

Company Registration No 3767080

Huntsman (UK) Limited
Report and Financial Statements
for the year ended 31 December 2012

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Huntsman (UK) Limited, Company Registration 3767080

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Huntsman (UK) Limited, Company Registration 3767080

OFFICERS AND PROFESSIONAL ADVISERS

Directors

P R Huntsman
J K Esplin
D Emerson
M A J Maughan (resigned 31 October 2012)
M C Dixon
D Gilliland (appointed 31 October 2012)

Secretary

M A J Maughan (resigned 31 October 2012)
D Gilliland (appointed 31 October 2012)

Registered Office

Titanium House
Hazard Drive
Wynyard Park
Stockton on Tees
England
TS22 5FD

Solicitors

Dickinson Dees LLP
St Anns Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

Auditor

Deloitte LLP
Chartered Accountants and Registered Auditor
Newcastle upon Tyne

Huntsman (UK) Limited, Company Registration 3767080

DIRECTORS' REPORT

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

ACTIVITIES AND CURRENT DEVELOPMENTS

Huntsman (UK) Limited is a UK intermediate holding company for certain of the worldwide subsidiaries of Huntsman Corporation. The principal areas of operation of the group are the manufacture and sale of titanium dioxide pigments, textile chemicals and dyes, polyurethane chemicals and surfactants.

FUTURE PROSPECTS

The directors consider the state of affairs at the end of the year and the future prospects of the company to be satisfactory.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5. A dividend of £10,425,481 (2011: £nil) was paid during the year.

PRINCIPAL RISK AND UNCERTAINTIES

The company does not trade but is exposed to risk associated with changes in foreign exchange rates. These risks are monitored on an ongoing basis but the company does not enter into any hedging activity and does not use financial instruments in this regard.

GOING CONCERN

The company is a non-trading entity and is therefore affected by the current uncertain economic environment to the extent it impacts the availability of finance and support from its ultimate parent company. A letter of support has been received from Huntsman International LLC confirming its commitment to provide necessary support to the company as may be required, for the 12 months from the date of signing.

Having made enquiries, the Directors are not aware of any circumstances that would impact on the ability of Huntsman International LLC to provide the funds required to remain in operation for the foreseeable future taking into account reasonable possible changes in trading performance.

As a result the directors have concluded that it is appropriate to prepare the company's financial statements on a going concern basis.

DIRECTORS AND THEIR INTERESTS

The following persons held office as Directors during the year and since:

P R Huntsman

L R Healy (resigned 20 February 2012)

J K Esplin

D Emerson

M A J Maughan (resigned 31 October 2012)

M C Dixon

D Gilliland (appointed 31 October 2012)

AUDITORS

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Directors
and signed on behalf of the Board



M C Dixon

Director

Date: 5 August 2013

Huntsman (UK) Limited, Company Registration 3767080

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 such financial statements for each financial year. Under that law the directors have elected to prepare 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 proper accounting records that 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



M C Dixon
Director

Date 5 August 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUNTSMAN (UK) LIMITED

We have audited the financial statements of Huntsman (UK) Limited for the year ended 31st December 2012 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds, the statement of total recognised gains and losses and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

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 auditors

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the accounts 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 implication 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 31st December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters in which we are required to report by exception

We have nothing to report in respect of the following matters which 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, or
- the Directors were not entitled to take advantage of the small companies regime in preparing the Directors' report.



Paul Feechan (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle-upon-Tyne
Date 5 August 2013

Huntsman (UK) Limited, Company Registration 3767080

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Income from shares in group undertaking	4	10,425	-
OPERATING RESULT		<u>10,425</u>	<u>-</u>
Provisions raised against investments	8	(2 690)	-
Interest receivable and similar income	5	3,727	914
Interest payable and similar charges	6	-	(13)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>11,462</u>	<u>901</u>
Tax on profit on ordinary activities	7	858	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u><u>12 320</u></u>	<u><u>901</u></u>

All of the results are derived from continuing operations

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 December 2012**

	Note	2012 £'000	2011 £'000
As at 1 January		125,261	6,337
Profit for the financial year attributable to the members		12 320	901
Retranslation of investments		-	(3,952)
Shares issued in the year	12	-	121,975
Dividend paid on equity shares	13	<u>(10,425)</u>	<u>-</u>
As at 31 December		<u><u>127 156</u></u>	<u><u>125 261</u></u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2012**

	2012 £'000	2011 £'000
Profit for the financial year	12,320	901
Retranslation of investments	-	(3 952)
Total recognised gains/(losses) in the year	<u><u>12 320</u></u>	<u><u>(3 051)</u></u>

Huntsman (UK) Limited, Company Registration 3767080

BALANCE SHEET

31 December 2012

	Note	2012 £'000	2012 £'000	2011 £'000	2011 £'000
FIXED ASSETS					
Investments	8		-		2,690
DEFERRED TAX· due within one year	11		858		-
Debtors					
Due within one year	9	4,323		596	
Due after one year	10	<u>121,975</u>		<u>121,975</u>	
DEBTORS		<u>126,298</u>		<u>122,571</u>	
NET CURRENT ASSETS			127,156		122,571
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>127,156</u>		<u>125,261</u>
NET ASSETS			<u>127,156</u>		<u>125,261</u>
CAPITAL AND RESERVES					
Called-up share capital	12		97,580		97,580
Share premium	13		24,395		24,395
Profit and loss account	13		5,181		3,286
TOTAL SHAREHOLDERS' FUNDS	13		<u>127,156</u>		<u>125,261</u>

These financial statements of Huntsman (UK) Limited (Registration number 3767080) were approved by the Board of Directors on 5 August 2013 and signed on their behalf by



M C Dixon
Director

Huntsman (UK) Limited, Company Registration 3767080

NOTES TO THE ACCOUNTS

for the year ended 31 December 2012

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The principal accounting policies which have been applied consistently in both the current and prior years are described below.

Accounting Convention

The financial statements are prepared under the historical cost convention.

Going Concern

The company is a non-trading entity and is therefore affected by the current uncertain economic environment to the extent it impacts the availability of finance and support from its ultimate parent company. A letter of support has been received from Huntsman International LLC confirming its commitment to provide necessary support to the company as may be required, for the 12 months from the date of signing.

Having made enquiries, the Directors are not aware of any circumstances that would impact on the ability of Huntsman International LLC to provide the funds required to remain in operation for the foreseeable future taking into account reasonable possible changes in trading performance.

As a result the directors have concluded that it is appropriate to prepare the company's financial statements on a going concern basis.

Consolidation

The company has taken advantage of section 401 of the Companies Act 2006, therefore consolidated group accounts have not been prepared.

Cash Flow

The company does not publish a cash flow statement in accordance with Financial Reporting Standard 1 "Cash Flow Statements (Revised 1996)" as the ultimate parent company's financial statements include a consolidated cash flow statement.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value. Investments held in foreign currencies are translated at historic or hedged rates. Any differences from historic rate are taken to the foreign exchange retranslation reserve.

Foreign Exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the ruling rates at that date. These translation differences are dealt with in the profit and loss account.

Current Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS

for the year ended 31 December 2012

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the directors received any remuneration in respect of services to the company during the period (2011 £nil)
The company had no other employees during the period (2011 nil)

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditor's remuneration of £3,000 (2011 £5,000) has been incurred for the audit of the company's statutory accounts
This has been paid by a fellow Huntsman subsidiary in both the current and prior year. The amount is not reclaimed by the subsidiary. There were no fees for non audit services in either the current or prior period.

4. INCOME FROM SHARES IN GROUP UNDERTAKING	2012 £'000	2011 £'000
Dividends received from subsidiary undertakings	10 425	-
	<u>10 425</u>	<u>-</u>
5 INTEREST RECEIVABLE AND SIMILAR INCOME	2012 £'000	2011 £'000
Foreign exchange gains on intergroup loans	9	-
Interest receivable on intergroup loans	3 718	914
	<u>3 727</u>	<u>914</u>
6 INTEREST PAYABLE AND SIMILAR CHARGES	2012 £'000	2011 £'000
Interest payable on intergroup loans	-	13
	<u>-</u>	<u>13</u>
7 TAX ON PROFIT ON ORDINARY ACTIVITIES	2012 £'000	2011 £'000
Analysis of tax on ordinary activities		
Current taxation	-	-
Deferred taxation		
Timing differences relating to non trading losses carried forward	(858)	-
	<u>(858)</u>	<u>-</u>
Factors affecting tax on ordinary activities -	2012	2011
The current tax charge for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	%	%
The differences are explained below		
Standard tax rate for the year as a percentage of profit	24.5	26.5
Effects of -		
Utilisation of tax losses	(8.0)	(26.5)
Income not taxable for tax purposes	<u>(16.5)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2012

8	INVESTMENTS HELD AS FIXED ASSETS	2012 £'000 Shares in Subsidiaries	2011 £'000 Shares in Subsidiaries
	Cost		
	As at 1 January	11,937	11 937
	Disposals	-	-
	As at 31 December	<u>11 937</u>	<u>11 937</u>
	Provision for diminution in value		
	As at 1 January	9 247	9,247
	Provisions made in the year	2 690	-
	As at 31 December	<u>11 937</u>	<u>9,247</u>
	Net Book Value	<u>-</u>	<u>2,690</u>

The company had the following direct investment in a subsidiary as at 31 December 2012. This subsidiary was involved in the holding of investments in various Huntsman subsidiary companies.

	Country of Registration and Operation	Proportion of Nominal Value of Ordinary Shares Held
Tioxide Overseas Holdings Limited	England & Wales	100%

There have been no additions or disposals during the year. The company has continued to hold its investment in Tioxide Overseas Holdings Limited.

In April 2012 the investee company, Tioxide Overseas Holdings Limited, reduced its share capital by £25 million to £1 and its net assets were reduced accordingly. In consequence, the recoverable value of the company's investment was also reduced and an impairment has been recognised.

9	DEBTORS, AMOUNTS FALLING DUE WITHIN ONE YEAR	2012 £'000	2011 £'000
	Amounts owed by group undertakings	<u>4 323</u>	<u>596</u>
		<u>4 323</u>	<u>596</u>
10	DEBTORS, AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2012 £'000	2011 £'000
	Amounts owed by group undertakings	<u>121 975</u>	<u>121,975</u>
		<u>121,975</u>	<u>121 975</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2012

11	DEFERRED TAX	2012 £'000	2011 £'000
	Deferred tax asset comprises		
	Timing differences relating to non trading losses carried forward	858	-
		<u>858</u>	<u>-</u>
	Balance at 1 January	-	-
	Deferred Tax credited in profit and loss account (Note 7)	858	-
	Balance at 31 December	<u>858</u>	<u>-</u>

A deferred tax asset of £858,000 (2011 £nil) has been recognised in respect of timing differences relating to non trading losses carried forward. The amount of the asset not recognised is £1 318 000 (2011 £3 638 000), as there is insufficient evidence that the asset will be recovered. Any such deferred tax asset would be recovered if sufficient taxable profits were made in future years.

12.	CALLED-UP SHARE CAPITAL	2012 No. Shares	2012 £'000	2011 No. Shares	2011 £'000
	Called-up, allotted and fully paid				
	Ordinary shares of £1 each	97 580,208	97,580	97 580,208	97,580
		<u>97 580 208</u>	<u>97 580</u>	<u>97 580,208</u>	<u>97,580</u>

During the prior year the company issued 97,580,207 £1 ordinary shares at a premium of £0.25 each for a total proceeds of £121,975,259.

13	STATEMENT OF MOVEMENTS IN RESERVES	Share Capital £'000	Share Premium £'000	Loss Account £'000	Total £'000
	Balance at 1 January 2012	97 580	24,395	3,286	125,261
	Profit for the year	-	-	12 320	12,320
	Dividends paid on equity shares	-	-	(10,425)	(10,425)
	Balance at 31 December 2012	<u>97,580</u>	<u>24 395</u>	<u>5 181</u>	<u>127 156</u>

On 27 April 2012 the company paid a dividend of £10 425,481 to Huntsman (Holdings) UK.

14 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available within FRS 8 "Related Party Disclosures" which allows it not to disclose transactions with other group companies.

Huntsman (UK) Limited, Company Registration 3767080

NOTES TO THE ACCOUNTS

for the year ended 31 December 2012

15. ULTIMATE PARENT COMPANY

The immediate parent company is Huntsman (Holdings) UK. At 31 December 2012 the ultimate parent undertaking of Huntsman (UK) Limited was Huntsman Corporation, a company incorporated in the United States of America.

The results of Huntsman (UK) Limited for the year ended 31 December 2012 have been consolidated in the accounts of Huntsman (Holdings) Netherlands BV and Huntsman Corporation being the smallest and the largest parent undertaking to prepare group accounts which include Huntsman (UK) Limited.

Copies of the financial statements of Huntsman Corporation may be obtained from the Internet at www.huntsman.com