>194</b>
<b>Statement of other comprehensive income</b>			
Actuarial (losses)/ gains on defined benefit pension plan		(621)	479
Tax	14	127	(146)
<b>Other comprehensive income</b>		<b>(494)</b>	<b>333</b>
<b>Total comprehensive income for the year</b>		<b>(814)</b>	<b>527</b>

The above results all derived from continuing operations

## STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2012

	2012 £'000	2011 £'000
Total comprehensive income for the year	(814)	527
Shareholder's funds at 1 January	7,654	7,127
Shareholder's funds at 31 December	6,840	7,654

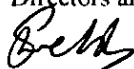


# SOLVAY SPECIALITY CHEMICALS LIMITED

## STATEMENT OF FINANCIAL POSITION As at 31 December 2012

	Notes	2012 £'000	2011 £'000
<b>Non-current assets</b>			
Goodwill	8	3 408	3,408
Other intangible assets	9	694	811
Property, plant and equipment	10	4,736	5,283
Deferred tax asset	14	49	58
Retirement benefit obligations	15	2,393	2,553
		<u>11,280</u>	<u>12,113</u>
<b>Current assets</b>			
Inventories	11	869	910
Trade and other receivables	12	1,784	1,663
Cash		16	22
		<u>2,669</u>	<u>2,595</u>
<b>Total assets</b>		<u>13,949</u>	<u>14,708</u>
<b>Current liabilities</b>			
Trade and other payables	13	(5,930)	(5,464)
		<u>(5,930)</u>	<u>(5,464)</u>
<b>Net current liabilities</b>		<u>(3,261)</u>	<u>(2,869)</u>
Deferred tax liabilities	14	(1,179)	(1,568)
Provisions		-	(22)
		<u>(1,179)</u>	<u>(1 590)</u>
<b>Total liabilities</b>		<u>(7,109)</u>	<u>(7,054)</u>
<b>Net assets</b>		<u>6,840</u>	<u>7,654</u>
<b>Equity</b>			
Called up share capital	17	7,000	7,000
Retained earnings	18	(160)	654
<b>Shareholder's funds</b>		<u>6,840</u>	<u>7,654</u>

These financial statements for Solvay Speciality Chemicals (Company no 3650616) were approved by the Board of Directors and authorised for issue on 18<sup>th</sup> September 2013. They were signed on its behalf by



S Webb

Director

# **SOLVAY SPECIALITY CHEMICALS LIMITED**

## **STATEMENT OF CASH FLOWS** **For the year ended 31 December 2012**

	<b>Notes</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Net cash inflow from operating activities</b>	20 a	143	289
<b>Investing activities</b>	20 b	(60)	(190)
<b>Financing activities</b>	20 c	(89)	(77)
<b>Net flow of cash and cash equivalents</b>		<u>(6)</u>	<u>22</u>
Cash and cash equivalents at 1 January		<u>22</u>	<u>-</u>
Cash and cash equivalents at 31 December		<u>16</u>	<u>22</u>

# **SOLVAY SPECIALITY CHEMICALS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2012**

### **1. GENERAL INFORMATION**

Solvay Speciality Chemicals Limited is a Company incorporated in England under the Companies Act 2006. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out on page 1.

The Company is wholly owned by Solvay UK Holding Company Limited, a company registered in England. The ultimate holding Company and controlling entity which consolidates these accounts, is Solvay SA, incorporated in Belgium. This is the head of the largest and smallest group in which these accounts are consolidated. Copies of this Company's accounts can be obtained from Solvay SA, 310 Rue du Ransbeek, 1120, Brussels, Belgium.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 1 (amended)	Government Loans
IFRS 7 (amended)	Disclosures – Offsetting Financial Assets and Financial Liabilities
Annual Improvements to IFRSs	(2009 – 2011) Cycle
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 10, IFRS 12 and IAS 27(amended)	Investment Entities
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 19	Employee Benefits
IAS 27 (revised)	Separate Financial Statements
IAS 28 (revised)	Investments in Associates and Joint Ventures
IAS 32 (amended)	Offsetting Financial Assets and Financial Liabilities

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of accounting**

The directors have reviewed the current trading conditions of the Company and have considered future expectations for the business, in the light of the current uncertain economic outlook, and have satisfied themselves that the company can continue to respond positively to these conditions.

The Company is not directly dependent on external sources of finance, but on loan balances held with group companies. Details of these balances with group companies are contained within notes 12 and 13. The Company's immediate holding company has indicated in writing its willingness to support the company as its liabilities fall due for the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 December 2012**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of accounting (continued)**

The financial statements are prepared under the historical cost convention, and the principal accounting policies are set out below

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for goods provided in the normal course of business, net of discounts, including carriage and insurance, but excluding VAT. Sales of goods are recognised when goods are delivered and title has passed

**Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see below)

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term even where payments are not made on such a basis

**Foreign currencies**

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates

The translations of foreign currencies are recorded at the rates of exchange prevailing on the date of the transactions. At each statement of financial position date monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing on the statement of financial position date and the gains or losses on translation are included in the statement of comprehensive income for the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

**Borrowing costs**

Borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred

**Profit from operations**

Profit from operations is stated after charging non-recurring costs, where applicable, but before investment income and finance costs

**Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 December 2012**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Retirement benefit costs**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution scheme.

The Company operates a defined benefit pension plan which covers the majority of employees. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each statement of financial position date.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

During 2011, the Company changed its accounting policy for the treatment of defined benefit pension plans and elected to present actuarial gains and losses arising in its defined benefit plan in the Statement of Comprehensive Income. Previously such gains and losses were recognised in the statement of comprehensive income using the corridor approach. This change has been made within the Solvay Group accounts as a result of harmonisation of accounting policies following the acquisition of Rhodia, and in anticipation of the changes due to take place from 1 January 2013 in the reporting requirement of IAS 19. This change of accounting policy has been accounted for retrospectively, and the comparative statements for 2010 have been restated. The effect of the change on 2010 is tabulated in the Directors' Report.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 December 2012**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property, plant and equipment**

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost, and are depreciated on a straight line basis having regard to their estimated useful lives, which are subject to review each year

Depreciation is provided at cost in equal annual instalments over the estimated useful lives of the assets, and commences when assets are ready for their intended use. The rates of depreciation are as follows

Freehold buildings	30 years
Leasehold buildings	Over life of lease
Assets in course of construction	No depreciation charged whilst asset under construction
Plant and machinery	15 years
Fixtures, fittings tools and equipment	5 years

The gain or loss arising on the disposal or retirement of assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income

**Research and development**

Expenditure is charged against profits in the year in which it is incurred

**Other intangible assets - patents**

Patents and licenses are measured initially at purchase cost and are amortised on a straight line basis over their estimated useful lives

**Goodwill**

Goodwill is measured at historical cost and is tested annually for impairment, or more frequently if indications of possible impairment arise. Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the previous UK GAAP amounts, subject to being tested for impairment at that date

**Impairment of tangible and intangible assets excluding goodwill**

At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 December 2012**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Inventories**

Raw materials, work in progress and finished products are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs incurred in marketing, selling and distribution.

**Financial instruments**

*Capital risk management*

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of a debt and equity balance. The capital structure of the Company consists of borrowings from group companies (note 13), cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings.

*Foreign currency risk management*

Virtually all of the Company's financial transactions are undertaken in pounds sterling. All trade debtors and creditors are assigned in sterling to the Group's internal bank (CICC). Consequently, currency risk is minimal and no specific financial instruments are in place to deal with this. Exposure to exchange rate fluctuations is at Group level.

*Interest rate risk management*

The interest rate payable by the Company is determined by Bank of England base rates and the margin on the Group's European Medium Term Note (EMTN) issue, as detailed in note 13.

*Credit risk management*

All trade debtors are assigned by the Company to CICC. Payments are made by CICC according to the due dates, adjusted on a rolling basis to reflect actual payment experience. CICC examines information on current and potential third party customers supplied by independent rating agencies. The Group has credit insurance in place.

*Liquidity risk management*

Although ultimate responsibility for liquidity risk management rests with the board of directors, the Company's position is underwritten by the Group's treasury support function. The Group itself manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecasts and actual cash flows provided by the various group companies.

**Financial assets**

*Trade receivables*

Trade receivables and other receivables have fixed or determinable payments and are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

*Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impaired. For trade receivables, the carrying amount is reduced through the use of an allowance account.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances in bank accounts which are readily convertible to a known amount of cash with limited exchange risk.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 December 2012**

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial liabilities**

*Bank borrowings*

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

*Trade payables*

Trade payables are not interest bearing and are stated at their nominal value.

**Critical accounting estimates and judgements**

Estimates and judgements are evaluated based on a number of factors including historical experience and expectation of future events that are believed to be reasonable. The preparation of financial statements under IFRS requires management to make estimates and assumptions concerning the future and the key areas are discussed below.

*Impairment of property, plant and equipment goodwill and intangible assets*

Impairment reviews of the Company's property, plant and equipment are performed on an annual basis. The carrying values of goodwill and other intangible assets are also reviewed, with reference to the net present value of future forecasted cash flows of the company.

*Retirement benefits*

This is an area that requires certain assumptions to be made in order to value our obligations and determine the costs charged to the statement of comprehensive income. These figures are particularly sensitive to assumptions in discount rates, mortality, rates of inflation and expected return on assets. Details of the assumptions made are given in note 15.

Assumptions made are mutually consistent but may not be borne out in practice over the long term. The net liability stated in note 15 is based upon a valuation of scheme assets that are not intended to be realised in the short term and which may change significantly. The net surplus stated in note 15 is also based upon an actuarial valuation of scheme liabilities which is based upon cash flow projections over very long periods of time thus causing the valuation to be inherently uncertain.

**3 REVENUE**

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and Value Added Tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity. Revenues are invoiced to a group selling Company who deduct commission costs and invoice the end customer.

	2012 £'000	2011 £'000
<b>Geographical analysis of product sales</b>		
Continental Europe	5,533	6,413
North America	2,309	1,708
UK	308	443
Scandinavia	115	173
Eastern Europe	43	37
Asia	892	1,178
Other	219	408
	<u>9,419</u>	<u>10,360</u>



# SOLVAY SPECIALITY CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued For the year ended 31 December 2012

### 4. LOSS FROM OPERATIONS

Loss from operations is stated after charging

	2012 £'000	2011 £'000
Amortisation of other intangible assets – licences (note 9)	117	116
Depreciation of tangible fixed assets (note 10)	880	852
Operating lease rentals		
Plant and machinery	19	18
Others	16	12
Auditor's remuneration for audit of the company's annual accounts	15	15

There were no fees payable to Deloitte LLP in respect of non-audit services (2011 same)

### 5. STAFF COSTS

The average monthly number of employees (including executive directors) was

	2012 No.	2011 No.
Manufacturing	35	35
Management and administration	7	7
	<u>42</u>	<u>42</u>

Their aggregate remuneration comprised

	2012 £'000	2011 £'000
Wages and salaries	1,572	1,593
Social security costs	155	159
Other pension costs	332	217
	<u>2,059</u>	<u>1,969</u>

#### Directors' remuneration

	2012 £'000	2011 £'000
Directors' emoluments	84	81

	2012 No.	2011 No.
Number of directors who are members of defined benefit pension scheme	1	1

One director is a member of Interlox section of the Solvay UK Defined Benefit Pension Scheme (disclosed in the statutory accounts for Solvay Interlox Limited for the year ended 31 December 2012). In 2011, 1 director was a member of the same scheme

Employer contributions paid by the company in respect of directors were £15,661 (2011 £11,965)

# SOLVAY SPECIALITY CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued For the year ended 31 December 2012

### 6. FINANCE COSTS

	2012 £'000	2011 £'000
Interest payable to group undertaking	89	77
Interest payable to group is payable to Solvay UK Holding Company Limited		
<b>INVESTMENT REVENUE</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Net interest on the net defined benefit liability	273	266
Other	-	1
	<u>273</u>	<u>267</u>

### 7. TAX CREDIT ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax assessed for the year is different from that resulting from applying the standard rate of corporation tax in the UK

	2012 £'000	2011 £'000
UK corporation tax		
- Current year	(6)	(115)
- Prior year	31	(27)
Deferred tax		
- Current year	(139)	127
- Prior year	-	6
- Rate change	(114)	(129)
	<u>(228)</u>	<u>(138)</u>

The tax credit is higher (2011 higher) than the standard rate of corporation tax

Corporation tax is calculated at 24.5% (2011 26.5%) of the estimated assessable loss/profit for the year

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

The credit for the year can be reconciled to the loss/profit per the income statement as follows

	2012 £'000	2011 £'000
(Loss)/profit on ordinary activities before tax	(548)	56
Tax at the UK corporation tax rate of 24.5% (2011 26.5%)	135	(15)
Tax effect of expenses that are not deductible in determining taxable profit	(5)	(5)
Tax effect of prior year corporation tax adjustments	(30)	27
Tax effect of prior year deferred tax adjustments	-	(6)
Tax effect of deferred tax movements	128	137
Tax credit for the year	<u>228</u>	<u>138</u>

# SOLVAY SPECIALITY CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued For the year ended 31 December 2012

### 8 GOODWILL

Goodwill represents the excess consideration over the fair value of assets purchased in respect of an acquisition in 1998 of a company involved in the sale of precipitated calcium carbonate

	2012 £'000	2011 £'000
<b>Cost</b>		
At 1 January and 31 December	5,891	5,891
<b>Impairment</b>		
At 1 January and 31 December	2,483	2,483
<b>Carrying amount</b>		
At 31 December	3,408	3,408

The Company annually tests goodwill for impairment, or more frequently if there are indications that goodwill might be impaired. The key assumptions used in the value in use calculations are those regarding the discount rates, revenue and cost growth rates, and the level of capital expenditure required during the year. The Company prepares five-year cash flow forecasts derived from the annual budget. The cash flow forecasts reflect the risk associated with the assets of the Company. The rate used to discount the forecast cash flows is 8.1% (2011: 8.5%). Cash flows for years beyond 2012 are extrapolated on a straight line basis, ignoring any pricing or extrapolated growth rates, due to the inherent uncertainties of forecasting in the medium to longer term. No impairment charge was recognised in 2012 (2011: £nil).

### 9. OTHER INTANGIBLE ASSETS

	2012 £'000	2011 £'000
<b>Cost</b>		
At 1 January and 31 December	2,312	2,312
<b>Amortisation</b>		
At 1 January	1,501	1,385
Amortisation charge for the year	117	116
At 31 December	1,618	1,501
<b>Carrying amount</b>		
At 31 December	694	811

Other intangible assets relate to patents and licences

# SOLVAY SPECIALITY CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued For the year ended 31 December 2012

### 10 PROPERTY, PLANT AND EQUIPMENT

	Freehold and long leasehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Assets in course of construc- tion £'000	Total £'000
<b>Cost</b>					
At 1 January 2011	2,139	11,117	139	581	13,976
Additions	1	181	13	262	457
Transfers	60	521	-	(581)	-
At 1 January 2012	2,200	11,819	152	262	14,433
Additions	55	97	13	168	333
Transfers	102	160	-	(262)	-
At 31 December 2012	2,357	12,076	165	168	14,766
<b>Depreciation</b>					
At 1 January 2011	1,009	7,153	136	-	8,298
Charge for the year	101	747	4	-	852
At 1 January 2012	1,110	7,900	140	-	9,150
Charge for the year	107	768	5	-	880
At 31 December 2012	1,217	8,668	145	-	10,030
<b>Carrying amount</b>					
At 31 December 2012	1,140	3,408	20	168	4,736
At 31 December 2011	1,090	3,919	12	262	5,283

Land and buildings include freehold land of £267,000 (2011 £267,000) which is not depreciated

### 11 INVENTORIES

	2012 £'000	2011 £'000
Raw material and consumables	120	127
Finished goods and goods for resale	590	617
Engineering stores	159	166
	<u>869</u>	<u>910</u>

# SOLVAY SPECIALITY CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued For the year ended 31 December 2012

### 12. TRADE AND OTHER RECEIVABLES

	2012 £'000	2011 £'000
Amounts owed by group undertakings – trade	997	1,368
Other debtors	613	59
Corporation tax receivable	161	185
Prepayments and accrued income	13	51
	<u>1,784</u>	<u>1,663</u>

The average credit period taken on the sale of these goods is 60 days. Bad debt experience is very limited and therefore no provision against the carrying amount is made. No interest has been charged on any overdue receivables during the year. The directors consider that the carrying amount of trade and other receivables approximates their fair value. Receivables have been assigned to the Group's internal bank and credit risk within Solvay Speciality Chemicals Ltd has been eliminated. All amounts are paid in the invoiced currency negating any exchange risk.

At 31 December 2012 and 31 December 2011 there were no items included in the Company's trade receivable balance which were past due but not impaired by more than 60 days.

The credit risk of the Company with regard to debtors is considered to be low as the Company assigns its debts without recourse to Coordination Internationale des Credits Commerciaux (CICC). CICC is a group company. Additionally, all the Company's sales are to group companies.

All invoices raised by the Company are passed to CICC.

The Company chases individual debts however the risk passes to CICC, who pay the Company according to the customers' average payment terms. Where a customer is new, CICC pay the debt to the Company using the average payment terms from customers in that country.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

#### **Bank balances and cash**

Bank balances and cash comprise cash held by the Company. The carrying amount of these assets approximates their fair value.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 December 2012**

**13 TRADE AND OTHER PAYABLES**

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs and amounts due to group undertakings. The average credit period taken for trade purchases is shown within the directors' report on page 2.

The directors consider that the carrying amount of trade payables approximates their fair value.

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	213	257
Amounts owed to group undertakings - loan	5,051	4,629
- trade	209	184
Other creditors	47	46
Accruals and deferred income	410	348
	<u>5,930</u>	<u>5,464</u>

All borrowings are in pounds sterling.

Trade accounts are held with Solvay UK Holding Company Limited, a Group company, and any overdraft is charged at European Medium Term Note (EMTN) plus 35 (2011: 20) base points.

The exposure to the above interest rates is dependent on the UK base rate and European Medium Term Note and the effect of a 1% increase in interest rates would be to reduce the Company's profit for the year by £48,000.

As all accounts are designated in sterling there is no exchange risk.

The average interest rates paid during the year were as follows:

	<b>2012</b>	<b>2011</b>
	<b>%</b>	<b>%</b>
Loans from related parties	1.84%	1.69%

**14 DEFERRED TAX**

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting year:

	<b>Accelerated tax depreciation £'000</b>	<b>Short term timing differences £'000</b>	<b>Intangibles £'000</b>	<b>Non- qualifying buildings £'000</b>	<b>Retirement benefit obligation £'000</b>	<b>Total £'000</b>
At 1 January 2012	680	(58)	203	47	638	1,510
(Credit)/charge to profit and loss	(247)	9	(43)	(11)	39	(253)
Credit to other comprehensive income	-	-	-	-	(127)	(127)
At 31 December 2012	<u>433</u>	<u>(49)</u>	<u>160</u>	<u>36</u>	<u>550</u>	<u>1,130</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 December 2012**

**14 DEFERRED TAX (continued)**

Certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes

	2012 £'000	2011 £'000
Deferred tax liabilities	1,179	1,568
Deferred tax assets	(49)	(58)
	<u>1,130</u>	<u>1,510</u>

**15 RETIREMENT BENEFIT SCHEMES**

The Company operates a defined benefit scheme, the Solvay UK Defined Benefit Pension Scheme – Solvay Speciality Chemicals Section. Under the plan, the employees are entitled to retirement benefits by final salary on attainment of a retirement age of 62. No other post-retirement benefits are provided. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2011 by independent consulting actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The cumulative amount of actuarial gains and losses recognised in the other comprehensive income statement since the date of transition to IFRS is £1,527,000 (2011: £906,000).

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Valuation at 31 December 2012 £'000	Valuation at 31 December 2011 £'000	Valuation at 31 December 2010 £'000
Discount rate	4.25%	4.75%	5.75%
Expected return on plan assets	5.70%	5.70%	5.90%
Expected rate of salary increases	3.50%	3.50%	4.75%
Future pension increases (RPI)	2.75%	2.75%	3.25%
Future pension on increases (CPI)	2.75%	2.75%	2.65%

Mortality assumptions are reviewed annually and entirely refreshed at each triennial valuation. The current assumptions are based on "SINA-1 CMI projections" with 1% p.a. long-term.

The amount recognised within non-current assets in the statement of financial position in respect of the Company's defined retirement benefit plan is as follows:

	Valuation at 31 December 2012 £'000	Valuation at 31 December 2011 £'000	Valuation at 31 December 2010 (restated) £'000
Fair value	19,017	17,813	17,336
Present value of funded obligations	(16,624)	(15,260)	(16,143)
	<u>2,393</u>	<u>2,553</u>	<u>1,193</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 December 2012**

**15. RETIREMENT BENEFIT SCHEMES (continued)**

Amounts recognised in the statement of comprehensive income in respect of the defined benefit plan are as follows

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	280	218
Interest on obligation	751	756
Expected return on plan assets	(1,024)	(1,022)
	<u>(52)</u>	<u>(44)</u>
Amounts recognised and paid by other group companies		
Net expense recognised	<u>(45)</u>	<u>(92)</u>

The charge for the year is included in the employee benefits expense and investment return in the statement of comprehensive income

Changes in the present value of the defined benefit obligation are as follows

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	15,260	16,143
Service cost	280	218
Interest cost	751	756
Actuarial losses/(gains)	1,374	(1,288)
Actual employee contributions	45	50
Benefits paid	(1,088)	(619)
Closing defined benefit obligation	<u>16,622</u>	<u>15,260</u>

Changes in the fair value of plan assets are as follows

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	17,813	17,336
Expected return on plan assets	1,024	1,022
Actuarial gains/(losses)	755	(809)
Contributions by employer	468	833
Contributions by employee	45	50
Benefits paid	(1,088)	(619)
Closing fair value of plan assets	<u>19,017</u>	<u>17,813</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 December 2012**

**15 RETIREMENT BENEFIT SCHEMES (continued)**

The fair value of scheme assets at the statement of financial position date is analysed as follows

	Fair value at 31 December 2012 £'000	Fair value at 31 December 2011 £'000	Fair value at 31 December 2010 (restated) £'000
Equity investments	7,138	6,947	9,015
Bonds	10,995	9,797	8,321
Other	884	1,069	-
	<u>19,017</u>	<u>17,813</u>	<u>17,336</u>

The plan assets do not include any of the Group's own financial instruments, nor any property occupied by, or other assets used by, the Company. The basis for determining expected rate of return is to take actuarial guidance on an annual basis.

The history of the plan for the current and prior periods is set out below

	2012 £'000	2011 £'000	2010 (restated) £'000	2009 £'000	2008 £'000
Present value of defined benefit obligations	(16,624)	(15,260)	(16,143)	(15,901)	(13,052)
Fair value of scheme assets	19,017	17,813	17,336	15,594	13,142
Surplus/(deficit) in the scheme	<u>2,393</u>	<u>2,553</u>	<u>1,193</u>	<u>(307)</u>	<u>90</u>
Experience adjustments on scheme liabilities Amount	(212)	1,978	(299)	152	460
Percentage of scheme liabilities (%)	<u>(1.3%)</u>	<u>13.0%</u>	<u>(1.9%)</u>	<u>1.0%</u>	<u>3.5%</u>
Experience adjustments on scheme assets Amount	755	(809)	856	908	(3,093)
Percentage of scheme assets (%)	<u>4.0%</u>	<u>(4.5%)</u>	<u>4.9%</u>	<u>5.8%</u>	<u>(23.5%)</u>

**Experience adjustments on plan assets**

Expected return on plan assets was £1,024,000 compared to actual return of £1,779,000 (2011 expected return of £1,022,000 compared to actual return £213,000)

**Future contributions**

The Company expects to contribute approximately £483,000 to its section of the Solvay UK Defined Benefit Pension Scheme in 2012. Employee contributions are 5% of pensionable payroll.

**Solvay UK Defined Benefits Pension Scheme – Interlox Section**

In addition to its defined benefit pension scheme, the Company also makes contributions for one employee to the Solvay UK Defined Benefit Pension Scheme – Interlox section.

The Company takes the exemptions provided by IAS19 (30), where insufficient information is available to determine its share of the assets and liabilities of the scheme, to account for contributions to the scheme on a defined contribution basis.

The contributions made for the year were £15,662 (2011 £11,966)

# SOLVAY SPECIALITY CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued For the year ended 31 December 2012

### 15 RETIREMENT BENEFIT SCHEMES (continued)

The estimated funding position of the scheme was made up as follows

	2012 £'000	2011 £'000
Fair value of scheme assets	83,986	76,482
Present value of scheme liabilities	(87,857)	(80,698)
Net pension deficit	(3,871)	(4,216)

#### Defined Contribution Pension Schemes

The Solvay Group Pension Plan is a contract based defined contribution scheme. The cost of contributions to this scheme amounted to £36,351 (2011 - £30,368)

### 16 OPERATING LEASE ARRANGEMENTS

	2012 £'000	2011 £'000
Lease payments under operating leases recognised as an expense in the year	35	30
At the statement of financial position date, the Company has outstanding commitments under non-cancellable operating lease, which fall due as follows		
Within one year	35	32
In the second to fifth years inclusive	67	94

Operating lease payments represent leases payable by the Company for the lease of cars, and plant and machinery. Car leases are negotiated for an average of 3 years.

### 17 CALLED UP SHARE CAPITAL EQUITY INTERESTS

	2012 £'000	2011 £'000
<b>Authorised</b>		
10,000,000 ordinary shares of £1 each	10,000	10,000
<b>Called up, allotted and fully paid</b>		
7,000,000 ordinary shares of £1 each	7,000	7,000

The company has one class of ordinary shares which carry no right to fixed income.

### 18 RECONCILIATION OF MOVEMENT IN PROFIT AND LOSS RESERVE

	2012 £'000	2011 £'000
(Loss)/profit for the year	(320)	194
Other comprehensive income for the year	(494)	333
Profit and loss account at 1 January	654	127
Profit and loss account at 31 December	(160)	654

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 December 2012**

**19. CONTROL**

The company is wholly owned by its parent, Solvay UK Holding Company Limited, a company registered in England

The company's ultimate parent undertaking is Solvay S A incorporated in Belgium, a company listed on the NYSE Euronext Stock Exchange in Brussels and Paris

At the end of the financial year, the parent undertaking of the smallest and largest group of undertakings for which group accounts were drawn up and of which the company was a member was Solvay S A. Copies of this company's financial statements can be obtained from Solvay S A, 310 Rue de Ransbeek, 1120 Brussels, Belgium

Further details concerning the company's registered office as required by the Companies Act 2006, are set out on page 3

**20. NOTES TO STATEMENT OF CASH FLOWS**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<b>a) Operating cash flow</b>		
Loss from operations	(732)	(134)
Adjustments for		
Depreciation on property plant and equipment	880	852
Amortisation of other intangible assets	117	116
Increase in provision	(22)	-
Increase in pension asset	(461)	(881)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(218)	(47)
Decrease/(increase)/ in inventories	41	(60)
(Decrease)/increase in receivables	(146)	1,023
Increase/(decrease) in payables	466	(394)
	<hr/>	<hr/>
Cash generated by operations	143	522
Corporation taxes paid	-	(233)
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>143</u>	<u>289</u>
 <b>b) Investing cash flow</b>		
Acquisition of plant and equipment	(333)	(457)
Income investment	273	267
	<hr/>	<hr/>
Net cash outflow from investing activities	<u>(60)</u>	<u>(190)</u>
 <b>c) Financing cash flow</b>		
Interest paid	(89)	(77)
	<hr/>	<hr/>
Net cash outflow from financing activities	<u>(89)</u>	<u>(77)</u>

# SOLVAY SPECIALITY CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 December 2012

### 21. RELATED PARTIES

During the year, the Company entered into the following transactions with related parties which are related due to common control exercised by Solvay SA

	Sales of goods or other service income		Purchases of goods or services		Amounts owed by related parties		Amounts owed to related parties	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	2012	2011	2012	2011	2012	2011	2012	2011
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Solvay Chemicals Inc	-	853	-	-	-	-	-	-
Solvay 3S	-	-	113	66	-	-	-	-
Solvay Chemicals International SA	6,563	8,599	-	-	112	61	-	-
Solvay Intertox Limited	45	-	272	161	2	-	60	13
Solvay SA	-	20	548	780	-	4	13	59
Solvay CICC	-	-	3	3	879	1,303	102	107
Solvay Fluor GmbH	-	-	105	102	-	-	9	5
Solvay Fluoride	2,308	855	-	-	-	-	-	-
Solvay Chemicals Shanghai	548	53	-	-	-	-	-	-
Solvay Peptides	-	28	221	116	-	-	-	-
Solvay Bario Derivatives	-	-	-	3	-	-	-	-
Solvay Chemicals GmbH	14	-	140	-	1	-	14	-
Solvay Specialities France SAS	18	-	129	-	2	-	11	-
Solvay Oesterreich GmbH	7	-	-	-	1	-	-	-
Solvay Chimica It	-	-	3	-	-	-	-	-
Solvay Specialty Polymers UK Limited	7	-	-	-	-	-	-	-
Solvay UK Holding Company Limited- Loan	-	-	-	-	-	-	5,051	4,629
	<u>9,510</u>	<u>10,408</u>	<u>1,534</u>	<u>1,231</u>	<u>997</u>	<u>1,368</u>	<u>5,260</u>	<u>4,813</u>

Related party interest transactions are disclosed in note 6

Related party transactions with directors are set out in note 5