

ANNUAL REPORT 2005
CRODA WORLD TRADERS LTD

Registered Number: 155113

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the eighty-seventh Annual General Meeting of the Company will be held at Cowick Hall, Snaith, Goole, East Yorkshire DN14 9AA on Tuesday 25 April 2006 at 9.15 am.

Ordinary business

1. To receive and consider the directors' report and the audited accounts for the year ended 31 December 2005.
2. To re-elect directors.
3. To reappoint PricewaterhouseCoopers LLP as auditors to the Company and to authorise the directors to determine their remuneration.
4. To transact any other ordinary business.

By order of the Board



A M McIntyre Secretary
Cowick Hall
Snaith
Goole
East Yorkshire
DN14 9AA

23 March 2006

Any member of the Company entitled to attend and vote at the meeting may appoint another person or persons as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.

To be valid, instruments appointing proxies and powers of attorney, or other authorities under which they are signed, must be deposited at the registered office of the Company not less than 48 hours before the meeting.

CRODA WORLD TRADERS LTD

Directors

M Humphrey
Mrs B M Richmond

Secretary and Registered Office

Mrs A M McIntyre
Cowick Hall
Snaith
Goole
East Yorkshire
DN14 9AA

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP

Cowick Hall, Snaith, Goole, East Yorkshire DN14 9AA
Telephone 01405 860551 Fax 01405 861767

CRODA WORLD TRADERS LTD REPORT OF THE DIRECTORS

The directors submit their annual report and the audited accounts for the year ended 31 December 2005.

1. Activities of the company

The Company is an investment holding company.

2. Results and dividends

The results for the year are set out on page 6.

3. Directors

The director retiring by rotation is Mrs B M Richmond. She is not standing for re-election. Neither of the directors has a service agreement with the Company.

Interests and contracts

No director had any beneficial interest in the share capital of Croda World Traders Ltd.

The beneficial interests of M Humphrey and B M Richmond in the share capital of the ultimate parent company (including holdings of their families), are disclosed in that company's annual report.

No director had any beneficial interest, other than in the ordinary course of business, in any contract to which the Company or a subsidiary was a party during the period.

4. Tangible fixed assets

Details of tangible fixed asset changes during the year are summarised in note 6 to the accounts on page 10.

5. Charitable and political donations

Charitable donations made by the Company during the year amounted to £nil (2004: Nil). No donation was made for political purposes.

6. Statement of directors' responsibilities

The following statement, which should be read in conjunction with the report of the auditors set out on page 5, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors consider that, in preparing the financial statements on pages 6 to 12 inclusive, the Company has used appropriate accounting policies, applied in a consistent manner and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed.

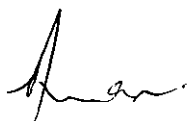
The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

CRODA WORLD TRADERS LTD
REPORT OF THE DIRECTORS

7. Auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint them as auditors to the Company will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'A M McIntyre', is written over the printed name.

A M McIntyre Secretary
23 March 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRODA WORLD TRADERS LTD

We have audited the financial statements of Croda World Traders Limited for the year ended 31 December 2005 which comprise of the profit and loss account, the balance sheet, the accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

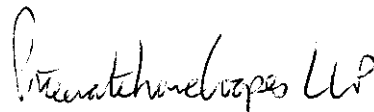
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Leeds
23 March 2006

CRODA WORLD TRADERS LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	NOTES	2005 £000	2004 £000
Turnover	1	-	162
Cost of sales		-	(108)
Gross profit		-	54
Distribution costs		-	(12)
Administrative expenses		(25)	(41)
Operating loss	2	(25)	1
Exceptional items	3	-	320
Interest payable	4	-	(1)
Loss on ordinary activities before tax		(25)	320
Tax on profit on ordinary activities	5	-	(18)
Loss for the year	11	(25)	302

There are no recognised gains or losses except for those included above in the profit and loss account.

There is no material difference between the result as disclosed in the profit and loss account and the result on an historical cost basis.

Movements in shareholders' funds are shown in note 11 to the accounts on page 12.

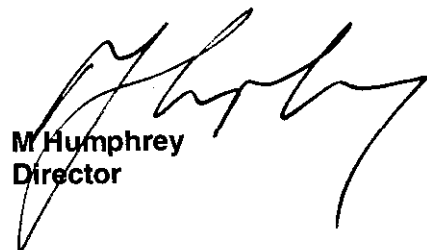
All amounts above relate to discontinued operations.

CRODA WORLD TRADERS LTD
BALANCE SHEET AT 31 DECEMBER 2005

	NOTES	31 December 2005		31 December 2004	
		£000	£000	£000	£000
Fixed assets					
Investments in subsidiary undertakings	6		1,902		2,685
					<u>2,685</u>
Current assets					
Debtors	7	10,001		10,001	
		<u>10,001</u>		<u>10,001</u>	
Creditors: amounts falling due within one year	8	(7)		(21)	
Net current assets			9,994		9,980
Total assets less current liabilities			<u>11,896</u>		<u>12,665</u>
Creditors: amounts falling due after more than one year	9		(5,009)		(5,753)
Net assets			<u>6,887</u>		<u>6,912</u>
Capital and reserves					
Called up equity share capital	10		7,963		7,963
Profit and loss account	11		(1,076)		(1,051)
Shareholders' funds			<u>6,887</u>		<u>6,912</u>

Shareholders' funds include non-equity interests of £750,000 (2004: £750,000).

Signed on behalf of the Board who
approved the accounts on 23 March 2006


M Humphrey
Director

CRODA WORLD TRADERS LTD ACCOUNTING POLICIES

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

Basis of accounting

The accounts are prepared under the historical cost convention, as modified by the periodic revaluation of properties, in compliance with the provisions of the Companies Act 1985 and applicable United Kingdom Accounting Standards.

These policies have been consistently applied to the years presented, except for the adoption of FRS 21 'Events after the balance sheet date'. Comparative numbers did not require restatement as a dividend was not proposed in the prior year.

Consolidated accounts are not presented as the Company is a wholly owned subsidiary of Croda International Plc, a company registered in England.

Revenue recognition

Sales are recognised as revenue in the period in which the significant risks and rewards of ownership have been transferred to a third party.

Cash flow

The Company is a wholly owned subsidiary of Croda International Plc and is included in the consolidated financial statements of this company which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

CRODA WORLD TRADERS LTD
NOTES TO THE ACCOUNTS

1. Turnover

The geographical analysis of sales by market area is as follows:

	2005 £000	2004 £000
United Kingdom	-	159
Europe	-	3
	<hr/>	<hr/>
	-	162

2. Operating loss

	2005 £000	2004 £000
The operating loss is stated after charging		
Depreciation	-	12
Staff costs (note 12)	-	54
Auditors' remuneration	-	10

3. Exceptional items

	2005 £000	2004 £000
Loss on disposal of businesses		
Profit or loss on disposal and provision for closure	-	(287)
	<hr/>	<hr/>
	-	(287)
Profit on disposal of fixed assets	-	607
	<hr/>	<hr/>
	-	320

4. Interest payable

	2005 £000	2004 £000
Interest payable on bank overdrafts	-	1
	<hr/>	<hr/>

CRODA WORLD TRADERS LTD
NOTES TO THE ACCOUNTS

5. Tax on profit on ordinary activities

2005
£000

2004
£000

Analysis of charge for the year

Deferred taxation

- 18

Included above is a tax credit in respect of exceptional items of £Nil (2004: Nil).

United Kingdom corporation tax has been provided at the rate of 30% (2004: 30%).

Factors affecting the current tax charge for the year

Loss on ordinary activities before tax

(25) 320

Tax at the standard rate of corporation tax in the UK

(8) 96

Effect of:

Expenses and write offs not deductible for tax purposes

8 86

Other (including untaxed gains)

- (182)

- -

6. Investments in subsidiary undertakings

£000

Cost less amounts written off

At 1 January 2005

2,685

Disposal

(783)

At 31 December 2005

1,902

During the year the Company liquidated its subsidiaries Supachef Catering Services Ltd, Croda Rendering Ltd and Foray 503 Ltd.

The principal subsidiary undertakings are listed below. All companies are wholly owned and are dormant. A full list of subsidiary undertakings is attached to the Company's latest annual return as required by s.231 Companies Act 1985.

United Kingdom subsidiary undertakings (Registered in England)

Croda Bakery Services Ltd

John L Seaton & Company Ltd

Croda Food Services Ltd

Croda Fire Fighting Chemicals Ltd

ABC Powder Co Ltd

In the opinion of the directors the value of the investments in subsidiary undertakings is not less than the amounts at which they are stated in the balance sheet.

CRODA WORLD TRADERS LTD
NOTES TO THE ACCOUNTS

7. Debtors

	2005	2004
	£000	£000
Amounts owed by group undertakings	9,087	9,087
Corporate taxation	914	914
	10,001	10,001
Amounts falling due after more than one year included above		
Amounts owed to group undertakings	9,087	9,087

8. Creditors: amounts falling due within one year

	2005	2004
	£000	£000
Other creditors	7	21

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

	2005	2004
	£000	£000
Amounts due to Croda International Plc	5,009	5,753

10. Share capital

	Authorised		Allotted, called up and fully paid	
	2005	2004	2005	2004
	£000	£000	£000	£000
Ordinary shares of 25p	8,000	8,000	7,213	7,213
4.9% cumulative preference shares of £1	750	750	750	750
	8,750	8,750	7,963	7,963

The preference shares carry no voting rights other than in certain circumstances affecting the rights of the preference shareholders, details of which are set out in the Company's Articles of Association. In a winding up, preference shareholders have priority among members to the assets of the Company available for distribution. Rights on a winding up are limited to repayment of capital and any arrears of dividends.

CRODA WORLD TRADERS LTD
NOTES TO THE ACCOUNTS

11. Reconciliation of movements in shareholders' funds

	Share capital £000	Profit and loss account £000	Total share- holders' funds £000
At 1 January 2005	7,963	(1,051)	6,912
Loss for the year	-	(25)	(25)
	<hr/>	<hr/>	<hr/>
At 31 December 2005	7,963	(1,076)	6,887
	<hr/>	<hr/>	<hr/>

12. Directors and employees

Directors' remuneration

None (2004: none) of the directors received any emoluments as directors of Croda World Traders Ltd.

Employment costs

	2005 £000	2004 £000
Employment costs of all employees		
Wages and salaries	-	48
Social security costs	-	4
Pension costs	-	2
	<hr/>	<hr/>
	-	54
	<hr/>	<hr/>

13. Related party transactions

Advantage has been taken of the exemption available under FRS 8 from disclosing transactions with other group undertakings. There were no other material related party transactions during the year.

14. Ultimate parent company

The ultimate parent company is Croda International Plc, a company registered in England. Croda International Plc group is the largest and smallest group of which the Company is a member and for which group accounts are prepared. Copies of the group accounts can be obtained from the company secretary at the registered office of the Company.