

**Quaker Specialty Chemicals (UK)
Limited**

Annual Report and Financial Statements

Period Ended

31 December 2019

Company Number 12071471

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Quaker Specialty Chemicals (UK) Limited

**Annual report and financial statements
for the period ended 31 December 2019**

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Directors

M D Hall
R T Traub
N A Ogden

Registered office

Unit C 42 Sayer Drive, Lyons Park, Coventry, CV5 9PF

Company number

12071471

Auditor

BDO LLP, Two Snowhill, Birmingham, B4 6GA

Quaker Specialty Chemicals (UK) Limited

Strategic report for the period ended 31 December 2019

The directors present their strategic report together with the audited financial statements for the period from incorporation on 26 June 2019 to 31 December 2019.

Principal activity and review of business

The company's principal activity is that of an intermediate holding company.

During the period, the company acquired the operating divisions of Norman Hay plc, a private UK company with a strong global presence that provides speciality chemicals, operating equipment, and services to industrial end markets. Subsequent to the acquisition, a number of the subsidiaries acquired were transferred to fellow group companies. No gain or loss arose on the transfer of those subsidiaries.

To fund the aforementioned acquisitions the company entered into and drew down on intercompany loans. Other than the of servicing these debts, there was no trading activity during the period.

100 ordinary shares were issued on incorporation at par value. On 1 October 2019, a further 2 ordinary £1 shares were issued for consideration of £43,223,326 resulting in a credit to the share premium account of £43,223,324.

On 31 December 2019, the company effected a capital reduction which reduced the share premium account by £10,000,000 with an equal amount credited to the profit and loss account.

Future developments

The directors envisage no change to the company's activities for the foreseeable future.

Key performance indicators

As a holding company, the company does not have any significant key performance indicators.

Principal risks and uncertainties

As a holding company, the principal risks and uncertainties are inextricably linked to the performance of its subsidiary entities and are disclosed therein.

This report was approved by the board and signed on its behalf on 17 February 2021.



N A Ogden
Director

Quaker Specialty Chemicals (UK) Limited

Directors' report for the period ended 31 December 2019

The directors present their report and the audited financial statements for the period from incorporation on 26 June 2019 to 31 December 2019.

Principal activity

The company's principal activity is that of an intermediate holding company.

Strategic report

The review of the business, key performance indicators and the principal risks and uncertainties are not shown in the directors' report as they are shown in the strategic report in accordance with section 414C (11) of the Companies Act 2006.

Dividends

A dividend of £2,200,927 was paid in the period. The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the period and up to the date of approval were:

M D Hall	(appointed on incorporation)
R T Traub	(appointed on incorporation)
N A Ogden	(appointed on 11 February 2021)

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of its directors.

Financial risk management

The overall objective of the Board is to set policies that seek to reduce risk as far as possible. Foreign exchange risk is mitigated by entering into financial instruments that are denominated in GBP. Credit risk is limited as the company's financial instrument counterparties are fellow Quaker Houghton group companies only. Liquidity and cash flow risk is managed by entering into long term loans.

Post balance sheet events and going concern

During 2020, the impact of the COVID-19 pandemic has been felt by the businesses that are owned by this company, but the subsidiaries all remained open and have not had to close for one day as a direct consequence of the pandemic. Whilst the delay in certain customers placing orders can be directly traced back to the effects of the pandemic in certain instances, it has not had the direct impact of a significant reduction in turnover throughout the whole of 2020 for any of the company's subsidiaries. As such, in considering the impact of this non adjusting post balance sheet event, the directors have concluded that there is no impact on the carrying values of assets as reported in these financial statements. In terms of the company's investment in its subsidiaries and recoverability of amounts due from subsidiaries, these are supported by the underlying assets combined with the current and expected future performance.

By remaining close to our customers and suppliers, and maintaining strict Health & Safety disciplines, we feel as though we are well-placed to withstand the effects of the pandemic, and the company, the UK group and the worldwide Quaker Houghton group have sufficient resources to continue to trade through these uncertain times. Based upon our detailed considerations, the directors have concluded that it remains appropriate to prepare these financial statements on a going concern basis.

Quaker Specialty Chemicals (UK) Limited

Annual report and financial statements for the period ended 31 December 2019

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 judgements and accounting estimates that are reasonable and prudent; 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 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

This report was approved by the board and signed on its behalf on 17 February 2021.



**N A Ogden
Director**

Quaker Specialty Chemicals (UK) Limited

Independent auditor's report

TO THE MEMBERS OF QUAKER SPECIALTY CHEMICALS (UK) LIMITED

Opinion

We have audited the financial statements of Quaker Specialty Chemicals (UK) Limited ("the Company") for the period ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Quaker Specialty Chemicals (UK) Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Andrew Mair (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Birmingham, UK - 17 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Quaker Specialty Chemicals (UK) Limited

Statement of comprehensive income for the period ended 31 December 2019

	Note	Period ended 31 December 2019 £'000
Interest payable and similar charges	3	(779)
Loss before taxation		(779)
Taxation on loss	6	-
Loss for the period		(779)
Other comprehensive income		-
Total comprehensive expense for the period		(779)

All amounts relate to continuing operations.

The notes form part of these financial statements.

Quaker Specialty Chemicals (UK) Limited

Balance sheet at 31 December 2019

Company number 12071471	Note	2019 £'000	2019 £'000
Fixed assets			
Investments	8		65,122
Current assets			
Debtors	9	33,615	
Creditors: amounts falling due within one year	10	(23,916)	
Net current assets			9,699
Total assets less current liabilities			74,821
Creditors: amounts falling due after more than one year	11		(34,578)
Net assets			40,243
Capital and reserves			
Called up share capital	12		-
Share premium account			33,223
Profit and loss account			7,020
Equity shareholders' funds			40,243

The financial statements were approved by the Board of Directors and authorised for issue on 17 February 2021.



N A Ogden
Director

The notes form part of these financial statements.

Quaker Specialty Chemicals (UK) Limited

Statement of changes in equity for the period ended 31 December 2019

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Comprehensive expense for the period				
Loss for the period	-	-	(779)	(779)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the period	-	-	(779)	(779)
	<hr/>	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners				
Shares issued for the period (note 12)	-	43,223	-	43,223
Capital reduction	-	(10,000)	10,000	-
Dividends paid (note 8)	-	-	(2,201)	(2,201)
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	33,223	7,799	41,022
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	33,223	7,020	40,243
	<hr/>	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements.

Quaker Specialty Chemicals (UK) Limited

Notes forming part of the financial statements for the period ended 31 December 2019

1 Accounting policies

Quaker Specialty Chemicals (UK) Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors report.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The company was incorporated on 26 June 2019 and these financial statements are for the period from incorporation to 31 December 2019.

The financial statements are presented in Pound Sterling in round thousands (£'000).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Quaker Chemical Corporation as at 31 December 2019 and these financial statements may be obtained from Quaker Chemical Corporation, One Quaker Park, 901 E. Hector Street, Conshohocken, PA 19428, USA.

Consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006. As such, the financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent of a group.

Quaker Specialty Chemicals (UK) Limited

Notes forming part of the financial statements for the period ended 31 December 2019 *(continued)*

1 Accounting policies *(continued)*

Post balance sheet events and going concern

During 2020, the impact of the COVID-19 pandemic has been felt by the businesses that are owned by this company, but the subsidiaries all remained open and have not had to close for one day as a direct consequence of the pandemic. Whilst the delay in certain customers placing orders can be directly traced back to the effects of the pandemic in certain instances, it has not had the direct impact of a significant reduction in turnover throughout the whole of 2020 for any of the company's subsidiaries. As such, in considering the impact of this non adjusting post balance sheet event, the directors have concluded that there is no impact on the carrying values of assets as reported in these financial statements. In terms of the company's investment in its subsidiaries and recoverability of amounts due from subsidiaries, these are supported by the underlying assets combined with the current and expected future performance.

By remaining close to our customers and suppliers, and maintaining strict Health & Safety disciplines, we feel as though we are well-placed to withstand the effects of the pandemic, and the company, the UK group and the worldwide Quaker Houghton group have sufficient resources to continue to trade through these uncertain times. Based upon our detailed considerations, the directors have concluded that it remains appropriate to prepare these financial statements on a going concern basis.

Investments

Investments in subsidiaries are measured at cost less any provision for impairment.

Investments in subsidiaries are assessed at each reporting date to determine whether there is an indication that the assets are impaired. Where there is an indication that an asset may be impaired, the carrying value of the investments is tested for impairment. An impairment loss is recognised equal to the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs to sell and value in use. Value in use is calculated by estimating future cash inflows and outflows of the investment business and then discounted using an appropriate discount rate.

Financial assets

Financial assets are stated initially at transaction price (including transaction costs), then measured at amortised cost less allowances for provisions.

Provisions for impairments are recognised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, other than those arrangements which, in effect, constitute a financing transaction, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Where an arrangement constitutes a financing transaction, the financial liabilities are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition adjusted for transaction costs.

Quaker Specialty Chemicals (UK) Limited

Notes forming part of the financial statements for the period ended 31 December 2019 (*continued*)

1 Accounting policies (*continued*)

Foreign currency translation

Foreign currency transactions are translated into the company's functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'interest receivable and similar income / interest payable and similar charges'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'administrative expenses'.

Taxation

The tax expense/credit for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that the charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- a) The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- b) Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Capital and reserves

Share capital - the nominal value of allotted, called up and fully paid up ordinary share capital.

Share premium account - includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account - this represents the cumulative net gains and losses and transactions with owners (e.g. dividends).

Quaker Specialty Chemicals (UK) Limited

Notes forming part of the financial statements for the period ended 31 December 2019 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- a) Considered whether there are indicators of impairment of the company's investments and receivables. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Key sources of estimation uncertainty:

a) Investments (note 8)

The company carries its investments in subsidiaries at cost less any provision for impairment and there are significant estimates, assumptions and judgements in determining the carrying value of these investments. The company considers the nature, facts and circumstance to determine the recoverable amount. Changes in these underlying assumptions and events occurring after the year-end could have a significant impact on the carrying value of these assets. No impairments have been recognised in the period.

b) Debtors recoverability (note 9)

At each reporting date, debtors are assessed for recoverability. If there is any evidence of impairment the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income. No impairments have been recognised in the period.

3 Interest payable and similar charges

	Period ended 31 December 2019 £'000
Interest payable on loans owed to group undertakings	779

4 Auditor's remuneration

Audit fees payable for the audit of the company's annual accounts were borne by other companies within the ultimate parent group. The fee applicable to this company was £8,000.

5 Employees

The company has no employees other than the directors, who did not receive any remuneration.

Directors' emoluments were borne by other companies within the ultimate parent group. It has not been possible to apportion directors' emoluments between the individual subsidiaries.

Quaker Specialty Chemicals (UK) Limited

Notes forming part of the financial statements
for the period ended 31 December 2019 *(continued)*

6 Taxation on loss

	Period ended 31 December 2019 £'000
Total current tax charge	-
Total deferred tax	-
	<hr/>
Taxation on loss	-
	<hr/>

Factors affecting tax charge for the period

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 31 December 2019 £'000
Loss before tax	(779)
	<hr/>
Loss at the standard rate of corporation tax in the UK of 19%	(148)
Effects of:	
Tax losses carried forward for which no deferred tax asset has been recognised	148
	<hr/>
Total tax charge for the year	-
	<hr/>

Factors that may affect future tax charges

The Finance Act 2016, enacted on 15 September 2016, reduced the main rate of Corporation tax to 17% for the year commencing 1 April 2020 and this is the applicable rate for the calculation of any deferred tax asset or liability at the balance sheet date.

A resolution to retain the Corporation tax rate from 1 April 2020 at 19% was passed on 17 March 2020 and was enacted from this date.

The company has carried forward losses of £779,000 for which there is a potential deferred tax asset of £148,000. The potential deferred tax asset has not been recognised due to uncertainty over the timing of the utilisation of the losses.

Quaker Specialty Chemicals (UK) Limited

Notes forming part of the financial statements
for the period ended 31 December 2019 (*continued*)

7 Dividends

	Period ended 31 December 2019 £'000
Ordinary shares	
Interim paid of £21,577.72 per share	2,201
	<hr/>

The directors do not recommend the payment of a final dividend.

8 Investments

	Investments in subsidiary companies £'000
Cost	
Additions	83,014
Disposals	(17,919)
	<hr/>
At 31 December 2019	65,122
	<hr/>

During the year, the company acquired the operating divisions of Norman Hay plc, a private UK company with a strong global presence that provides speciality chemicals, operating equipment, and services to industrial end markets.

Subsequent to the acquisition, a number of the subsidiaries acquired were transferred to fellow group companies. No gain or loss arose on the transfer of those subsidiaries.

Quaker Specialty Chemicals (UK) Limited

Notes forming part of the financial statements
for the period ended 31 December 2019 (continued)

8 Investments (continued)

The undertakings in which the company's interest at the year end is 20% or more are as follows:

Name	Country of incorporation	% of ord. shares	Registered office
Surface Technology (Holdings) Limited	UK	100%	42 Sayer Drive, Lyons Park, Coventry, CV5 9PF.
Surface Technology (Aberdeen) Limited *	UK	100%	42 Sayer Drive, Lyons Park, Coventry, CV5 9PF.
Surface Technology (Australia) Pty Limited *	Australia	100%	BDO (WA) Pty Ltd, 38 Station Street, Subiaco, WA, 6008.
Surface Technology (Leeds) Limited *	UK	100%	42 Sayer Drive, Lyons Park, Coventry, CV5 9PF.
Norman Hay Engineering Limited	UK	100%	42 Sayer Drive, Lyons Park, Coventry, CV5 9PF.
Ultraseal International Group Limited	UK	100%	42 Sayer Drive, Lyons Park, Coventry, CV5 9PF.
MX Systems International Limited *	UK	100%	42 Sayer Drive, Lyons Park, Coventry, CV5 9PF.
Ultraseal Asia Limited *	BVI	100%	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, The British Virgin Islands.
Ultraseal Shanghai Limited *	China	100%	1999 Jia An Gong Lu, Jiading District, Shanghai 201821.
Ultraseal Chongqing Limited *	China	100%	6 Feng Dian Road, Degan Industrial Road, Jiang Jin District, Chongqing.
Ultraseal Machinery Limited *	China	100%	Kengkou Industrial Zone, Chashan Town, Dongguan City.
Ultraseal India (PVT) Limited *	India	30%	43/1 Block D-11, MIDC, Telco Road, Chinchwad, Pune, 411 019, India.
Surface Technology (East Kilbride) Limited	UK	100%	42 Sayer Drive, Lyons Park, Coventry, CV5 9PF.
Surface Technology (Coventry) Limited *	UK	100%	42 Sayer Drive, Lyons Park, Coventry, CV5 9PF.

* denotes subsidiary indirectly held

For all undertakings listed above, the location is the same as the country of incorporation or registration.

Quaker Specialty Chemicals (UK) Limited

Notes forming part of the financial statements
for the period ended 31 December 2019 (*continued*)

9 Debtors	2019 £'000
Amounts owed by group undertakings	33,615
	<hr/>
10 Creditors: amounts falling due within one year	2019 £'000
Amounts owed to group undertakings	21,156
Other creditors	2,538
Accruals	222
	<hr/>
	23,916
	<hr/>
11 Creditors: amounts falling due after more than one year	2019 £'000
Loans owed to group undertakings	34,578
	<hr/>

The loans issued during the period and owed to group undertakings are as follows:

£32,505,108 in respect of a promisory note issued on 1 October 2019 which matures on 30 September 2027, with the amount repayable being £49,778,806. The loan note is denominated in GBP, is unsecured and the difference between the amount repayable and the monies received is being accrued at an effective interest rate of 5%.

A loan of £2,072,835, drawn on 1 October 2019 and wholly repayable on 1 October 2026. The loan is denominated in GBP, is unsecured and attracts interest at 5% per annum.

A further promisory note was also drawn down on 1 October 2019, with cash received of £17,790,505, but was settled prior to the period end. The effective interest rate was 5% per annum.

Quaker Specialty Chemicals (UK) Limited

Notes forming part of the financial statements
for the period ended 31 December 2019 (*continued*)

12 Share capital

	2019 £
Allotted, called up and fully paid	
102 ordinary shares of £1 each	102

100 ordinary shares were issued on incorporation at par value.

On 1 October 2019, a further 2 ordinary £1 shares were issued for consideration of £43,223,326 resulting in a credit to the share premium account of £43,223,324.

On 31 December 2019, the company effected a capital reduction which reduced the share premium account by £10,000,000 with an equal amount credited to the profit and loss account.

13 Related party transactions

The company is a wholly owned subsidiary of Quaker Chemical Corporation. The company has taken advantage of the exemption conferred by FRS 102 'Related party disclosures' not to disclose transactions with Quaker Chemical Corporation or other wholly owned subsidiaries within the group.

There were no other related party transactions during the year.

14 Ultimate parent company

The immediate and ultimate parent company is Quaker Chemical Corporation, a company incorporated in the USA. There is no one ultimate controlling party.