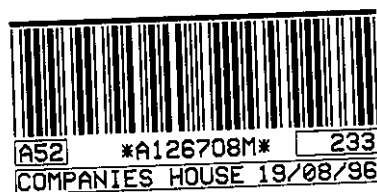


**ANNUAL REPORT 1995**  
**CRODA WORLD TRADERS LTD**

Registered Number: 155113



# **CRODA WORLD TRADERS LTD**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the seventy-seventh Annual General Meeting of the Company will be held at Cowick Hall, Snaith, Goole DN14 9AA, on Wednesday 8 May 1996 at 9.15 am.

### **Ordinary business**

1. To receive and consider the directors' report and the audited accounts for the year ended 31 December 1995.
2. To ratify dividends.
3. To re-elect directors. The director to retire by rotation is A R Fenney.
4. To re-appoint Price Waterhouse as auditors of the company and to authorise the directors to determine their remuneration.
5. To transact any other ordinary business.

### **By order of the Board**



**G E Bates** Secretary  
Cowick Hall  
Snaith  
Goole  
DN14 9AA

11 April 1996

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.

Copies of directors' contracts of service, other than those expiring or determinable without payment of compensation within one year, are available for inspection at the registered office of the company during the usual business hours and will be available for fifteen minutes prior to and during the meeting.

**CRODA WORLD TRADERS LTD**

**DIRECTORS**

**Chairman**

K G G Hopkins

**Directors**

A R Fenney Managing Director  
G E Bates

**Secretary and Registered Office**

G E Bates  
Cowick Hall  
Snaith Goole  
DN14 9AA

**Auditors**

Price Waterhouse  
Chartered Accountants  
and Registered Auditors  
Southwark Towers  
32 London Bridge Street  
London SE1 9SY

**Bankers**

National Westminster Bank Plc  
19 Silver Street  
Hull  
HU1 1JQ

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

# **CRODA WORLD TRADERS LTD**

## **REPORT OF THE DIRECTORS FOR 1995**

The directors submit their annual report and the audited accounts for the year ended 31 December 1995.

### **1. Activities of the company**

The principal activities are centred on the processing of gelatin, food acids, proteins, fire fighting chemicals and technical oils which the directors regard as a single class of business.

The ultimate parent company is Croda International Plc, a company registered in England.

### **2. Review of business activities**

With all areas of the business performing well, the company turned in another good result in 1995. The recent substantial investment programme continued and the acquisition of ABC Powder Co Ltd will complement our fire fighting chemical operation.

### **3. Profit and appropriations**

Details of the profit and appropriations appear in the profit and loss account on page 6.

### **4. Directors**

Interests and contracts

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

The statement below shows persons who were directors on 31 December 1995 indicating their beneficial interests in the ordinary share capital of the ultimate parent company (including holdings of their families).

#### **Croda International Plc Shareholdings**

	At 31 December 1995		At 31 December 1994	
	Ordinary shares 10p	5.25% Preference shares £1	Ordinary shares 10p	5.25% Preference shares £1
K G G Hopkins	109,133	2,050	106,672	2,050
G E Bates	74,108	2,617	68,107	2,617
A R Fenney	139,054	-	133,827	-

No director had any interest in either the 5.9% or 6.6% preference shares of Croda International Plc.

During the period 1 January 1996 to 25 March 1996 G E Bates increased his ordinary shareholding in the company by an additional 44 shares and A R Fenney increased his ordinary shareholding in the company by an additional 74 shares.

# CRODA WORLD TRADERS LTD

## REPORT OF THE DIRECTORS

### 4. Directors (continued)

#### Croda International Plc Options

	At 31 December 1995		At 31 December 1994	
	Executive share options Ordinary shares 10p	SAYE share options Ordinary shares 10p	Executive share options Ordinary shares 10p	SAYE share options Ordinary shares 10p
K G G Hopkins	182,000	11,410	182,000	15,624
G E Bates	20,000	9,631	20,000	11,738
A R Fenney	94,000	9,675	94,000	15,996

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.

#### Changes in directors

The director to retire by rotation is A R Fenney. A R Fenney does not have a service agreement with the company. G D Bull retired as a director on 31 March 1995.

### 5. Tangible fixed assets

Details of tangible fixed asset changes during the year are summarised in note 6 to the accounts on page 11.

### 6. Acquisitions

On 24 November 1995 the company acquired the whole of the share capital of Foray 503 Ltd. This company's wholly owned subsidiary, ABC Powder Co Ltd, manufactures fire-fighting chemicals. Full details of the acquisition are given in note 19 to the accounts on page 16.

### 7. Charitable and political donations

Charitable donations made by the company during the year amounted to £1,574 (1994: £587). No donation was made for political purposes.

### 8. Employment policies

The company's employment policies encourage the provision of employment opportunities for disabled people, racial minorities and other disadvantaged groups. The company endeavours to keep its employees well informed about the progress of their company.

### 9. Research and development

Each manufacturing division carries out its own research and development programmes to suit its own particular market and product needs.

### 10. Auditors

Price Waterhouse have indicated their willingness to continue in office and a resolution concerning their re-appointment will be submitted to the Annual General Meeting.

**CRODA WORLD TRADERS LTD**

**REPORT OF THE DIRECTORS**

**11. Shareholders**

The company is a wholly owned subsidiary of Croda International Plc, a company registered in England.

**By Order of the Board**

A handwritten signature in black ink, appearing to read 'G E Bates', written in a cursive style.

**G E Bates Secretary**

25 March 1996

## **CRODA WORLD TRADERS LTD**

### **DIRECTORS' RESPONSIBILITIES**

#### **In respect of the preparation of the financial statements**

The directors are required by UK company law to present financial statements 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 of the company for the financial year. In preparing the financial statements suitable accounting policies have been consistently applied, supported by reasonable and prudent judgements. All applicable accounting standards have been followed.

The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

### **REPORT OF THE AUDITORS**

#### **To the members of Croda World Traders Ltd**

We have audited the financial statements on pages 6 to 16 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 8 and 9.

#### **Respective responsibilities of directors and auditors**

As described above, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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 judgements 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 mis-statement, 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 of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Price Waterhouse  
Chartered Accountants  
and Registered Auditors

Southwark Towers  
32 London Bridge Street  
London SE1 9SY

25 March 1996

**CRODA WORLD TRADERS LTD**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1995**

	NOTES	1995 £000	1994 £000
Turnover	1	81,214	74,907
Cost of sales		67,634	(62,280)
Gross profit		13,580	12,627
Distribution costs		(3,693)	(3,735)
Administrative expenses		(3,248)	(3,071)
Other operating income	2	20	-
Operating profit	3	6,659	5,821
Loss on sale of properties		(371)	(106)
Net interest payable	4	(408)	(452)
Profit on ordinary activities before taxation		5,880	5,263
Tax on profit on ordinary activities	5	(1,753)	(1,804)
Profit on ordinary activities after taxation		4,127	3,459
Dividends			
Interim ordinary dividend paid		(3,500)	(2,000)
Transfer to reserves		627	1,459

There were 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 16 to the accounts on page 15.

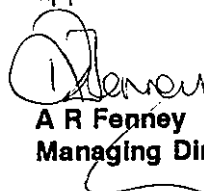


**CRODA WORLD TRADERS LTD**  
**BALANCE SHEET AT 31 DECEMBER 1995**

	NOTES	31 December 1995		31 December 1994	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	6		22,076		20,964
Investments in subsidiary undertakings	9		6,240		3,272
			<u>28,316</u>		<u>24,236</u>
Current assets					
Stocks	10	8,282		9,190	
Debtors	11	12,068		11,125	
Cash at bank and in hand		170		726	
		<u>20,520</u>		<u>21,041</u>	
Creditors: amounts falling due within one year	12	(16,217)		(17,460)	
		<u></u>		<u></u>	
Net current assets			4,303		3,581
			<u></u>		<u></u>
Total assets less current liabilities			32,619		27,817
Creditors: amounts falling due after more than one year	13		(17,979)		(13,804)
			<u></u>		<u></u>
			14,640		14,013
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	15		7,963		7,963
Revaluation reserve	16		2,586		2,586
Profit and loss account	16		4,091		3,464
			<u></u>		<u></u>
Shareholders' funds			14,640		14,013
			<u></u>		<u></u>

Shareholders' funds include non-equity interests of £750,000 (£1994: £750,000).

Signed on behalf of the Board who  
approved the accounts on 25 March 1996

  
**A R Fenney**  
**Managing Director**

## **CRODA WORLD TRADERS LTD ACCOUNTING POLICIES**

### **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.

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

### **Properties**

The principal properties are valued on an open market existing use basis by professional valuers from time to time, in order to reflect in the accounts the current values of properties. The profit or loss on disposal of properties represents the difference between the net proceeds of sale and the net book value and is included in the profit and loss account.

### **Leased assets**

Assets acquired under finance leases are included in the balance sheet under tangible fixed assets at an amount reflecting the fair value of the asset. Depreciation is provided in accordance with the company's accounting policy for the class of asset concerned. The capital element of future lease rentals is included in creditors. Finance charges are allocated to the profit and loss account each year in proportion to the capital element outstanding. The cost of operating leases is charged to the profit and loss account as incurred.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write down the cost of all tangible fixed assets, except freehold land, over their estimated useful lives on a straight line basis. The estimated average life for each major asset category is:

Freehold buildings	40 years
Leasehold land and buildings	lesser of term of lease and 40 years
Plant and equipment	10 years
Vehicles cars	3 years
lorries and other vehicles	5 years

### **Retirement benefits**

The retirement benefit obligations of the company are financed by contributions to separate funds. The contributions which are made on the basis of actuarial advice, are taken to the profit and loss account as paid.

### **Stocks**

Stocks are stated at the lower of cost and net realisable amount on a first in first out basis. Cost comprises all expenditure, including related production overheads, incurred in the normal course of business in bringing the stock to its location and condition at the balance sheet date.

### **Research and development expenditure**

Expenditure on research and development, other than on tangible fixed assets, is written off against profits as incurred.

**CRODA WORLD TRADERS LTD**  
**ACCOUNTING POLICIES (Continued)**

**Currency translations**

Assets and liabilities are translated at the exchange rates ruling at the end of the financial period. Exchange profits or losses realised on trading transactions are included in trading results.

**Deferred taxation**

No provision is made for taxation deferred because of timing differences between profits as computed for taxation purposes and profits as stated in the accounts except to the extent that such taxation is likely to be payable in the foreseeable future. Timing differences are due primarily to the differences of tax allowances on tangible fixed assets and the corresponding depreciation charged to the accounts.

**CRODA WORLD TRADERS LTD**  
**NOTES TO THE ACCOUNTS**

1. Turnover

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

	1995 £000	1994 £000
United Kingdom	47,466	44,087
Europe	10,402	9,518
Americas	10,090	10,480
Australasia	706	568
Africa and Asia	12,550	10,254
	<hr/>	<hr/>
	81,214	74,907
	<hr/>	<hr/>

2. Other operating income

Sale of borehole	20	-
	<hr/>	<hr/>

3. Operating profit

The operating profit is stated after charging

Depreciation	2,378	2,192
Redundancy costs	20	-
Staff costs (note 18)	9,926	9,411
Auditors' remuneration	53	54
Management charge from parent company	1,000	800
Hire charges under operating leases		
- plant	250	198
- other	3	73
Research and development	606	492

4. Net interest payable

Bank overdrafts	466	505
Finance charges payable under finance leases	2	4
	<hr/>	<hr/>
	468	509
	<hr/>	<hr/>
Less: interest receivable	(60)	(57)
	<hr/>	<hr/>
	408	452
	<hr/>	<hr/>

**CRODA WORLD TRADERS LTD**  
**NOTES TO THE ACCOUNTS**

5. Tax on profit on ordinary activities

	1995 £000	1994 £000
United Kingdom taxation		
Corporation tax		
- current	2,090	1,915
- prior year over provision	(337)	(111)
	<hr/>	<hr/>
	1,753	1,804
	<hr/>	<hr/>

United Kingdom corporation tax has been provided at the rate of 33% (1994 - 33%).

The tax charge benefited by £60,007 in respect of depreciation in excess of capital allowances (1994 - suffered by £66,000).

6. Tangible fixed assets

	<u>Land and buildings</u>		Plant and	Total
	Freehold	Long leasehold	equipment	
	£000	£000	£000	£000
Cost or valuation				
At 1 January 1995	10,001	741	29,233	39,975
External additions	945	15	3,545	4,505
Additions from Group undertakings	-	-	37	37
External disposals	(1,014)	-	(335)	(1,349)
Disposals to Group undertakings	-	-	(11)	(11)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1995	9,932	756	32,469	43,157
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 1995	557	70	18,384	19,011
Additions from Group undertakings	-	-	15	15
External disposals	-	-	(316)	(316)
Disposal to Group undertakings	-	-	(7)	(7)
Charge for year	142	19	2,217	2,378
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1995	699	89	20,293	21,081
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
At 31 December 1995	9,233	667	12,176	22,076
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	9,444	671	10,849	20,964
	<hr/>	<hr/>	<hr/>	<hr/>

The net book amount of plant and equipment held under finance leases included above is £1,000. In 1995 depreciation of £27,000 has been charged to the profit and loss account in respect of these assets.

**CRODA WORLD TRADERS LTD**  
**NOTES TO THE ACCOUNTS**

7. Tangible fixed assets restated to historical cost

	1995 £000
Land and buildings analysis	
Cost	5,276
Valuations: 1988	5,412
	<hr/>
	10,688
Less: revaluation surpluses	(743)
	<hr/>
Historical cost	9,945
Less: depreciation	(2,060)
	<hr/>
<b>Net historical cost value at 31 December 1995</b>	<b>7,885</b>
	<hr/>
Net historical cost value at 31 December 1994	8,152
	<hr/>

8. Commitments

	1995 £000	1994 £000
Capital projects		
At 31 December 1995 the directors had authorised the following expenditure on capital projects		
- contracted but not provided for	2,878	1,341
- authorised but not contracted for	7,669	3,079
	<hr/>	<hr/>
	10,547	4,420
	<hr/>	<hr/>
	<b>Land &amp; buildings £000</b>	<b>Other £000</b>
Operating leases		
At 31 December 1995 the company's annual commitments in respect of operating leases were		
Leases which expire		
- in less than one year	-	9
- in one to five years	-	5
- after five years	3	2
	<hr/>	<hr/>
	3	16
	<hr/>	<hr/>

**CRODA WORLD TRADERS LTD**  
**NOTES TO THE ACCOUNTS**

**9. Investments in subsidiary undertakings**

	<b>1995</b> <b>£000</b>
Cost less amounts written off	
At 1 January 1995	<b>3,272</b>
Investment in Croda Bowmans Ltd	<b>145</b>
Investment in Foray 503 Ltd	<b>2,823</b>
	<hr/>
At 31 December 1995	<b>6,240</b>
	<hr/>

Shares in subsidiary undertakings are stated at cost less amounts written off.

The principal subsidiary undertakings are listed below. The whole of the issued share capital of Foray 503 Ltd was acquired during the year. It has a wholly owned trading subsidiary, ABC Powder Co Ltd. All other 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 Kerr 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.

**10. Stocks**

	<b>1995</b> <b>£000</b>	<b>1994</b> <b>£000</b>
Raw materials	<b>2,358</b>	<b>2,408</b>
Work in progress	<b>493</b>	<b>451</b>
Finished stocks	<b>5,431</b>	<b>6,331</b>
	<hr/>	<hr/>
	<b>8,282</b>	<b>9,190</b>
	<hr/>	<hr/>

The replacement cost of stocks held at 31 December 1995 and 31 December 1994 was not materially different from the amounts shown above.

**11. Debtors**

	<b>1995</b> <b>£000</b>	<b>1994</b> <b>£000</b>
Falling due within one year		
Trade debtors	<b>10,329</b>	<b>9,711</b>
Amounts owed by Group undertakings	<b>1,279</b>	<b>954</b>
Other debtors	<b>296</b>	<b>285</b>
Prepayments and accrued income	<b>164</b>	<b>175</b>
	<hr/>	<hr/>
	<b>12,068</b>	<b>11,125</b>
	<hr/>	<hr/>

**CRODA WORLD TRADERS LTD**  
**NOTES TO THE ACCOUNTS**

12. Creditors: amounts falling due within one year	1995 £000	1994 £000
Bank loans and overdrafts	4,733	6,952
Obligations under finance leases	-	41
Trade creditors	6,544	5,026
Amounts due to Croda International Plc	462	431
Amounts due to Group undertakings	99	1,075
Corporate taxation	1,962	1,880
Other taxation and social security	192	143
Other creditors	152	412
Accruals and deferred income	2,073	1,500
	<hr/>	<hr/>
	16,217	17,460
	<hr/>	<hr/>
13. Creditors: amounts falling due after more than one year		
Obligations under finance leases payable		
- between one and five years	-	9
Amounts due to Croda International Plc	17,979	13,795
	<hr/>	<hr/>
	17,979	13,804
	<hr/>	<hr/>
14. Deferred taxation	1995 £000	1994 £000
Potential amount for all timing differences		
Timing differences due to		
Excess of capital allowances over depreciation	2,896	2,668
Capital gains deferred by roll over relief	546	546
	<hr/>	<hr/>
	3,442	3,214
	<hr/>	<hr/>

United Kingdom potential deferred taxation is based on a rate of corporation tax of 33% (1994 - 33%).

No provision for deferred taxation is made in the accounts because in the opinion of the directors no such taxation is likely to be payable in the foreseeable future.



**CRODA WORLD TRADERS LTD**  
**NOTES TO THE ACCOUNTS**

**NOTES TO THE ACCOUNTS**

**15. Share capital**

	Authorised		Issued and fully paid	
	1995	1994	1995	1994
	£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
	<hr/>	<hr/>	<hr/>	<hr/>
	8,750	8,750	7,963	7,963
	<hr/>	<hr/>	<hr/>	<hr/>

**16. Shareholders' funds**

	Share capital	Revaluation reserve	Profit and loss account	Total shareholders funds
	£000	£000	£000	£000
As at 1 January 1995	7,963	2,586	3,464	14,013
Profit for the financial year	-	-	4,127	4,127
Dividends	-	-	(3,500)	(3,500)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 1995</b>	<b>7,963</b>	<b>2,586</b>	<b>4,091</b>	<b>14,640</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**17. Pension obligations**

The company's employees are members of group schemes.

The principal schemes are of the defined benefit type with assets held in separate trustee administered funds.

Details of the latest actuarial valuations and the assumptions underlying them are contained in the financial statements of Croda International Plc, the ultimate parent company.

**CRODA WORLD TRADERS LTD**  
**NOTES TO THE ACCOUNTS**

**18. Directors and employees**

Directors' remuneration

	1995	1994
Remuneration as executives	£18,879	£89,651
Remuneration (excluding pension contributions) of directors employed wholly or mainly in the UK		
Chairman	-	-
Highest paid director	£18,879	£72,037

Other directors

Exceeding £	Not Exceeding £	1995 number	1994 number
	Nil	2	2
15,000	20,000	-	1

Employment costs

Employment costs of all employees including directors

	1995 £000	1994 £000
Wages and salaries	9,190	8,698
Social Security costs	736	713
	<hr/> 9,926	<hr/> 9,411
Employee Numbers	number	number
The average number of persons employed was	<hr/> 478	<hr/> 484

**19. Acquisitions**

During the year the whole of the issued share capital of Foray 503 Ltd was acquired for a cash consideration of £2.8 million. ABC Powder Co Ltd, its trading subsidiary, manufactures fire-fighting chemicals.

**20. 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.